

WORT GIFT ACCEPTANCE POLICY

Adopted by WORT Board of Directors on 10/18/2023

WORT 89.9 FM is a community radio station located in Madison, Wisconsin. Its legal name is Back Porch Radio Broadcasting, Inc. (hereinafter known as "WORT"). WORT is a recognized non-profit under the laws of the State of Wisconsin and as a 501(c)3 charitable organization under federal law. Its Federal Employee Identification Number (FEIN) is 23-7328965. Its Wisconsin tax exempt identifier is ES14039. WORT's legal address is 118 South Bedford Street, Madison, WI 53703.

Policy Guidelines

A. Purpose

1. The WORT Gift Acceptance Policy (hereinafter "Policy") governs acceptance of gifts made to WORT. It is intended to provide guidance to WORT Board and staff, prospective donors wishing to make gifts to WORT, and advisors assisting donors in the gift-planning process.
2. The WORT Donor Relations Director (DRD) welcomes questions about potential donations to WORT, but is not a qualified substitute for the advice of a financial or tax advisor, or estate planning attorney. WORT strongly recommends securing the advice of a financial professional when considering a gift of substantial financial impact.
3. Contact the Donor Relations Director via email at pledge@wortfm.org if you have questions about this document, or about donations to WORT.

B. Security/Confidentiality

1. All information obtained from or about WORT donors and prospective donors shall be held in the strictest confidence by the staff and volunteers of WORT.
2. The donor database is available solely to the paid staff of the Donor Relations Department and the staff member responsible for updating the database.
3. No information about donors, including lists of donors' names and addresses, will ever be sold or shared.
4. Donors' names shall not be made public without the express written consent of the donor.

C. Authority

1. Gifts received in the form of cash, checks or marketable securities, including publicly traded stocks, can be accepted by the DRD without review by the WORT Board, including electronic payments (ACH) sent to WORT's bank account by third party platforms that take donations on our behalf, as well as car donations and employee/employer donations.
2. The DRD has the authority to handle inquiries, negotiate with donors, assemble and execute documentation (especially documentation attesting to WORT's qualification for donations), retain consultants and execute agreements on behalf of WORT, as mentioned in the following parts of this document.
3. When necessary, the DRD shall seek qualified professional counsel in the creation and execution of planned gift agreements. WORT recognizes the right to fair and just remuneration for professional services.

4. The Board shall provide a rationale for any modifications made to DRD agreements with donors to the DRD in order to provide guidance to the DRD in future endeavors.
5. Unrestricted gifts shall be used at the discretion of the WORT Board of Directors.
6. All communications with donors or prospective donors shall include the following disclaimer:
"WORT strongly urges you to consult your attorney, financial and/or tax advisor to review this information. This information in no way constitutes advice. WORT will work with your independent advisor to assist you in reaching your goals."

D. Restricted Gifts

1. If a donor proposes restrictions on the use of their gift, a Memorandum of Agreement recording the donor's intention and gift terms shall be executed between the donor and the DRD, whenever:
 - a. the gift is in the form of cash, checks, stocks or marketable securities; and
 - b. funds a Board-approved expenditure.
2. If the gift funds an expenditure that has not been approved by the board (e.g., creates a new staff position) the DRD must receive approval from the WORT Board before proceeding to create a Memorandum of Agreement with the donor.

E. Review Factors

1. WORT does not accept gifts that:
 - a. violate its Articles of Incorporation or Bylaws;
 - b. violate its licensee agreement with the FCC or any other licensing or regulatory entity;
 - c. impose significant liabilities; or,
 - d. are for purposes outside WORT's mission.
2. WORT shall not accept gifts which are directly or indirectly subject to material restrictions or conditions preventing WORT from utilizing the assets or their income in furtherance of its tax-exempt purposes.
3. WORT accepts only those gifts which are readily marketable (i.e., can be converted to cash with ease).

F. Declined Gift Offers

1. The DRD shall decline any gift that does not further WORT's mission, goals, or which the DRD determines will be harmful to WORT's tax-exempt status, operations or reputation.
2. Any gift creating an administrative burden or which may cause WORT to incur excessive expenses shall be declined.
3. Before declining a gift, the DRD shall bring the potential donation to the Board for discussion and direction, or to the Executive Committee, if time is of the essence.
4. If the Board/Executive Committee concurs in the DRD's decision to decline a gift, the DRD shall explain to the potential donor the reason the gift is being declined.

