EDITORIAL INTEGRITY for PUBLIC MEDIA

Principles, Policies, & Practices

A Working Group Report from the Editorial Integrity Project

Transparency in Fundraising for Public Media

The Editorial Integrity Project is a collaboration of
public television's Affinity Group Coalition and public radio's Station Resource Group.

The Corporation for Public Broadcasting provided funding.
The National Educational Telecommunications Association provided organizational support.

Introduction and Goals

The goal of this document is to provide station leaders, employees, Boards, and licensees with an overview of the issues related to transparency in public media fundraising and the best practices and existing policies that speak to those issues. It should serve as a resource for stations to use in developing or informing their own policies and practices.

The Working Group recognizes that circumstances vary from station to station and evolve over time, so stations may vary in how they adopt and implement the approaches recommended in this paper. This is not to say that all matters related to transparency are optional. Because our organizations are tax-exempt and, in most cases, receive federal funding, the Internal Revenue Service (IRS), Federal Communications Commission (FCC), and the Corporation for Public Broadcasting (CPB), require a significant number of the transparency-related measures outlined in this document. That said, we encourage stations to move beyond these mandates and develop a culture of transparency in their organizations that helps build and maintain the public's trust in our industry.

That trust is the foundation of the relationship between the public and public media. Every year, thousands of Americans support their local public radio and television stations. These donors don't require a contract and rarely even make specific requests about how their money is to be used–they simply have faith in the integrity, expertise, and goodwill of their local station. The importance of this trust is magnified whenever a station takes on a journalistic role.

Station executives would be wise to consider the needs of the donor on par with the needs of the station. The relationship between station and donor should not be purely financial. Donors are a useful source of feedback as well as valuable advocates in the community. They should be seen as partners who deserve to be well-informed about the operations of their station.

That said, transparency should not be reserved solely for donors. Public media is an asset belonging to the community it serves. Everyone–from a station's loyal friends to its outspoken detractors–has a right to know about the operations of their public broadcaster. Transparency helps our friends, critics and the public have a fuller understanding of how we work.

This working group does not believe that transparency equals full disclosure. In fact, disclosing too much or inappropriate information may defeat the purposes of transparency entirely. There are also instances where the principle of full disclosure collides with other obligations of the station, including employee privacy, contract negotiations, legal matters, etc. Instead of full disclosure, the working group believes in transparency that accurately informs the public while being mindful of the needs of the station. This type of transparency will…

- Help donors and other interested parties form an accurate picture of the operations of a station.
- Allow the public to hold a station accountable for its activities.
- Make information easily accessible.
- Allow for some degree of comparability between stations and with other non-profits.
- Protect anonymity (when allowed by law) and donor information.
- Protect donors and non-executive staff from undue or inappropriate scrutiny.
- Increase donor confidence and trust.

There are also transparency considerations associated with the creation of editorial material. The practice of having a "firewall" between content and funders is well established in the industry. This practice, as well as the question of who is an acceptable donor, has been examined thoroughly by another working group in the Editorial Integrity Project. Their document, *Funding and Firewalls*[1]*,* contains discussion and recommendations for creating transparency in news operations but has implications for all public media content. Stations looking at the issue of transparency would be remiss if they did not read *Funding and Firewalls* along with this document.

[1] For full document see: http://pmintegrity.org/pm_docs/FundingandFirewalls_000.pdf

1. Donor rights

Station executives would be wise to consider the needs of the donor on par with the needs of the station. A donor should have rights before and after their contribution is made. Some stations have found it helpful to have a formal Donor Bill of Rights (or e-Donor Bill of Rights).[2]

All fundraisers and station executives should be committed to understanding a donor's intent, whether written or implied. After accepting a gift, stations have an ethical obligation to carry out that donor's wishes.

The easiest way to honor donor intent is for the station and donor to have clear expectations about the giving process from the outset. For larger gifts, stations should prepare a document that outlines the details of the gift, the donor's intent for use of the gift, timelines for completion of the contribution and the work it funds, and the method of recognition. In the event that a station receives a substantial unsolicited gift, confirming the donor's intent should be a part of the stewardship process.

