

**Prescott Farmers Market Inc.**  
**Gift Acceptance Policy**

Prescott Farmers Market (PFM) solicits and accepts gifts for purposes that will help the organization further and fulfill its mission. Prescott Farmers Market urges all 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 acceptance of gifts made to PFM for the benefit of any of its operations, programs or services.

Use of Legal Counsel

Prescott Farmers Market will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

1. Gifts of securities that are subject to restrictions or buy-sell agreements.
2. Documents naming Prescott Farmers Market as trustee or requiring PFM to act in any fiduciary capacity.
3. Gifts requiring PFM 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

Prescott Farmers Market will not accept gifts that (a) would result in Prescott Farmers Market violating its corporate charter, (b) would result in Prescott Farmers Market losing its status as 501(c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences for Prescott Farmers Market, or (e) are for purposes outside Prescott Farmers Market's mission. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board of Directors' Financial Oversight Committee, in consultation with the Executive Director.

Gifts Generally Accepted Without Review

1. **Cash.** Cash gifts are acceptable in any form, including by check, money order, credit card, wire transfer, or on-line.
2. **Marketable Securities.** Marketable securities may be transferred electronically to an account maintained at PFM's brokerage firm or delivered physically with the transferor's endorsement attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by PFM's Financial Oversight Committee. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Financial Oversight Committee.

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:

1. **Art.** Prescott Farmers Market will accept gifts of art on a case by case basis.
2. **Bequests and Beneficiary Designations under Revocable Trusts, Commercial Annuities and Retirement Plans.** Donors are encouraged to make bequests to Prescott Farmers Market under their wills, and to name Prescott Farmers Market Inc. as the beneficiary under trusts, commercial annuities and retirement plans.

3. **Charitable Remainder Trusts.** Prescott Farmers Market will accept designation as a remainder beneficiary of charitable remainder trusts.
4. **Charitable Lead Trusts.** Prescott Farmers Market will accept designation as an income beneficiary of charitable lead trusts.
5. **Cryptocurrency.** Prescott Farmers Market will accept gifts of cryptocurrency as long as it can be converted to dollars immediately.
6. **Life Insurance.** Prescott Farmers Market will accept gifts of life insurance where Prescott Farmers Market is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
7. **Real Estate.** All gifts of real estate are subject to review by the Financial Oversight Committee. Prior to acceptance of any gift of real estate other than a personal residence, Prescott Farmers Market shall require an initial environmental review by a qualified environmental firm. In the event that the review reveals a potential problem, the organization may retain a qualified environmental firm to conduct an environmental audit. Criteria for acceptance of gifts of real estate include:
  - a. Is the property useful for the organization's purposes?
  - b. Is the property readily marketable?
  - c. Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
  - d. Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
  - e. Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?
8. **Tangible Personal Property.** The Financial Oversight Committee shall review and determine whether to accept any gifts of tangible personal property, including works of art, 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 the organization may be responsible? Is the title/provenance of the property clear?

#### Gifts Generally Not Accepted

1. Closely held business interest
2. Animals

If offered one of these gifts, PFM will make a reasonable effort to help direct the donor to an appropriate resource option (e.g., Arizona Community Foundation; other nonprofits).

#### Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and accepted by the Board of Directors. The Board must approve any changes to these policies. The policies will be reviewed every three years.

#### Recognition of Planned Gift Commitments

Planned gift commitments will be recognized in writing. These types of donors will also receive program updates and annual reports in accordance with PFM's Donor Cultivation Policy.