Types of Gifts - WORT accepts gifts in the following forms, subject to the conditions delineated below:

- A. **Cash, Check, Credit Card, Electronic (ACH) Payments:** All unrestricted gifts of cash, check, credit card, or ACH payments shall be accepted by WORT, regardless of amount. Checks shall be made out to WORT or Back Porch Radio Broadcasting Inc. This includes any payments from Donor Advised Funds.

In no event shall a check be made out to an individual who represents WORT in any capacity.

B. Securities - WORT accepts both publicly traded and closely held securities.

1. Publicly traded securities (i.e., stocks):
 - a. Publicly traded securities may be electronically transferred to a WORT account at one or more brokerage firms, registered in the name of WORT, or delivered physically with the transferor's signature of stock power attached. Contact the DRD for information regarding the WORT brokerage account.
 - b. For gift crediting and accounting purposes, the value of the gift of publicly traded securities is the average of the high and low prices on the date the securities leave the donor's control.
 - c. Gifts of bonds requiring a holding period may be accepted and cashed when the holding period has expired.
2. Closely held securities:
 - a. Gifts of closely held securities, which include debt and equity positions in non-publicly traded companies and interests in LLPs, LLCs or other ownership forms, are subject to approval by a financial adviser employed by WORT.
 - b. These gifts must be reviewed prior to acceptance with acceptance resting on a finding that:
 - i. no restrictions on the security will prevent WORT from ultimately converting the assets to cash;
 - ii. the security is marketable; and
 - iii. the security will not generate undesirable tax consequences for WORT.
 - c. No commitment for repurchase of closely held securities will be made prior to completion of any gift. Every effort will be made to sell non-marketable securities as quickly as possible.
3. Unacceptable securities include those that are not assessable or that create a potential liability; securities unable to be assigned; and those with no apparent value.

C. Real Estate

1. The DRD shall determine when it is necessary to hire a professional (e.g., a title company) to determine whether a gift of real estate is encumbered (has liens, easements, etc.). The DRD may hire a professional if the cost is \$300 or less; when it is greater than \$300, the DRD shall request the approval of the Executive Committee.
2. The donor or donor's estate is responsible for obtaining and paying for an appraisal of real estate property. This is a requirement of the IRS.* The appraisal must be conducted by an independent, professional agent meeting the IRS standards for issuance of a qualified appraisal.
3. Real estate property must be transferred to WORT prior to any formal or informal offer or contract for sale is made. This is also an IRS requirement.*
4. For gift credit and accounting purposes, the value of the gift shall be the appraised value of the real estate or the sale price; however, this value may be reduced by costs of maintenance, insurance, real estate taxes, broker's commissions, and other expenses of sale incurred by WORT.

D. Remainder Interest in Property

WORT will accept a remainder interest in a personal residence, farm or vacation home, subject to review and acceptance by the WORT Board. When WORT receives a gift of a remainder

interest, the donor or primary beneficiary shall pay for necessary maintenance, insurance, as well as any property indebtedness, including real estate taxes, per IRS rules.

E. Life Insurance

1. The DRD shall manage life insurance policies where: the donor has died and WORT has been named as beneficiary or contingent beneficiary, or, the donor is still alive, the gift is a paid-up policy and WORT is the beneficiary and irrevocable owner of the policy.
2. If the donor has made a gift of a life insurance policy and contributes future premium payments, WORT shall record the entire amount of the additional premium payment as a gift in the year it is made.
3. If the donor does not elect to continue to make gifts for future premiums, the DRD may elect to:
 - a. continue to pay the premiums to convert the policy to paid-up insurance, or,
 - b. surrender the policy for its current cash value.
4. WORT may be named as beneficiary or contingent beneficiary of a life insurance policy. Such designations shall not be recorded until the gift is irrevocable. Where the gift is irrevocable, but not due until a future date, the present value shall be recorded at the time the gift becomes irrevocable. In other words, the gift is considered a donation under IRS guidelines as soon as it is made irrevocable.
5. Gifts become irrevocable when the insured dies, but also when WORT is named as an irrevocable beneficiary. An irrevocable beneficiary is a beneficiary of a life insurance policy whose compensation cannot be changed without their consent.

