

Policy owner	Development Team, MII
Sign-off level	Board of Directors
Sign-off date	July 8, 2022
Review date	Annually
Training required?	No.

MATERIAL INNOVATION INITIATIVE GIFT ACCEPTANCE AND ADMINISTRATION POLICY

Material Innovation Institute (d/b/a Material Innovation Initiative, hereinafter “MII”) solicits and accepts gifts for purposes that will help further and fulfill our mission. We urge prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

The following policies and guidelines govern the acceptance of gifts made to MII.

Acceptance of any contribution, gift or grant is at the discretion of MII. MII will not accept any gift unless it was given and can be used or expended consistently with the purpose and mission of MII.8

Use of Legal Counsel

MII will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. We will consider review by counsel when we are offered:

- 1) Gifts of securities that are subject to restrictions or buy-sell agreements
- 2) Documents naming MII as trustee or requiring us to act in any fiduciary capacity
- 3) Gifts requiring MII to assume financial or other obligations
- 4) Transactions with potential conflicts of interest
- 5) Gifts of property which may be subject to environmental or other regulatory restrictions.

Restrictions on Gifts

MII will not accept gifts that:

- 1) would result in a violation of our corporate charter,
- 2) would result in losing status as an IRC § 501(c)(3) nonprofit organization,
- 3) are too difficult or too expensive to administer in relation to their value,
- 4) would result in any unacceptable consequences for us, or
- 5) are for purposes outside our mission.

Furthermore, gifts donated by an individual who is known to hold antithetical values to MII’s mission will be reviewed by the Board of Directors. Likewise, a gift given by an entity that deals in, sells, or is

associated with a service or product antithetical to MII's mission and values will be reviewed by the Board of Directors. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board of Directors.

Gifts generally accepted without review, or with minimal review

Cash: Cash gifts are acceptable in any form, including by check, money order, credit card, or online. Donors wishing to make a gift by credit card must provide the card type (e.g., Visa, MasterCard, American Express), card number, expiration date, CVV/CVC, and name of the card holder as it appears on the credit card as well as associated address. MII shall not be responsible for processing credit card donations and these must be entered by the donor or the donor's agent through the online credit card donation portal, as per credit card processor regulations. In no event shall a check be made payable to an individual who represents MII.

Any cash gift will be subject to review for the source of funds, in line with MII's Anti-Money Laundering Policy. Any questionable source of funding will be reviewed by the Board of Directors, who may choose to reject the donation at their discretion, and the gift(s) may be reported to the correct authorities.

Any gift of physical currency of more than \$1,000 shall be accompanied by a note from the donor including their full name, address, and a statement of gift. If such supporting documentation is not available from the donor, the Board of Directors shall review the source of the funds and how they came to be within MII's control. The Board of Directors may choose to reject the donation at their discretion.

Marketable securities: Stock or bond shares may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt unless the Board of Directors has a compelling reason to delay the sale and this reason is voted upon and noted in the official Board Book. The value of the gift for donor tax purposes will only note the stock company, number of share units donated, and the average of the high and low selling prices on the date of transfer. MII will not provide a value, including the cash value MII receives after sale, under any circumstances to the donor. Notwithstanding anything in this paragraph, MII may, from time to time, state the internal cash value of such a gift on a donor's tax receipt and/or acknowledgment by stating "for internal accounting purposes only, this gift has been assigned a value of..." for informational purposes only. The cash actually received by MII will be entered into our accounts.

Cryptocurrencies: Gifts of cryptocurrencies, such as Bitcoin, may be transferred to an electronic wallet set up by MII, if applicable. All gifts of cryptocurrencies will be sold on a verified cryptocurrency exchange or third-party processor immediately unless the Board of Directors has a compelling reason to delay the sale and this reason is voted upon and noted in the official Board Book. The Board of Directors will be informed of the tax liability of maintaining the cryptocurrency before their decision is reached. For donations over \$5,000.00 in cryptocurrencies, the donor must provide MII with a signed 8283 IRS Form and/or MII may use a processing vendor which arranges for a market value receipt for the donor.