When dealing with donor information, stations should make it clear how donor records will be used and who has access to their data. We recommended that stations have a policy laying out restrictions for volunteers and staff to accessing member data. Of particular concern is access to files during a pledge drive and throughout fundraising campaigns. Even Boards of Directors (also Advisory Groups, Advisory Boards, etc.) should have limited access to donor information in the normal course of business.

Some stations rent or exchange parts of their donor list to other nonprofit organizations. If a donor's name and contact information will be rented or exchanged, stations must disclose this (preferably on their website or in another appropriate venue or donor communication) and allow donors to opt out easily. Section 396(k)(12) of the Communications Act sets out restrictions and terms for this sort of activity, including the requirement that CPB-funded stations may not share or rent lists to any political

[2] See Appendices A and B, Association of Fundraising Professional's Donor Bill of Rights and e-Donor Bill of Rights

candidate or political action committee.[3] Institutionally-licensed stations[4] should disclose if a donor's information will be shared with the parent institution and for what purpose.

It is common practice for stations to create a written record of every significant interaction they have with some donors. Upon request, donors must be given access to this information. So, out of respect to the donor and the trust they've placed in the organization, fundraisers should avoid including any damaging or highly personal information on their donors or prospects in a donor's file. Stations should have procedures that relate to sharing and storing donor call reports internally that protect the confidentiality of this information.

All policies concerning donor rights should be posted on a station's website.

[3] See http://www.cpb.org/stations/certification/cert5.html for details.

[4] There are two types of stations – those owned by, or a department of, an institution that has significant activities outside of broadcasting (*e.g*., a university, state government, or school board), and those that stand alone. A stand alone station is often referred to as a 'community' licensee. Stations affiliated with a parent institution will be referred to as 'institutional' licensees from here on.

2. Donor Acknowledgment

Educating donors and potential donors

In donor relations, as in any relationship, communication is essential. Perhaps the biggest challenge in establishing transparency with potential donors is education. Stations should assume that (a) donors know relatively little about FCC crediting rules and their applications; (b) they will not be familiar with the structure of media credits; and (c) they may not be aware of editorial firewall requirements intended to protect the integrity of the content and, by extension, the integrity of the station.

Stations can enhance donor relations, avoid misunderstandings and misperceptions, and promote transparency by having clear and early communications with donors about how gifts will be acknowledged.

Transparent organizations are explicit from the outset about public media's journalistic standards and editorial firewall. It is best practice to have a written explanation of how these operate to share with donors and prospective donors.[5] It may be wise to share samples of appropriate credits with donors and potential donors.

Many stations support content (both on-air and online) with contributions from a multiplicity of funders. These stations often run rotating credits throughout the schedule, thereby giving funders visibility while also underscoring the difference between funding a content area and funding a particular story or program.

Federal Communications Commission (FCC) rules for sponsors/underwriters[6]

The FCC requires broadcast stations to identify sponsors. A "sponsor" is one who directly or indirectly pays or promises money or other valuable consideration in exchange for broadcasting any "matter." The general principle embodied in the FCC's sponsorship identification rules is that the public is entitled to know who is trying to influence its opinion. Thus, underwriters must be identified on-air because they provide consideration in exchange for the broadcast of the matter, namely the underwriting

[5] See Appendix C for a sample for Northern California Public Broadcasting

[6] Please see Appendix D for the complete version of this document created by John Crigler of Garvey, Schubert, and Barer, including references to specific statutes.

acknowledgement itself. Donors who provide unrestricted funds are not required to be identified on air.

One form of sponsored programming– "political broadcast matter or any broadcast matter involving the discussion of a controversial issue of public importance"– requires not only on-air identification, but the identification of the sponsor's chief executive officers or members of the board of directors in the station's public inspection file.

