

# **GRAND RAPIDS ART MUSEUM DONOR SUPPORT POLICIES AND GUIDELINES**

## **GENERAL PRINCIPLES**

### **Loyalty to Mission**

The Grand Rapids Art Museum the “Art Museum” seeks outright gifts and future gift commitments that are consistent with its mission. Donations generally will be accepted from individuals, partnerships, corporations, organizations, government agencies or other entities without limitations – unless acceptance of gifts from a specific source is inconsistent with the Art Museum’s beliefs, values and mission.

### **Content Control and Integrity**

The Art Museum recognizes and encourages collaborations with a variety of stakeholders including national, regional, and local funders and cultural organizations. The Art Museum will carefully examine and control the content and integrity of programs, exhibitions, and activities essential to its public trust responsibility.

### **Avoidance of Conflict of Interest**

Where conflict of interest – actual, potential, or perceived – arise, the duty of loyalty to the Art Museum and its mission must always be honored. The Board of Trustees and staff must ensure that no individual benefits at the expense of the Art Museum’s mission, reputation, or the community it serves.

### **Transparency**

The Art Museum will take reasonable steps to make its actions open, available, and understandable to the public, especially where a lack of such transparency may reasonably lead to the appearance of a conflict of interest or inappropriate involvement.

## Donor Bill of Rights

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:

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 purpose.

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

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.

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

To have access to the organization's most recent financial statements.

To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

To be assured their gifts will be used for the purposes for which they were given.

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

To receive appropriate acknowledgment and recognition.

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

Developed by: American Association of Fundraising Counsel (AAFRC), Council for Advancement and Support of Education (CASE), Association of Fundraising Professionals (AFP).

## GUIDELINES ON DEVELOPING AND MANAGING DONOR SUPPORT

### A. DEFINING STATEMENT

The Art Museum is committed to the highest standards of ethical practice concerning donor support. The Art Museum's ability to fulfill its mission and serve its public depends largely on the resources it has available. By their philanthropy to the Art Museum, donors can reaffirm their commitment to the arts, and lifelong learning and create a stronger more civil society by making objects and information available.

The following policies address standard practices for donor relationships. For the purposes of these guidelines, "donor support" refers to cash, real property, or planned gifts from an individual, family, family foundation, or corporation regardless of the use of the support and/or the tax implications of the gift. Donations of objects to museum collections are governed by the Art Museum collections management policy and planned gifts are governed by planned giving policies and guidelines as adopted January 23, 2008.

## **B. STAFF AND BOARD RESPONSIBILITIES**

Art Museum staff, reporting directly to the Museum Director, shall perform the Donor Development Function, and shall establish benchmarks pursuant to the direction of the Executive Finance Committee. The Development Committee of the Art Museum Board of Trustees (“Development Committee”), working in collaboration with the Foundation Board of Trustees, shall provide advice and support to Art Museum staff with regard to (a) identification of prospects; (b) cultivation and solicitation of prospects; (c) donor recognition activities; (d) marketing and promotion of the program; (e) policies; and (f) guidelines regarding gift acceptance.

## **C. POTENTIAL CONFLICT OF INTEREST**

The Art Museum may provide information and other assistance to a donor, but shall exercise caution to avoid undue influence or pressure on a donor. The Art Museum cannot and will not give legal, tax or investment advice. The Art Museum shall encourage the donor to discuss the proposed gift with the legal and tax advisors of the donor’s choice and at the donor’s expense. In the event that the donor intends to use an advisor that is on the Foundation Board or the Museum Board, that advisor must advise the donor or prospective donor, as well as the Executive Finance Committee of the Museum Board of Trustees (“Executive Finance Committee”) and the Foundation Board of the potential conflict of interest. The donor may request that the advisor avoid participation in the decision-making process regarding that particular gift, and that request shall be honored.

Communications from representatives of the Art Museum must be accompanied by a written disclaimer that the Art Museum does not offer tax advice and a recommendation that the donor consult his/her own attorney and/or tax counsel at his or her own expense.

## **D. CONFIDENTIALITY**

All agreements with donors and all information concerning donors and prospective donors shall be held in strict confidence by the Art Museum and its advisors, subject to legally required requests for information from agencies and courts. All other requests for or releases of information will be honored only if permission is obtained from the donor prior to the disclosure or release.

## **E. GIFT-ACCEPTANCE POLICY AND PROCEDURE**

Donors are encouraged to support areas reflecting their interests. Grand Rapids Art Museum priorities include gifts for unrestricted, restricted and endowment purposes. All gifts must benefit the Art Museum. The Art Museum reserves the right to refuse any gifts that it believes is not in the best interest of organization.

