



## The Academic Research Institute in Iraq Gift Acceptance Policy

### INTRODUCTION

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The Academic Research Institute in Iraq (TARII) seeks outright gifts and future gift commitments that are consistent with its mission, support its current programs, and enable it to expand its activities and meet future needs and opportunities.

The goal of this policy is to encourage funding and support of TARII without encumbering TARII with gifts that may prove to generate more cost than benefit, or which are restricted in a manner which is not in keeping with the goals of TARII.

To protect the interests of TARII and of the persons and other entities that support its programs, this policy is designed to assure that all gifts to, or for the use of, TARII are structured to provide maximum benefits to both parties.

TARII generally will accept donations from individuals, corporations, foundations, government agencies, and other entities without limitations, unless acceptance of gifts from a particular source would be incompatible with TARII's mission and vision. TARII will not accept support from any company or organization that produces products or services that may be considered harmful to any of TARII's constituencies or that, in the judgment of TARII Board, exploits any TARII constituency.

While TARII will agree in appropriate circumstances to keep the identity of a donor anonymous, and/or to announce a donation to the public as an anonymous gift, TARII will not accept a gift from a donor who is completely unknown to TARII and must insist on the disclosure to a TARII representative of the identity of the ultimate donor where the gift is made by an intermediary of any type.

To optimize support from individuals and other entities, TARII must be capable of responding quickly, and in the affirmative whenever possible, to all gifts offered by prospective donors. It is understood that except where stated otherwise, these policies are intended as guidelines, and that flexibility must be maintained, since some gift situations can be complex and decisions made only after careful consideration of all factors. Therefore, these policies will in some instances require that the merits of a particular gift be considered by the TARII Board and a final decision be made only by that body.

### DONOR INFORMATION

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Donors will be encouraged to support TARII with unrestricted donations to support TARII's overall mission and activities and with donations to TARII's unrestricted endowment fund, unless it is clear that the donor will contribute only to a specific TARII project or fund.

When TARIJ accepts gifts with donor restrictions, such restrictions will be honored (see Restrictions section below). These restrictions must be detailed in the donor's gift or pledge commitment or transmittal letter and accepted by TARIJ Board. All such restrictions will be entered into TARIJ's database; a hard copy of the donor's donation or commitment/transmittal letter, as well as TARIJ's response, will be kept in the donor file.

TARIJ will make available to donors a selection of naming opportunities and commemorative (in honor, in memory, etc.) gift opportunities. Such means of recognition represent a tangible way to demonstrate TARIJ's gratitude and the donor's interest in TARIJ's activities.

Donors' names will be recognized as the donors wish in commonly accepted ways (e.g., by name of donor, person to be honored or memorialized, family, corporation, family foundation, etc., or Anonymous) and will be recognized in various ways (e.g., in TARIJ public venues such as the website, donor wall, etc. or at higher levels with a named physical area within the TARIJ facility, named fund, named staff position, etc. – see *TARIJ Donor Recognition Matrix* for details). Any non-standard naming request (i.e., not the name of a donor, person to be honored or memorialized, family, corporation, family foundation, etc., or Anonymous) must be approved by the TARIJ Board. Except for donor name or recognition, all other donor information will be private and confidential, unless requested otherwise by the donor in writing.

## **OUTRIGHT GIFTS**

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### **Cash, Checks, and Credit Cards**

1. TARIJ actively encourages gifts through cash, checks, and credit card donations. TARIJ will accept gifts in the form of cash, checks, and credit card donations regardless of amount unless, as in the case of all gifts, there is a question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds as a gift to TARIJ.
2. All checks must be made payable to TARIJ and shall in no event be made payable to an employee, agent, or volunteer for the credit of TARIJ.

### **Publicly Traded Securities**

1. TARIJ will accept securities which are traded on the New York or American Stock Exchange, Toronto Stock Exchange, London Stock Exchange, Shanghai Stock Exchange, Hong Kong Stock Exchange, or any other internationally recognized stock exchange.
2. TARIJ's standard policy will be to sell such securities immediately, no later than one business day following receipt of the security. In no event shall an employee or volunteer working on behalf of TARIJ commit to a donor that TARIJ will hold a particular security, unless authorized to do so by an officer of TARIJ in writing.

### **Closely Held Securities**

1. TARIJ will accept non-publicly traded securities only after approval of the TARIJ Board. The Board may require extensive information about a company before accepting a gift of closely held securities, in order to determine the responsibilities and risks which TARIJ may face in accepting the gift.