F. Tangible Personal Property

1. Tangible personal property refers to any type of property able to be moved, touched or felt (i.e., it is not attached to real property or land). Included in this category are paintings, watercolors, sculpture, ceramics, furniture, decorative arts, antiques, textiles, carpets, gold or other precious metals, rare manuscripts, antiquities, gems and jewelry, as well as machinery and equipment. This list is not exhaustive.
2. All gifts of tangible personal property will be assessed for their value to WORT. Such value may be based upon
 - a. prospective proceeds made through the sale of the property or,
 - b. its use in connection with WORT's tax-exempt purposes.
3. Depending on the anticipated value of the gift, a qualified appraisal may be required by the IRS. WORT adheres to all IRS requirements relating to gifts of tangible personal property and will provide appropriate forms to the donor and IRS. [See IRS Internal Revenue Memorandum 4.48.3 Tangible Personal Property Valuation Guidelines.](#)
4. While vehicle donations may be construed as tangible property, WORT practice is to contract with a *third party* that picks up vehicles and sells them at auction or for scrap; therefore vehicle donations to WORT are technically cash donations and are handled as cash assets under this policy. The third party that WORT contracts with provides the donor of the vehicle with all necessary documentation required by the IRS.
5. The policies above do not pertain to donations by individuals of music, books or items provided to the station for promotional purposes.

NOTE: Individuals who wish to donate music to WORT must contact the Music Director (musicdirector@wortfm.org) and receive approval from them before any music will be accepted by the station. If approved, the Music Director is responsible for thanking the donor and providing them with documentation regarding the gift, including a Receipt of In-kind Donation.

G. Gifts of Property Temporarily or Permanently Affixed to the WORT Building or Grounds

Gifts proposed to be temporarily or permanently affixed to WORT's building or grounds shall be referred by the DRD to the Facilities Committee or, if there is no active Facilities Committee, to the Technology/Facilities Director. One of these entities must provide the Board with a recommendation containing a description of the gift, estimated cost of the gift (including installation), estimated cost of future maintenance, architectural integrity effects, any professional organizations involved in the installation, and the manner of payment.

H. Deferred Gifts

1. WORT encourages deferred gifts through
 - a. bequest (of asset types listed above),
 - b. charitable remainder trust,
 - c. charitable lead trust, or
 - d. remainder interest in property.
2. Neither WORT, nor any person acting as WORT's agent, shall be designated in a will as a personal representative for a donor's estate. A WORT staff member may serve as an individual's personal representative solely in a personal capacity and not as an agent of WORT.
3. Neither WORT nor its agents will act as trustee of any trust in any form.
4. When necessary, WORT shall seek qualified professional counsel in the exploration and execution of planned gift agreements. WORT recognizes the right of fair and just remuneration for professional services.

I. Bequests

1. Donors and supporters of WORT are encouraged to make bequests to WORT in their wills and trusts. Such bequests shall not be recorded as gifts to WORT until such time as the gift is irrevocable.
2. Where the gift is irrevocable, but not due until a future date, the present value of the gift shall be recorded at the time the gift becomes irrevocable.
3. Those who have shared their bequest plans with WORT automatically become a member of the 1000 Watt Club and enjoy any attendant privileges.

J. Charitable Gift Annuities, Pooled Income Funds and Donor-Advised Funds

1. WORT does not offer Charitable Gift Annuities or Pooled Income Funds as a form of donation.
2. Individuals wishing to name WORT as a charitable beneficiary of a Charitable Gift Annuity or Pooled Income Fund may do so through a foundation, such as Madison Community Foundation, or a similarly structured organization offering such instruments.
3. WORT is happy to work with organizations that manage donor advised funds, such as the Madison Community Foundation. The DRD acts as the contact person for WORT.