The following factors shall guide the review of gifts:

1. Whether the purposes of the gift falls within the charitable purpose of the Art Museum.
2. Whether the gift places other assets of the Art Museum at risk or costs a disproportionate amount to maintain or manage.
3. Whether the gift can be converted to assets that fall within the organization's investment policy within a reasonable time.
4. The nature and duration of any restrictions. Unless otherwise specified by the donor in writing, all donations to the Art Museum will be accepted and used on an unrestricted basis. The Art Museum encourages donors to make unrestricted gifts because they provide the flexibility needed to support programming that may change over the course of time.
5. The Art Museum accepts restricted gifts to a predetermined selection of programs and activities. All other restricted gifts must be approved by the Art Museum Director and/or Executive Committee.
6. When gifts with restrictions are accepted, restrictions will be honored. These restrictions will be detailed in the donor's gift or pledge commitment letter.
7. Whether the gift can be administered pursuant to the donor's intent without any adverse consequences to the Art Museum.

Donors should complete and sign a gift or pledge agreement form detailing the purpose of the gift, payment schedule and how they wish their names to appear in donor-recognition materials.

No verbal pledges will be recognized as having been made. Either a signed pledge or letter of intent must be in possession before a pledge is recorded.

## **F. CURRENT GIFTS**

### **1. Cash**

Cash and checks shall be accepted regardless of amount unless, there is a question as to whether the donor has sufficient title to the asset or is legally competent to transfer the funds as a gift to the Art Museum.

All checks must be payable to “Grand Rapids Art Museum” and in no event be made payable to an employee, agent or volunteer for the credit of the Art Museum.

### **2. Publicly Traded Securities**

The Art Museum will accept stocks, bonds and other publicly traded securities with the understanding that they will be immediately sold upon receipt. A broker must determine the value of stocks and bonds, which is the mean between the high and low price on the date of the gift. The donor will be credited based upon the high and low average price on the date of transfer. The date of the gift will be calculated as: 1) the date the certificate is personally handed to a representative of the Art Museum, 2) the date on the certificate if changed to the name of the Art Museum or its designated fiscal; agent, or 3) the postmark date if mailed or the date and time of transfer if electronically transferred to an account at the Art Museum’s broker’s office.

### **3. Closely Held Securities**

Nonpublicly traded securities may be accepted upon the approval of the Executive Finance Committee of the Art Museum. Methods of immediate liquidation of the securities through redemption or sale will be identified before accepting the gift.

### **4. Real Estate**

Current or planned gifts of real estate will be accepted if the reasonably estimated net value justifies the costs of sale, administration and other expenses related to acceptance of the gift of real property. Evidence of clear title to the property must be provided by the donor. Property with multiple owners will be accepted if all owners of the property join in the gift. Real property that is encumbered by a mortgage or other lien will be accepted only in exceptional circumstances. In order to avoid potential liability for environmental cleanup of toxic or hazardous materials, the Art Museum will generally require the donor to provide appropriate inspection reports. In addition to the considerations listed above, commercial properties will be examined in relationship to the potential for exposure of the Art Museum to unrelated business taxable income.

Gifts of real estate will be reviewed by the Executive Finance Committee before acceptance.

### **5. Tangible Personal Property and Gifts-In-Kind**

Gifts of tangible personal property such as artwork and collections are covered by the Art Museum's collections management policy.

The Art Museum accepts gifts-in-kind that support its mission, are consistent with its policies and are properly accounted for and acknowledged.

A gift-in-kind is an item such as equipment, software or service that a donor voluntarily transfers to the Art Museum without charge or consideration.

Donors will be encouraged to complete a gift-in-kind form that includes the name of the donor, a description of the item(s), the retail value of the item(s) and permission to publicly recognize the donation.

Once accepted, the donated item(s) become the property of the Art Museum, which retains the right to dispose of a gift-in-kind as it sees fit, unless another arrangement has been made with the donor.

## **6. Other Property**

Other property of any description shall be accepted only by review on a case-by-case bases and approval by the Executive Finance Committee or its designated agent.

## **7. Endowments**

Endowments help provide funding for the Art Museum and its programs or services in perpetuity by only spending a percentage of the invested balance. Donors establish endowment funds during their lifetime to see the impact of their generosity.

The Grand Rapids Art Museum Foundation welcomes additional gifts to all existing endowment funds in any amount, as well as the creation of new named endowment funds with minimum gift amounts of \$50,000.

Named endowments established from \$50,000 to \$1 million and above generate annual disbursement funds at approximately 5% of the principal, which is protected in perpetuity.

Named endowments from \$50,000 - \$249,999 support museum education programs, scholarships, and internships for students. These named endowment funds are published annually to recognize and honor the legacy of donors.