2. Such securities may be subsequently disposed of only with the approval of TARI Board.

### **Real Property**

1. TARI will not accept any gift of real estate without prior approval of the TARI Board.
2. TARI will not accept any gift of real estate without it first being appraised by a party chosen by TARI that shall have no business or other relationship to the donor.
3. In general, TARI will accept residential real estate located within the United States with an appraised value of \$100,000 or greater, unless the TARI Board shall determine in its sole discretion that the property is not suitable for acceptance as a gift. For real estate located within the United States, TARI must also receive proof of compliance with Section 106 of the National Historic Preservation Act of 1966 (Public Law 89-665 and amendments thereto; 16 U.S.C. 470 et seq.).
4. In general, TARI will not accept residential real estate located outside the United States as a gift unless it appears to have a value in excess of \$1 million and there is reason to believe it is highly marketable. The TARI Board may make exceptions to this policy at its sole discretion.
5. No commercial real estate shall be accepted by anyone on behalf of TARI without prior approval of the TARI Board. For all gifts of commercial real estate, TARI must receive an Environmental Impact Survey attesting that the property is free from environmental hazards. If the TARI Board so determines, such a report may be required prior to accepting other types of real estate as well.
6. In general, all real estate accepted by TARI will be sold at Fair Market Value at the earliest possible occasion.
7. TARI will not accept real estate to fund a deferred gift (see Deferred or Legacy-type Gifts section below) without seeking an opinion as to the permissibility of this action under applicable laws and approval by the TARI Board.
8. Special attention shall be given to the receipt of real estate encumbered by a mortgage or other liens, as the ownership of such property may give rise to unrelated business income for TARI and disqualification of certain split interest gifts, unless handled in a proper manner.

### **Tangible Personal Property**

1. TARIJ will accept personal property (e.g., works of art, library collections, etc.) on a case-by-case basis. Such property can only be accepted by the TARIJ Board, Executive Director, or such other person or persons expressly authorized to do so by the TARIJ Board.
2. TARIJ will not accept personal property that obligates TARIJ to ownership of its use in perpetuity. TARIJ will not accept perishable property or property requiring special facilities or security to properly safeguard without prior approval of the TARIJ Board.
3. Only the TARIJ Board or persons authorized by the TARIJ Board to do so may represent to a donor that property will or will not be held by TARIJ for a stated period of time or for purposes related to TARIJ's tax-exempt status. Donors may be notified at the time of donation that TARIJ will, as a matter of policy, cooperate fully in all matters related to investigations of non-cash charitable gifts by the IRS or other appropriate agencies.

### **Other Property**

1. TARIJ will accept other property of any description including copyrights, royalties, notes, or easements, whether real or personal, only by action of the TARIJ Board or persons duly authorized to act on its behalf.
2. TARIJ encourages in-kind gifts of equipment, software, materials, or services that support its mission. Donors of in-kind gifts will be asked to complete an in-kind gift form that includes the name of the donor, a description of the gift, the donor's estimation of the approximate Fair Market Value of the gift, and permission for TARIJ to acknowledge the gift publicly. Once accepted, the donated items become the property of TARIJ, which retains the right to dispose of the items as it sees fit, unless TARIJ has agreed on other arrangements with the donor.
3. In general, TARIJ will not accept a gift of any real or tangible property with an understanding that TARIJ shall retain the same; as a matter of policy, unless the gift is of equipment, books, or some other tangible property which TARIJ needs, TARIJ will promptly sell any non-cash property which is donated to TARIJ.

### **DEFERRED OR LEGACY-TYPE GIFTS**

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#### **Bequests**

1. TARIJ actively encourages gifts through wills (bequests).
2. In the event of inquiry by a prospective legator, representations as to the future acceptability of real or tangible property proposed to be donated to TARIJ in a will or other deferred gift shall be made only in accordance with the terms and provisions of this document.
3. Gifts from the estates of deceased donors consisting of property which is not acceptable may be rejected only by action of the TARIJ Board. TARIJ or its legal counsel shall expeditiously communicate the decision of the TARIJ Board to the legal representative of the estate. If there is any indication that the representatives of the estate or any family member of the deceased are dissatisfied with the decision of the TARIJ Board, this fact shall be communicated to the TARIJ Board or to the appropriate member of the TARIJ staff as quickly as possible.
4. Attempts shall be made to discover bequest expectancies in advance, wherever possible, in order to avoid situations which might lead to unpleasant donor relations when the bequest is

realized. Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the TARI Board and every attempt made to encourage the donor involved to conform his or her plans to TARI policy.

