

Agawam Council Policy on the Acceptance of Gifts

Agawam Council (“Agawam”) is an organization that provides a group living experience for young people through its programs: Camp Agawam and Main Idea at Camp Agawam. The nurturing, safe environment and facilities permit a wide variety of sports and learning activities. The ultimate goal is to promote personal growth, character, development of optimum potential and responsibility, leadership skills, enhancement of self-esteem, and awareness of community, beauty, truth, fortitude, and love for everyone involved in the organization.

Agawam’s Board of Directors is charged with maximizing Agawam’s ability to perform its mission. Toward that end, Agawam’s Board of Directors have a fiduciary duty to reasonably assure that Agawam’s assets are employed efficiently and protected from potential liabilities and diversion to purposes other than those that will further Agawam’s goals.

In discharging that fiduciary duty, Agawam’s Board of Directors has approved this Policy on the Acceptance of Gifts (the “Policy”), which is intended both to help keep Agawam financially secure and to assure donors that their contributions to Agawam are used in accordance with their wishes and Agawam’s fundamental mission. This explicit statement of the Policy is intended as a guide to the responsibilities of both donors and Agawam in planning and completing charitable gifts by describing the circumstances under which Agawam can accept present and future interest gifts of different kinds.

General considerations affecting gifts of all kinds are described in Part One of the Policy; The different types of property Agawam can accept are described in Part Two of the Policy; and the various means by which gifts may be made are described in Part Three. We appreciate donors’ consideration of any gift to Agawam. We would be happy to provide a copy of this Policy to anyone with whom a donor consults in the course of considering a gift and to answer any questions regarding the application of this Policy. Please call Agawam’s Development Director at (207) 627-4780 if you have any questions or if you wish to discuss any aspect of this Policy.

PART 1: GENERAL POLICIES RELEVANT TO ALL GIFTS

1. Employment of Counsel. In some circumstances, it is prudent for Agawam to work with its own separate legal counsel in structuring gifts. Some of the instances in which Agawam expects to work with counsel are identified below.

Agawam encourages donors to consult their own legal and tax counsel as their needs may require, and we ask that all potential contributors to Agawam understand that counsel working with Agawam to structure a gift cannot also work with or represent the person making the gift. Agawam and its employees and agents are prohibited from advising donors about the tax consequences of their donations, so donors should seek advice on

the tax ramifications of any gift to Agawam from independent legal or tax advisors.

2. Acceptance Process. Some gifts to Agawam are more complex than others. In the cases of certain kinds of gifts, Agawam requires that Agawam's acceptance of the gift be approved by Agawam's Gift Acceptance Committee (the "Committee"), which includes the Chair of the Finance Committee, Chair of the Development Committee, Director, and Development Director, with consultation with other members of Agawam's Board of Directors depending on the nature of the gift. In the case of tangible personal property that is intended for programmatic or operational use by Agawam, acceptance of the gift must be recommended by the Development Director or Director in consultation with the Leadership Staff. The sorts of gifts that can only be accepted with the approval of the Committee are identified below. In any case where approval by the Committee is required, if the Committee is in doubt about whether the particular gift should be accepted, the matter may be referred to the Agawam's Board of Directors for its consideration. Gifts that do not need to be approved by the Committee may be accepted by the Development Director or Director on Agawam's behalf. Agawam reserves the right to refuse any gift.

3. Restricted Gifts. Like all charitable organizations, Agawam prefers gifts in general support of its goals to gifts for more limited purposes. Unrestricted support helps assure that Agawam will be able to respond to the needs and desires of the people it serves as those needs and desires change over time, in ways we cannot now foresee.

Agawam gratefully accepts gifts restricted to the following purposes: Camperships, Buildings, and Preservation. Campership recipients are selected each year by the Director and are subject to review and approval by Agawam's Campership Committee. In addition, Agawam publishes an annually reviewed "wish list" of tangible goods, and gratefully accepts gifts that support the purchase of listed items.