Endowments from \$250,000-\$1 million and above may be established for a specific purpose identified with the donor name. The Museum works with donors individually to define and describe in writing the appropriate uses of the fund to reflect their perspective and ensure consistency in future years. The development office will arrange a personal meeting with the Museum Director and trustee to discuss donor preferences and naming possibilities. The endowment fund can be applied to the following categories.

**a. Operations**

(staff positions, museum technology and systems, aspects of building and grounds operation and care, security)

**b. Exhibitions**

(support of exhibitions in all areas of art history to the present)

**c. Publications**

(books, catalogues, brochures, newsletters, printed education materials for students and teachers)

**d. Art Acquisitions and Art Conservation**

**e. Education and Performance Programs**

(Kindergarten through seniors, special audiences, teachers, and outreach)

The Art Museum maintains the following endowed funds:

General Endowment Fund

The General Endowment Fund was established in 1991 and with discretionary use.

Named Endowment Funds

Exhibition Endowment Fund

Herbert G. Daverman Memorial Fund was established in 1991 by an estate gift from Herbert G. Daverman for architectural or design exhibitions.

Library Endowment Fund

Helen G. Bradford Fund was established in 1993 by an estate gift from Helen G. Bradford estate for the library.

Education Endowment Funds

Rosalie A. Drake Memorial Fund established in 1995 by an estate gift from Rosalie A. Drake for Children's programs.

National City Endowment Fund established in 2004 by National City Bank for concert series.

Constance Ryan Seeley Fund established in 2007 by Alan and Margaret Ryan in Memory of Constance Ryan Seeley for volunteer programs.

Art Acquisitions

Frey American Art Acquisition Fund was established in 1999 by David G. Frey for acquisition of American art.

## **8. Guidelines on Managing and Developing Business Support**

The Art Museum believes that it can best fulfill its mission through a broad base of support from various sources. However, to maintain its independence and objectivity, it seeks to identify any areas where there may be real or apparent conflicts of interest or where the mission, programs, projects and independence of the Art Museum could be compromised.

As part of expanding its base of support, the Art Museum accepts gifts from the corporate sector. The Art Museum recognizes that corporations, as profit-centered organizations, have obligations to their shareholders, boards and employees to be successful. The Art Museum also recognizes that companies support the nonprofit sector not only out of a desire to be helpful, but also with a hope of a return or benefit to the companies.

Given these realities and both legal and ethical considerations, the Art Museum accepts support from the corporate sector in ways that will benefit and recognize the supporting companies while enabling the Art Museum to better achieve its mission without compromising its principles.

### **a. Principles**

The Art Museum will solicit and accept support only for activities that are consistent with its mission.

The Art Museum will maintain complete control, consistent with any donor restrictions acceptable to the Art Museum, of all funds provided by corporations, organizations, and individuals.

The Art Museum will not accept any support that implies or requires endorsement of products.

Acknowledgements for corporate support will be limited to the companies' names, logos, or slogans that are an established part of the supporters' identities, trade names, addresses and telephone numbers.

Recognition of major corporate support has been developed in cooperation with the corporate donors and is consistent with the level of support and the Art Museum's mission and purposes. The Art Museum will continue to develop recognition opportunities that are appropriate and meaningful for both the supporting companies and the Art Museum. The Museum will not accept gifts from companies whose requests for public recognition are incompatible with our philosophy of appreciation.

The Art Museum's intangible assets, including its name and logo will be protected at all times. Donors will not be permitted to use the Grand Rapids Art Museum's name, logo, or other items for commercial purposes or in connection with the promotion of any product, without written permission of the Museum Director.

The Art Museum Board of Trustees and staff reserve the right to refuse any donation of cash or other real property, services, noncash gifts or any other forms of support if such support is not in keeping with the above principles or for other reasons that the Art Museum deems appropriate.

#### **G. ANONYMITY**

The Art Museum will accept anonymous gifts. The Museum will not accept requests for anonymity that conceal a conflict of interest, real or perceived, or raises other ethical concerns.

#### **H. UNCOLLECTIBLE PLEDGES**

The Art Museum recognizes that instances may arise when donors cannot or do not honor a pledge. In determining the enforceability of a pledge that is not honored, the Art Museum may consider:

1. The legal and accounting implications
2. The overall impact of the gift on the Art Museum
3. The Art Museum's history and previous relationship with the donor

#### **I. PROCEDURES TO TERMINATE AGREEMENT**

The Art Museum may consider a cancellation provision for donor gifts. Grounds for cancelling an agreement may include:

1. Engagement of an individual in an activity that is counter to the museum's policy, mission and good reputation.
2. Inability of either party to carry out its responsibilities as outlined in agreement due to unforeseen circumstances.

#### **References**

Ciconte, Barbara L. *Developing Fundraising Policies and Procedures*.  
(Association of Fundraising Professionals, 2007)