Bequests and beneficiary designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities, and Retirement Plans: Donors are encouraged to make bequests to MII under their wills, and to name MII as the beneficiary under trusts, life insurance policies, commercial annuities, and retirement plans.

Because these gifts are generally revocable, their donors may be acknowledged in MII's annual reports if applicable, but their gifts will not be entered into our accounts as received or receivables until such time as the funds are actually contributed (upon the death of the donor and formal notification of probate, or lifetime distribution). They will therefore also not count toward any income goal.

We ask that these generous and thoughtful gifts not be restricted to any project or program, because future changes in direction or in how we deliver our services could make some restricted gifts unusable. If a donor still wishes to place restrictions on a bequest or other gift, we request that the donor discuss the matter with the Board President or other such designee before making a final decision.

Charitable Remainder Trusts. We will accept designation as a remainder beneficiary of charitable remainder trusts.

Charitable Lead Trusts. We will accept designation as an income beneficiary of charitable lead trusts.

The Board of Directors at all times reserves the right to review any and all gifts to MII and perform due diligence on any such gift. The Board reserves the right to reject any gift it does not feel is in the best interest of MII for any reason.

Gifts accepted subject to prior review: Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

Tangible Personal Property: The Board of Directors or its designated committee, in conjunction with the President, shall review and determine whether to accept any gift of tangible personal property in light of the following considerations: does the property further the organization's mission? Is the property marketable? Are there any unacceptable restrictions imposed on the property? Are there any carrying costs for the property for which MII may be responsible? Is the title/provenance of the property clear?

Should MII, in principle and always on an individual basis, agree to accept any such gift, those valued under \$5,000 may be valued by the donor without a qualified appraisal. However, donors must provide a qualified written appraisal for gifts of property exceeding \$5,000. The donor is responsible for obtaining the appraisal from a *bona fide* appraiser as it is the donor's responsibility to report the value of the contribution to the Internal Revenue Service. The donor must include the appraisal with the required Form 8283, which MII must sign. In signing the form, we verify that we have received the property and agree to file Form 8283 if we sell or dispose of the property.

Life Insurance: MII will accept transfers of life insurance where we are named as both beneficiary and irrevocable owner of 100% of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy. MII will count only the face value of the policy toward any campaign goal; the cash-surrender value, the premium amount, and the amount that the donor can claim as an income tax deduction may be different numbers. Decisions to accept life insurance policies will be made on an individual basis.

Real estate: All gifts of real estate are subject to review by the Board of Directors. Criteria for acceptance of gifts of real estate include: Is the property useful for the organization's purposes? Is the property readily marketable? Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property? Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property? Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

Endowed gifts¹: Donors wishing to make gifts restricted to an endowment should discuss their intentions with the Board President before making a decision. They should also discuss any other type of restricted endowed funds with the Board President. The Board of Directors will decide in each case whether to accept the restriction.

In-kind gifts: MII welcomes in-kind gifts of services, supplies, equipment, and professional services as needed. These gifts are counted at their full fair-market value as established by the donor and agreed upon by MII. Each proposed in-kind donation of \$10,000 or more should be discussed with the Board President or designee before it is formally made. We are not allowed by law to offer a statement as to these gifts' qualification for tax deductibility but we may acknowledge them in our annual report, if applicable, among gifts of similar value.

Corporate gifts: The Board of Directors of MII will review any gifts from corporations to ensure the gift will not injure the reputation or standing of MII or generate such controversy as to substantially frustrate and defeat the purpose to be served.