If a supporter of Agawam desires to devote a gift to another particular purpose, the size of the gift should warrant the effort necessary to see that the donor's wishes are fulfilled. Gifts restricted to purposes other than those stated above may be accepted only with approval of the Committee. It is Agawam's general practice to utilize both unrestricted and restricted gifts in support of needs in the following fiscal year. Gifts restricted for use during the current fiscal year must be approved by the Committee. Agawam considers the following factors in deciding whether to accept a restricted gift:

- The mission-related significance of the particular purpose;
- The time period over which the gift is to be received and applied;
- Whether the proposed gift is intended to create restricted permanent endowment;
- Whether alternative sources of funding are needed for the particular purpose that is the subject of the restriction;
- Whether the gift is sufficient, by itself or together with other similar gifts or amounts in hand or reasonably anticipated, to fully fund the present and future needs of the purpose.
- Whether the gift terms call for separate investment or other special administration

or, alternatively, whether the gift terms permit administration as part of another fund already administered or to be administered by Agawam;

- Whether the proposed “restriction” is intended to be legally binding, or advisory only, and whether clarification should be sought from the donor;
- Agawam gratefully accepts gifts to existing endowed funds. Gifts to endow a particular program or function can be designated as separate, named funds in Agawam’s endowment if when they exceed \$50,000.
- Gifts for purposes that are not consistent with Agawam’s mission or consonant with its current or anticipated future programs cannot be accepted.

4. Fees and Commissions. Agawam does not pay “finder’s fees” or commissions to third parties in connection with any kind of gift to Agawam. No officer, employee or agent of Agawam is or will be compensated in a manner that is dependent on the size or nature of gifts made to Agawam by any person. When Agawam engages legal counsel, accounting professionals, appraisers or environmental consultants, their fees and expenses will be determined by the time they spend engaged in Agawam’s work and not by reference to any particular gift in connection with which they are retained. Unless Agawam otherwise agrees in writing, the costs associated with making the gift will be paid by the donor. Any such professional engaged by Agawam will be clearly identified to the donor or potential donor as working on behalf of Agawam and not on behalf of the donor. In any case in which a donor’s professional fees are paid in whole or in part by Agawam, representatives of Agawam will endeavor to alert the donor that such arrangement may have tax consequences to the donor. Fees charged by third-party vendors, such as credit card providers, to process gifts are not prohibited under this section.

5. Establishing the Value of Donated Property. It is the responsibility of donors to Agawam to determine the value of their gifts and to report that value for purposes of taking charitable deductions. Agawam’s gift acknowledgements will contain a description of the gift received and in most cases will not state a specific dollar value, except when the gift is a gift of cash. Donors should comply fully with the valuation rules established by the Internal Revenue Service and the relevant income, gift and estate tax laws and regulations. Agawam’s Development Director can assist you in locating these rules. In most instances, property contributed to Agawam that has a value in excess of \$5,000 must be accompanied by an appraisal; there are some exceptions and higher dollar thresholds based on the type of property being contributed. Agawam’s Development Director can assist donors in locating the IRS regulations governing appraisal requirements and in identifying an appropriate appraiser for the gift you would like to consider. Agawam will determine for its own purposes the value of property contributed to it and brought on to its financial and development books and records, and may secure its own valuation of the contributed property.

6. Tax Compliance. Donors of property other than cash and marketable securities which has a value of \$500 or more are required to file IRS Form 8283 with their individual tax returns for the year in which such a gift is made, if they intend to take an income-tax deduction for the gift. In each instance of Agawam’s receiving a gift to which this rule is applicable, Agawam will use its best efforts to call the attention of the donor to the

applicability of this rule. The Internal Revenue Code also requires that if Agawam sells property that it has received by gift within three years after the property is received, Agawam will report the fact of the sale and the amount of the proceeds to the Internal Revenue Service on Form 8282. It is the policy of Agawam to comply fully with this reporting requirement and all other applicable aspects of state and federal tax law.

7. Acknowledgment of Gifts. All gifts to Agawam will be acknowledged by a receipt thank-you letter promptly following the arrival of the gift. Documented bequests, trusts, life insurance gifts, and other planned giving vehicles that have been confirmed (not matured) shall be acknowledged promptly. When a matching gift is received, a letter will be sent to the donor and to the company providing the match. Gifts of securities will be acknowledged by a receipt thank-you letter that includes valuation of the stock.

8. Standards. Agawam will comply with the Model Standards of Practice for the Charitable Gift Planner and the Donor Bill of Rights, both of which are endorsed and promulgated by professional fundraising organizations. These documents are available online at http://www.pppnet.org/ethics/model_standards.html and http://www.afpnet.org/files/ContentDocuments/Donor_Bill_of_Rights.pdf or will be mailed upon request.