The furnishing of broadcast program material is deemed to be consideration for airing the program, so programs offered "free" are nonetheless considered to be "sponsored" if they are provided in exchange for being broadcast. In such cases, the provider is the sponsor/donor, and must be identified.

When a donor restricts the use of a donation to a particular program, the donor must not only be identified on-air concurrently with the broadcast of the program, but must also be identified in writing in the "Donor List" maintained in the station's public inspection file. The Donor List is not a list of all underwriters, nor even of those underwriters who make an unrestricted donation to the station; it is a list of those whose donation was restricted or directed to support a particular program. The donor list is limited to those who contribute funds earmarked for the *production* of specific programs.

Internal Revenue Service (IRS) acknowledgement regulations for contributions

IRS rules primarily focus on the deductibility of donation rather than on disclosure of the donor by the recipients of donations. A donor may not claim a tax deduction for any single charitable contribution of 250 dollars or more unless the donor obtains a contemporaneous, written acknowledgment of the contribution. While stations are not required to provide this written acknowledgment, good stewardship dictates that every contribution be acknowledged to provide donors with a valid claim for a deduction.

Most 501(c)(3) organizations report income on Form 990 or Form 990-EZ. These forms allow organizations to report revenue from contributions and grants on an aggregated basis. An additional report about certain "substantial contributors" may be required in some cases. Schedule B, the

Schedule of Contributors, requires a tax-exempt organization to disclose to the IRS any contributor by name and address whose contribution is the greater of five-thousand dollars or two percent of the sum of all contributions and grants received by the organization. The IRS does **not** require donors listed in Schedule B to be disclosed to the public by 501(c)(3) organizations. Thus, an exempt organization may be required to report certain donations and the identity of the donors to the IRS, but is not required to disclose that information to the public.

Anonymous gifts

Some donors may wish to remain anonymous because they do not want members of the community to know the recipients and the amounts of their gifts. Others fear being besieged by contribution requests from other organizations.

It should be station policy that significant and/or exclusive donors to support an on-air production must be named. The fact that this type of giving cannot be anonymous should be made clear to the donor through ongoing policies and as part of the solicitation process. This policy should not be circumvented by accepting the gift for education or community outreach when a significant part of the gift will be used to produce programming for broadcast.

All anonymous gifts accepted for purposes other than on-air production must still be entered into the station records with full contact information and details of the gift, if that information is available.

There are some types of gifts that are truly anonymous and do not allow the station to know the donor's identity. Two common examples are stock certificates issued in a station's name and anonymous gifts from a community/family foundation that do not reveal which family or individual made the gift. These types of gifts should not be accepted for specific broadcast programming, as this would violate FCC regulations.

Donor Funds and anonymity

At some stations, donors are able to pool their contributions into a fund, which is then used to support some specific activity (*e.g.* The WXYZ Fund for Environmental Reporting). In the rare case that a Donor Fund makes a general or unrestricted contribution to the station, the donation does not need to be acknowledged and can remain an anonymous gift. The Donor Fund is a “sponsor” that must be disclosed to the public only if it makes a donation in exchange for the broadcast of any “matter.” Such “matter” would include a particular program as well as one or more underwriting acknowledgements.

If the Donor Fund restricts its donation to the production of a particular program or type of programming (as is often the case), then it is considered a sponsor and must be acknowledged on-air, as well as in the Donor List. If the number of contributors to a Donor Fund is too great to listed on-air, it would be sufficient to identify the Donor Fund and major donors to the Fund on-air and identify the remaining individual donors in the Donor List. The amount of on-air acknowledgment given to a donor should be proportional to their contribution to the Donor Fund, to the greatest extent practical.