Restricted funds: MII will respect the intent of the donor relating to gifts for restricted purposes and those relating to the desire to remain anonymous. With respect to anonymous gifts, MII will restrict information about the donor to only those staff members with a need to know. However, the Board of Directors of MII recognizes it will need to perform due diligence for any gift of a substantial amount (\$5,000 or more) and will carry out due diligence checks without revealing the donor's identity beyond those of its directors, officers, and employees with a genuine need to know and will reveal such details on the annual 990 tax filing non-disclosure copy. If, after proper due diligence search, the Board of Directors is unable to discover the identity of an anonymous donor, it will make note of the searches performed and keep such searches in its records and held in accordance with our Document Retention Policy.

Regarding restricted gifts from institutional funders, the funds will be recorded as such in the organization's bookkeeping and used in accordance with any gift acceptance agreement. The acceptance of restricted funding is subject to the Board of Director's discretion and any restricted acceptance shall

¹ This will require a separate endowment policy.

be restricted in a way to further the organization's mission.

For gifts from individuals which are unrestricted but come with suggested uses, the Board of Directors will take into consideration the donor's wishes, although the Board is not obliged to use the donation in that way.

Similarly, MII will not accept any gift that is given by a donor which is earmarked for use abroad. In no way will MII act as a mere conduit of funds. MII's Board of Directors will at all times maintain independence and discretion in how to use the organization's funds.

Pledging policy: Pledges will be made payable, at maximum, over 3 (three) years unless otherwise agreed with the Board of Directors. The total amount of the pledge will be the basis for calculating any donor benefits such as listings and naming rights and may be acknowledged in the annual report and other communications as permitted by the donor.

Pledges must be made on signed pledge forms or other legally binding documentation in order to be counted in any applicable gift tally. Pledge commitments are binding, including upon the donor's estate should the donor die before completing the payment.

Verbal pledges or intentions to give through donor-advised funds are counted as "soft commitments" and are not added to a ledger of legally committed gifts.

Donor recognition and acknowledgment: MII will provide acknowledgments to donors meeting IRS substantiation requirements for property received by the nonprofit as a gift. However, except for gifts of cash, no value shall be ascribed to any receipt or other form of substantiation of a gift received by MII. Publicly traded securities will be acknowledged as listed above. MII may choose to list the value for internal accounting purposes for information only.

The wording and placement of donor recognition lists, plaques, and sponsorships will be decided upon in consultation with each donor, with the ultimate decision about whether to accept a gift or wording lying with the Board of Directors or its Committee.

Recognition of gifts will be for the total amount pledged, even if the gift is being paid in installments.

MII may provide other ways to thank donors, including (always with donor permission) listing in the annual report (hard copy and/or online and if applicable); media coverage for particularly large gifts; and sponsorship listings in gala or other celebratory events.

Tax/legal advice: MII will refrain from providing advice about the tax or other treatment of gifts and will encourage donors to seek guidance from their own professional advisors, including attorneys, to assist them in the process of making their gift.

Compensation for donations: MII will not compensate, whether through commissions, finders' fees, or other means, any third party for directing a gift or a donor to MII.

Gift acceptance policy: MII will make this gift acceptance policy available to any donor upon request.

Material Innovation Initiative is a member of the Association of Fundraising Professionals (AFP) and subscribes to the principles of ethical fundraising. MII utilizes AFP's Donor Bill of Rights, as reproduced below (with AFP's permission). We also subscribe to [AFP's Code of Ethical Standards](#)² and AFP's [International Statement of Ethical Principles in Fundraising](#); MII has received permission to include and reproduce both in our materials³.

Material Innovation Initiative Donor Bill of Rights

The Donor Bill of Rights was created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Nonprofits. It has been endorsed by numerous organizations. Adopted 1964, Association of Fundraising Professionals (AFP), Copyright AFP, all rights reserved. Reprinted with permission from the Association of Fundraising Professionals.

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Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

- I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- III. To have access to the organization's most recent financial statements.
- IV. To be assured their gifts will be used for the purposes for which they were given.
- V. To receive appropriate acknowledgement and recognition.
- VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

² To access AFP's Code of Ethical Standards in Spanish, please visit [here](#). To access this document in French, please visit [here](#).

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IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