PART 2:

PROPERTY THAT MAY BE DONATED TO AGAWAM

1. Gifts of Cash. The most frequent, and also the simplest, means of supporting the work of Agawam is by cash, check or credit card. Checks should be made payable to “Agawam Council,” and checks payable to any employee, officer or agent of Agawam cannot be accepted. Funds may also be wired to Agawam’s bank account, if a donor desires to do so, and wiring arrangements can be made through Agawam’s Development Director. Gifts by cash or check are effective as of the date they are delivered in hand to Agawam or as of the date they are placed in the U.S. Mail as evidenced by the postmark on the transmitting envelope or package. Gifts wired to an account maintained by Agawam are effective as of the date they are credited to that account.

2. Publicly Traded Securities. Gifts of publicly traded securities are gratefully received as contributions to Agawam and may be accepted by the Development Director or Director. Securities accompanied by appropriate transfer instructions may be delivered to Agawam’s office or wired to an investment account maintained by Agawam, and will be treated as having been delivered when Agawam or its investment agent has received all the documentation necessary to complete the transfer of ownership without any further involvement on the part of the donor. Securities traded exclusively in markets outside the United States can only be accepted with the approval of the Committee. Marketable securities will be sold by Agawam promptly upon receipt so that their proceeds may be invested in a manner consistent with Agawam’s overall investment policies.

3. Closely Held and Restricted Securities. Corporate stock for which there is no

established market that is readily accessible to Agawam, including the stock of “Subchapter S Corporations,” stock which is subject to trading restrictions, partnership interests in general or limited partnerships or in limited liability partnerships and memberships in limited liability companies that are not traded on an established domestic securities market (“closely held securities”) can be accepted by Agawam only with the approval of the Committee. Agawam is willing to consider any proposed gift of closely held, restricted or controlled (Rule 144) securities, but gifts of such securities frequently present tax and other issues for both the donor and Agawam, so each such gift must be carefully examined on a case-by-case basis. Agawam will ordinarily expect to retain legal counsel to advise it in connection with any proposed gift of closely held or restricted securities. Because of the complexity involved in Agawam’s accepting gifts of such securities, a prospective donor should allow ample time between the proposal of the gift and its completion, and in the normal course of business should expect Agawam to determine whether it will accept the proposed gift within three months.

4. Real Estate. Gifts of real estate or any interest therein to Agawam can only be accepted with the approval of the Committee. Each such gift will be subject to environmental review to assure the absence of environmental contamination. The appropriate level of environmental review shall be determined by the Committee. All necessary environmental testing will be conducted by engineering experts acceptable to the Committee and answerable to Agawam. Agawam ordinarily engages legal counsel when considering a gift of real estate and may require a legal opinion as to the state of the donor’s title before such a gift can be accepted. Because of the time necessary to perform title exams, environmental reviews, and potential environmental testing, a donor in the normal course of business can expect Agawam to determine whether it will accept the proposed gift within a three-month period. Except if real estate donated to Agawam is proximate to an existing facility operated by Agawam and appropriate for Agawam’s use in the operation of that facility, donors should anticipate that contributed real estate will be sold by Agawam as promptly as market conditions permit after Agawam takes actual possession of the property. Agawam is unable to accept gifts of real estate for which there is not likely to be a market. During any period in which donated real estate is retained by Agawam prior to sale, the donated property may be subject to real estate taxes, insurance costs, and other maintenance expenses. Agawam will evaluate these expenses in the process of accepting the gift. Agawam ordinarily does not accept real estate that is encumbered by mortgages or other liens.

Criteria to be used by the Committee in reviewing a proposed gift of real estate shall include:

- Whether the property is useful for the purposes of Agawam;
- Where the property is located and its accessibility to Agawam staff for evaluation;
- Whether the property is marketable;
- Whether there are any restrictions, reservations, easements, or other limitations associated with the property;
- Whether there are carrying costs, such as insurance, association fees or dues, etc., associated with ownership or possession of the property, or environmental liabilities or hazards related to the property; and

- Whether and how the property is to be insured against general liability during any anticipated period of holding by Agawam.

5. Tangible Personal Property. The term “tangible personal property” applies to any property that is not real estate, cash or securities and has an intrinsic value. Agawam gladly accepts contributions of tangible personal property that are needed by Agawam and can be used in fulfilling its mission. Examples of such property include trucks, vans, cars, boats, canoes, furniture, educational equipment, hardware, software or other technological equipment, including personal or laptop computers. Gifts of tangibles that are intended to be usable immediately in Agawam’s operations may be accepted by the Development Director or Director.