### **Charitable Remainder Trusts**

1. TARI will encourage charitable remainder trusts and other deferred gifts as a method of supporting TARI while retaining income for the donor or his/her designee. TARI will not market such trusts as tax avoidance devices or as investment vehicles, as such activity may violate federal and/or state/province securities regulations.
2. In general, TARI will not serve as sole trustee of a charitable remainder trust for the benefit of TARI. This policy may be waived only by a written resolution of the TARI Board.
3. No charitable remainder trust for which TARI serves as co-trustee shall be encouraged which names as income beneficiaries individuals under 55 years of age or which names more than two income beneficiaries. The minimum amount required to establish a charitable remainder trust for which TARI serves as sole or co-trustee is \$1 million.
4. The TARI Board may identify a number of corporate fiduciaries in which it has confidence. Only with the approval of the TARI Board may TARI recommend any corporate fiduciary to a donor.
5. The fees for management of a charitable remainder trust should be paid by the donor or the trust; TARI will defray such fees only upon approval of the TARI Board.
6. The TARI Board and other employees and volunteers acting on behalf of TARI should become familiar with the types of property typically accepted by corporate fiduciaries as suitable contributions to charitable remainder trusts, and employees or others acting on behalf of TARI shall not encourage donors to make gifts of any property to charitable remainder trusts which are not in keeping with such practices.
7. TARI employees or other persons acting on behalf of TARI shall make no representations as to the manner in which charitable remainder trust assets will be managed or invested by a corporate fiduciary who may be recommended by TARI, without the prior approval of such representation by the fiduciary.

### **Life Estate Gifts**

1. TARIJ does not encourage donors to make gifts to TARIJ of real property in which they maintain a life interest.
2. This policy is based on the fact that such transfers are often not in the best interest of the donor, and there is potential for negative publicity for TARIJ should a donor have a need to sell the property to generate funds, only to find that a relatively small portion of the proceeds would be available to the donor as owner of the life estate.
3. Such gifts may be accepted upon approval of the TARIJ Board in situations where the asset involved appears to be a minor portion of the donor's wealth and the Board is satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.

### **Gift of Life Insurance**

1. TARIJ will encourage donors to name TARIJ to receive all or a portion of the benefits of life insurance policies that they have purchased on their own lives.
2. TARIJ will not, however, as a matter of course agree to accept gifts from donors for the purpose of TARIJ's purchasing life insurance on the donor's life. Exceptions to this policy may be made only after researching relevant state/provincial laws to assure that TARIJ has a legally insurable interest.
3. No insurance products may be endorsed for use in funding gifts to TARIJ without the approval of the TARIJ Board.
4. In no event shall lists of TARIJ's donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or TARIJ. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject TARIJ to state/province insurance regulation should the activity be construed as involvement in the marketing of life insurance.

### **Other Deferred or Legacy-type Gifts**

1. At this time TARIJ does not plan to establish a pooled income fund or to apply for and be registered to issue Charitable Gift Annuities. If or when TARIJ does decide to engage in these opportunities, the TARIJ Board will establish appropriate gift acceptance policies to govern these types of activities.
2. The TARIJ Board may decide at some point in the future to work with a community foundation that is registered to issue Charitable Gift Annuities and to promote such annuities to its donors.

### **PAYMENT OF FEES RELATED TO GIFTS TO TARIJ**

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#### **Finder's Fees or Commissions**

1. TARIJ will not pay commissions or fees to any person as consideration for directing a gift to TARIJ. It is understood that such fees may or may not be legal and that in the case of irrevocable deferred gifts which involve management of assets, the payment of such fee may subject TARIJ and its management and Board to federal and state/province security regulation.