Considerations for Non-Broadcast Content

The FCC regulations regarding funding in support of specific programming do not apply to non-broadcast content. So, stations are not normally required to disclose the names of donors funding education/outreach efforts. However, it is conceivable that a station could choose to accept funding for non-broadcast elements of a project from donors that would otherwise be unacceptable as funders of the broadcast program. The working group believes a donor that is determined on the local level to be unacceptable as a program funder should also be an unacceptable funder for non-broadcast elements of that program.[7]

There are cases, however, where a donor who *would be considered an acceptable funder of broadcast material* may wish to remain anonymous when funding non-broadcast material. We recognize that circumstances vary– in some cases, stations could decide not to disclose certain otherwise acceptable funders of non-broadcast elements. In general, we believe that the FCC's principle that "the public should know who is trying to influence its opinion" should apply to all editorial expressions, whether

[7] For a discussion of the acceptability of funders, please refer to *Funding and Firewalls*: http://pmintegrity.org/pm_docs/FundingandFirewalls_000.pdf

on-air, on-line or other ways, and we recommend that stations disclose all funders of a project's non-broadcast (as well as broadcast) elements.

Considerations for foundation grants[8]

Foundations generally expect or require some kind of public acknowledgment of their support. In general, corporate and community foundations have a particular interest in the visibility of their acknowledgments due to their needs for institutional recognition. It is not uncommon that foundations want to use on-air or online credits to promote awareness of their broader work. The acknowledgment procedures for foundations should mirror those mentioned above for other types of donors.

There are, of course, some foundations that prefer to remain anonymous. Usually, this is a legacy of the original donor's giving preference. Sometimes, it is because the foundation is small and is concerned about being barraged with solicitations. However, the disclosure obligations for anonymous gifts described earlier apply to foundations as well.

[8] Please see Appendix E for a brief on transparency regarding foundations from Amie Miller, DEI's Foundation Support Coordinator

3. The Availability of Fundraising Information

Transparent organizations not only make relevant information available, they make it easy to find and use. When examining this issue, stations should consider the public's barriers to finding and making sense of information provided by the station. When possible, disclosures should be made in a way that allows them to be understood by a non-expert. Providing documents may not be always be enough; some donors will require further clarification. Stations should always grant reasonable requests for further explanation. Transparent stations train their development and member services staff on how to respond appropriately to requests for information.

One of the clearest ways for a station to show its commitment to transparency is to make documents available on their website. Station websites should have board members (if applicable) and key staff listed, as well as an annual report available for download. Stations that do not produce an annual report should consider making a summary of their revenue streams available online. Independent organizations should have their most recent 990 available for download, and make reference to their audited financial statements (some do this in an FAQ section).

Stations should also consider publishing a list of production funders on their website, instead of just in the public file. Other donors, particularly foundations and corporate underwriters, may also be listed (with permission) on a station's website. Transparent organizations should consider making their on-air and online crediting policies available here as well.

The FCC's rules require all broadcasters to maintain a file available for public inspection. The Public Inspection File should be available any time during regular business hours. It is acceptable for stations to charge a reasonable amount for copies of the file. Requests for copies should be fulfilled within seven days.[9]

In accordance with the Communications Act of 1934, section 396(k)(4) (as amended), CPB-funded stations must abide by open meeting rules. This

[9] See http://transition.fcc.gov/eb/broadcast/pif.html for details.

means that any meeting of a governing body or committee (including those of Community Advisory Boards) should be open to the public except under certain circumstances where the content of the meeting involves individual employees, proprietary information, litigation, etc. Stations should consult their legal counsel to determine whether they are in compliance with this rule. It is also good practice to review open meeting and open records requirements in your state. While stations may not be bound by their state's meeting and records requirements, stations may find that their donors and their potential critics would expect the same transparency of other public organizations. CPB-funded stations are also required to "make on-air announcements on at least three consecutive days once during each calendar quarter that explain the station's open meeting policy and provide information about how the public can obtain information regarding specific dates, times, and locations." [10]

[10] See http://www.cpb.org/stations/certification/cert1.html for details.