Except in extraordinary circumstances, Agawam does not accept automobiles, boats or aircraft that will not be used in its programs and will need to be sold. Gifts of other kinds of tangible personal property that will not be put to use in Agawam’s programs must be accepted by the Committee, and it is to be expected that Agawam will sell any such property as promptly as market conditions permit. In the absence of a letter to the donor from the Development Director stating that contributed tangible personal property will be retained by Agawam, a donor must assume that the property will be offered for sale. Agawam cannot accept gifts of tangible personal property that are subject to restrictions related to the timing of their sale or for which there is no market to which Agawam has relatively convenient access. If there will be costs associated with the maintenance and storage of a donated item of personal property between the time of its contribution to Agawam and the time when it is likely to be sold, Agawam may request donors contribute funds sufficient to cover those expenses as a condition of accepting the gift.

6. Gifts of Life Insurance. Gifts to Agawam of fully paid whole life, ordinary life or endowment policies on which no future premium payments are due may be accepted by the Development Director or Director. It is Agawam’s practice to convert such policies to cash after the policy has been transferred to Agawam unless otherwise agreed to with the donor of the policy. Gifts of policies having a current cash value but with respect to which future premium payments are possible or are known to be due can only be accepted by the Committee. If policies having outstanding premium payments due are accepted, it is Agawam’s practice to convert such policies to cash after the transfer unless otherwise agreed to with the donor. In any case in which a policy is accepted, Agawam will work with the insuring company to transfer ownership of the policy from the donor to Agawam and will change the beneficiary designation to permit Agawam to collect the insurance proceeds when the policy matures. All planned gifts, including gifts of life insurance, qualify the donor(s) for membership in Agawam’s Hiawatha Society, which recognizes donors who establish planned gifts that name Agawam as beneficiary.

Gifts of term life insurance without cash value can be accepted by the Committee if the donor of the policy agrees to maintain the policy in force by remaining responsible for payment of future premiums. The beneficiary designation will also be changed to name Agawam as beneficiary.

It is Agawam's strong preference that gifts of term life insurance without cash value and gifts of new life insurance policies that are expected to accumulate cash value not be used to make gifts to Agawam. In no event will Agawam use third parties, such as insurance agents or financial planners, to solicit insurance-related agreements. While Agawam will not direct its donors to work with such agents or advisors, it will cooperate with the efforts of such professionals at the request of the donor provided that the relationship of the agent or planner is with the donor and not Agawam.

Gifts of life insurance policies naming multiple beneficiaries will be referred to the Committee for its consideration before acceptance. Agawam will not accept gifts of cash or property from a donor if the use of the gift is restricted to the purchase of a life insurance policy on the donor or any other person.

7. Retirement Plan Beneficiary Designations. Agawam gladly accepts gifts from retirement plans and donors are encouraged to name Agawam as beneficiary of their retirement plans. As with all planned gifts, gifts from retirement plans that name Agawam as beneficiary qualify the donor for membership in the Hiawatha Society.

8. Other Property Interests. Contributions of unusual property rights, such as mortgages, non-marketable notes, assignments of rent due under leases, oil and gas interests, patents, copyrights, royalties, frequent flyer miles and easements can only be accepted by Agawam with the approval of the Committee after appropriate review and evaluation of the costs, benefits, and liabilities associated with the proposed gift.

PART C: GIVING TECHNIQUES

1. Outright Gifts. Outright gifts are transfers directly to Agawam for its immediate use. Such gifts maximize the value of the donation to Agawam and are generally similar and quicker to conclude than other kinds of donations. Whether an outright gift is to be accepted on Agawam's behalf by the Development Director, Director, or by the Committee depends on the nature of the property being donated.

Over the many years of its existence, Agawam and those it serves have benefited from the generosity of many people who have written checks to Agawam during their lives or left outright gifts to Agawam in their wills or trust documents. Without this support, Agawam would be much less able than it is today to fulfill its mission. Donors who wish to participate in this long tradition of direct support may write checks to "Agawam Council" or make transfers to take effect through their estates. Donors who establish a planned gift that names Agawam as beneficiary qualify for membership into Agawam's Hiawatha Society.

In a will or a trust, a cash amount may be left to Agawam using the following language: "I give and devise to Agawam Council, with principal offices in **Raymond, Maine**, the sum of \$_____ (or x% of my estate or trust residuary) to be used for its general charitable purposes."

If a donor or a professional advising a donor would like assistance in wording a bequest to Agawam he or she should contact Agawam's Development Director. Restricted bequests must be approved by the Committee before Agawam can accept them, so donors and their professional advisors should contact Agawam's Development Director to discuss the restricted purpose at the time the relevant document is drafted to make sure the donor's intention can be realized.