## **Professional Fees**

1. In general, TARIJ will encourage donors to pay all fees for professional services rendered in connection with the completion of a gift to TARIJ.
2. TARIJ may pay such fees only with prior written approval of the TARIJ Board and only following discussion with and approval by the donor.
3. Fees shall be reasonable and directly related to the completion of a gift. They shall be limited to appraisal fees by persons who are competent and qualified to appraise the property involved and who have no conflict of interest, legal fees for the preparation of documents, accounting fees incident to the transaction, and fees of "fee for service" financial planners. In the case of financial planners, such persons must aver in writing that they are compensated only through fees for services rendered and that they are not compensated for the sale of products to clients. This distinction is vital in avoiding the payment of commissions that could be construed as triggering securities regulation.
4. In the case of legal, accounting, and other professional fees, the TARIJ Board shall attempt to ascertain the reasonableness of these fees prior to payment. An hourly breakdown of time should be requested. In cases that appear excessive, the summary of fees shall be submitted to TARIJ's legal counsel for review and approval prior to payment.
5. In cases where the persons receiving fees were initially employed by the donor and TARIJ is asked to pay the fees involved, the donor shall be notified that the payment of such fees may result in taxable income to the donor in the amount of the fees paid.
6. In situations where advisors retained by TARIJ prepare documents or render advice in any form to TARIJ and/or a donor to TARIJ, it shall be disclosed to the donor that the professional involved is in the employ of TARIJ and is not acting on the behalf of the donor, and that any documents or other advice rendered in the course of the relationship between TARIJ and the donor should be reviewed by counsel for the donor prior to completion of the gift.

## **RESTRICTIONS**

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### **General Restrictions**

1. Except for gifts to established TARIJ funds and per the Fund Restrictions section below, no restrictions on how gifts may be used by TARIJ will be honored without prior approval of the TARIJ Board.
2. In the case of gifts received by bequest or other gifts which are effective at death and which have not been previously approved by the TARIJ Board, no restrictions on how these gifts may be used by TARIJ will be honored without approval by the TARIJ Board.

## **Fund Restrictions**

1. Donors may establish an **unrestricted** named fund (as a current or endowed fund) with a minimum gift or pledge of \$10,000 (pledges may be paid over a number of years or through a bequest).
2. TARIJ may use the corpus of unrestricted named current (not endowed) funds as the donation is received, for any Board-approved budgeted cost.
3. Unrestricted named endowed funds will not begin disbursing interest income until the principal reaches the minimum \$10,000 corpus. TARIJ may use the distributed interest income from the named endowed fund for any Board-approved budgeted cost.
4. Donors may establish a **restricted** named fund (as a current or endowed fund) with a minimum gift or pledge of \$25,000 (pledges may be paid over a number of years or through a bequest).
5. TARIJ must agree in writing to the restrictions of the proposed endowed fund, which should support TARIJ priority activities (e.g., the TARIJ Library, publications, excavations, fellowships, conservations, facility, etc.).
6. TARIJ may use the corpus of restricted named current (not endowed) funds as the donation is received, with the agreement of the donor.
7. Restricted named endowed funds will not begin disbursing interest income until the principal reaches the minimum \$25,000 corpus.
8. Named endowed funds that TARIJ currently holds will be grandfathered in, if they do not currently meet the \$10,000 or \$25,000 thresholds.

## **OTHER CONSIDERATIONS**

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1. All TARIJ Board members, staff (paid or unpaid), consultants (paid or unpaid), contract labor, volunteers, interns, and any other persons who may have access to donor information must recognize that this information is confidential. Under no circumstances may they share with others any donor information, except for information that TARIJ or the donor makes public.
2. To the best of its ability, TARIJ will try to consult the donor and obtain permission before any public listing of the donor's gift. TARIJ will respect any donor's desire for anonymity.
3. TARIJ will recognize in-kind contributions of products, services, equipment, furnishings, art, etc. based on the Fair Market Value of the gift and will recognize donors of such gifts according to the same guidelines it uses to recognize donors of cash gifts.
4. TARIJ may decide to employ additional opportunities for donations (e.g., online wish lists) after discussion and approval by the TARIJ Board or Executive Director.
5. TARIJ will follow current IRS gift substantiation guidelines for tax purposes when issuing acknowledgement letters/receipts for donations.
6. TARIJ will enter all gifts into TARIJ's database (noting any restrictions by the donor for use) and acknowledge donations directly to the donor as soon as possible, given international mailing considerations.



7. Donors with named funds shall receive an annual stewardship report on the value, uses, and impact of their fund.
8. For donors of legacy gifts (e.g., bequests), the families of legacy donors will be provided a report on the use of the funds, if appropriate.
9. TARI will recognize named funds within any TARI publication, printed or online, that discusses activities supported by the named or endowed fund.
10. TARI may also recognize donors at TARI events, in the press, etc., as appropriate, and based on the desires of the donors and TARI.