K. Charitable Remainder Trusts and Charitable Lead Trusts

1. WORT may accept designation as remainder beneficiary of a charitable remainder trust or as income beneficiary of a charitable lead trust.
2. WORT shall not act as a Trustee of a charitable remainder trust or accept appointment as Trustee of a charitable lead trust.

L. Retirement Assets

1. Individual Retirement Accounts (IRA), 401K, 403B and other defined retirement contribution plans may be donated to WORT, in whole or in part (via a percentage or dollar amount), by naming WORT as successor or contingent beneficiary for all or part of the assets, upon death of either the retirement asset owner or spouse, when applicable..
2. Any document that provides for the transfer of financial assets may be done without a will. The beneficiary designation is sufficient.
3. Such designations shall not be recorded as gifts to WORT until such time as the gift is irrevocable. Where the gift is irrevocable, the present value of the gift shall be recorded.
4. Donors may make a charitable gift from their IRA after age 70½ without penalty. Minimum distributions must be taken from an IRA when the owner reaches the age of 73. Those minimum donations can be made to the owner of the IRA or, if directed by the owner, to a 501(c)3. If made to a qualified non-profit such as WORT, the gift is known as a Qualified Charitable Distribution (QCD). Required minimum distributions and QCD requirements are subject to change by the IRS.
5. Required minimum distributions apply to IRA, SEP IRA, SIMPLE IRA and other individual retirement accounts. They are not required of Roth IRAs, which do not require withdrawals until after the death of the owner.

M. Gifts Made In Memory or In Honor

1. *Memorial gifts* are gifts made in memory of deceased individuals; they are not part of an individual's estate.
2. Gifts made *in honor* are made by donors to honor an individual, individuals, an event, or another organization.
3. Unless otherwise indicated by the donor, *memorial* and *honor gifts* shall be received as unrestricted funds.
4. The names and addresses of those who make *memorial gifts* or *in honor gifts* shall be shared with the honored person or the family of the person the gift was made in memory of, unless the donor wishes to be identified as anonymous. The amount of the donation will not be shared, unless the donor requests it to be.
5. Building spaces may be named in memory or honor of a person when approved by the WORT Board of Directors.

Additional Considerations

A. Valuation of Gifts

1. WORT shall record a gift at its valuation for gift purposes on the date the gift becomes irrevocable.
2. Most in-kind donation values (e.g., the value of a donated microphone) are determined by the donor. Exceptions to this rule are governed by [IRS Publication 561](#).

B. Gift Acknowledgment

1. The DRD is responsible for acknowledging gifts made to WORT, including compliance with all IRS regulations.*
2. The exception is for donations of in-kind items made to departments other than the DRD's, such as donations of music made to the Music Department or a field recorder to the News and Talk Department.

The DRD shall track the value of in-kind gifts made to other departments in the donor database, as long as the value of the gift is provided by the department director whose department received the gift. Department directors are responsible for acknowledging and thanking donors for in-kind gifts received for use in their department.

3. Tangible gifts that are claimed to be worth more than \$5000 must be appraised to be eligible for a tax deduction of that amount or more.*

C. Conflict of Interest

1. All prospective donors are strongly encouraged to seek the assistance of professional advisors in matters relating to gift planning and tax deductibility.
2. If any gift presented before a vote of the Board may favorably or unfavorably affect a Board member's financial interests, or the financial interests of anyone with whom the Board member has a personal relationship, the Board member must reveal the relationship and abstain from participating in debate or voting on acceptance of the gift.
3. The DRD shall comply with the [Model Standards of Practice for the Charitable Gift Planner](#) in all matters which may present a conflict of interest.

D. Use of Legal Counsel

1. The DRD shall recommend the Board seek the advice of legal counsel in matters relating to gift acceptance when appropriate.
2. Review by counsel is recommended for the following: closely held stock transfers; gifts involving contracts (such as real estate); documents that potentially require WORT to assume a substantial obligation; buy-sell agreements; review of any transactions that present a potential conflict of interest; or any other instances when the advice of counsel is deemed appropriate by the Board, Executive Committee, or the DRD.

E. Responsibility for Government Filings

The DRD shall ensure that proper reporting or filing of donations is made to any governmental entity as required by federal or state bodies. The DRD shall annually review state and federal requirements related to donations.

* See [IRS Publication 561](#).