Agawam appreciates being advised by supporters that they have remembered Agawam in their estate plans, whether the remembrance is in the form of a restricted gift or an unrestricted one.

2. Charitable Remainder Trusts. Agawam does not currently serve as trustee of charitable remainder annuity trusts or charitable remainder unitrusts. In the future, Agawam may serve as trustee of such trusts if circumstances warrant their creation. Agawam's Development Director and other representatives as appropriate are available and happy to discuss the benefits of charitable remainder trusts, how a donor could establish a charitable remainder trust, and how to include Agawam as a beneficiary of a charitable remainder trust.

Agawam reserves the right to decline remainders under trust instruments created without its knowledge if the nature of the property or the conditions on its use are not consistent with the best interests and other activities of Agawam. Decisions on whether to accept trust remainders that consist of property other than cash or marketable securities or which are subject to use restrictions are made by the Committee. Unrestricted remainders consisting of cash or marketable securities may be accepted by the Development Director or Director.

3. Charitable Lead Trusts. Agawam does not currently serve as trustee of charitable lead trusts. In the future, Agawam may serve as trustee of a charitable lead trust if circumstances warrant its creation. As with remainder trusts, however, representatives of Agawam are available to assist in the establishment of such trusts to assure that payments to Agawam from any such trust can be used by Agawam in accordance with the donor's wishes and expectations.

Agawam reserves the right to decline to accept distributions from charitable lead trusts in the drafting of which Agawam has not been consulted if the distributions consist of property other than cash or marketable securities or if the uses to which the distributions are to be put are restricted under the terms of the trust instrument to purposes not consistent with the mission and programs of Agawam.

4. Pooled Income Funds. Agawam does not currently maintain a pooled income fund. Agawam may establish a pooled income fund in the future if circumstances warrant its creation. Agawam's Development Director and other representatives as appropriate are available and happy to discuss the benefits of pooled income funds and how a donor could establish such a gift at an appropriate institution.

5. Charitable Gift Annuities. Agawam does not currently administer Gift Annuities. Donors who are interested in Charitable Gift Annuities as a planned giving vehicle may discuss them with the Maine Community Foundation (the “Foundation”) by calling (207) 667-9735 or (800) 877-6800. The Foundation can accept contributions of cash or marketable securities to establish a gift annuity, with a minimum initial contribution of \$25,000 and annuitants at least 60 years of age. A deferred gift annuity can be set up for beneficiaries who are 50 years of age or older.

By not operating its own Charitable Gift Annuity program, Agawam saves the considerable expenses entailed in establishing and operating this complex planned giving vehicle. The program operated by the Foundation was established to enable Maine charities to avoid these expenses. Agawam’s Development Director is available to assist donors in their consideration of a gift annuity contribution to the Foundation to assure that any restrictions placed on Agawam’s use of the contribution after the expiration of the annuity interests established by the donor are satisfactory to both Agawam and the donor.

6. Gifts of Remainders in Residences or Farms. Gifts of remainder interests in personal residences or farms can be accepted only with the approval of the Committee. In the case of any such gift, as with any other gift of real estate, Agawam will perform the same level of due diligence as it would if the gift under consideration were an outright gift of real estate as described in section 4 of Part II. During the life tenancy, donors will continue to be responsible for the maintenance and up-keep of the property, utilities, property taxes, insurance, and other expenses normally incurred by them in their ownership of the property. Agawam will remain in close contact with the owners of the life interest or interests in a residence or farm throughout the period of his, her or their occupancy so that it can remain confident of the absence of environmental liabilities and work with the owner or owners of the life interest to maintain the value of the property.

Agawam reserves the right to decline the acceptance of any remainder interest of which it did not have notice and did not accept when the interest was initially created.

7. Bargain Sales. Bargain sales to Agawam are possible only with the approval of the Committee. Agawam may retain legal counsel to consider any such sale. Whether other steps are necessary before the consummation of any such sale will depend on the nature of the property to be sold, as described in Part Two of this Policy. Agawam’s ownership of real estate subject to a mortgage or other leverage may give rise to Unrelated Business Taxable Income (“UBTI”), and counsel will be instructed to consider any issues in this regard.

Approved by Agawam Council’s Board of Directors this 27th day of January, 2013.

To be reviewed regularly by Agawam Council’s Development Committee.