4. Gift Acceptance Policies

A well-crafted gift acceptance policy is an important element of fundraising transparency. In particular, it can help a station avoid taking a gift that would cost it time, money, or its reputation. Policies may also outline what types of funders are never acceptable (*e.g*., tobacco, political action committees, etc.) to the station. Aside from protecting the station, gift acceptance policies help donors understand what type of gifts they can make and their options for directing their gift to a specific area.[11] Many stations in the system already have gift acceptance policies. In some cases, an institutional license-holder (like a university or school board) may have its own policy that applies to certain types of gifts a station may receive. In such cases, the station's policy should inform potential donors that additional requirements from their parent institution may apply.

For the sake of transparency, some stations choose to publish a summary gift acceptance policy on their website. A full version of the policy should, at very least, be presented on request and ideally be available for download. Having the document freely available may prevent an uncomfortable situation where a station must turn down a gift. Major donors–particularly those considering gifts of real estate, securities, or non-traditional assets– should be informed of the station's policy (and any relevant policies from an institutional licensee) as early in their solicitation process as is practicable.

Stations have a responsibility to regularly review their gift acceptance policies. Even a well thought-out policy will be ineffective if the staff and volunteers who interact with donors the most do not know it well.

[11] Please see Appendix H, Gift Acceptance Policy, provided by Development Exchange, Inc. (DEI)

5. THE COST OF FUNDRAISING

Transparent organizations make an effort to communicate the cost of fundraising to their donors and the public. Some of public media's most popular fundraising tactics are, by nature, expensive. Our use of thank you gifts and on-air pledge drives can make our costs significantly higher than many human service charities, nonprofit hospitals, and arts organizations. While at times more costly, public media's funding system is part of what makes our industry unique. Receiving a large volume of small donations from our supporters is another reason that we are able to be the high-quality, independent, and community-based organizations our listeners/viewers appreciate.

While most public radio and television stations track their fundraising costs internally, institutional licensees (unlike community-licensed stations) are not usually required to make this information available to the public separate from their parent institution. Many institutionally-licensed stations also enjoy significant in-kind support from their parent institution as well (like occupancy costs, software, technical support, etc.), making calculation and disclosure of true costs even more difficult.

There is also confusion in the industry about what should be considered a fundraising cost. The IRS defines fundraising expenses as "…the expenses incurred in soliciting contributions, gifts, and grants."[12] The most common fundraising expenses are the salaries and benefits for development staff, a percentage of occupancy costs (not all stations have these), postage, printing, special event costs, and consultants. There are more detailed guidelines available from the Financial Accounting Standards Board and the American Institute of Certified Public Accountants that spell out what should and should not be classified as a fundraising expense, as well as rules for jointly-allocated activities. Stations should work with their finance departments and auditors to define their fundraising expenses and track them. Some stations fear that inconsistency in reporting and allocation methods would open them to unfair comparison with other nonprofits.

[12] See page 39 of Form-990 here: http://www.irs.gov/pub/irs-pdf/i990.pdf

As a best practice, all stations (regardless of license-type) should publish their aggregate fundraising costs both as a dollar amount and a percentage of expenses in their annual report. Publishing a pie graph showing the portion of expenses going to programming, general/administrative, and fundraising is an effective way of communicating this information.[13] The generally accepted range for fundraising costs is 20-30 percent of overall expenses[14], although this varies widely from station to station. Stations wishing to be included in local, state, or federally-administered workplace giving campaigns will often be held to more stringent eligibility standards. Most commonly, the ratio of fundraising and general administration cost to total revenue is expected to be below 25 percent.

Fear of making this information public should not put downward pressure on wise investments in fundraising. Stations must be prepared to justify their costs and allocation methods with policy documents, comparison data, and audited financial statements if requested.

The working group acknowledges that this is a particularly challenging area for some. We also recognize that stations not currently disclosing this information separate from their licensee may have a great deal of apprehension around the issue of fundraising costs. New information opens new avenues for criticism and comparison. Some stations may also lack the expertise and systems to track these costs. We concede that it may not be realistic to expect all stations to adopt 'best practices' in the area. In the spirit of transparency, however, stations should make a good-faith effort to report their cost of fundraising as accurately as possible while working internally to improve their tracking and allocation methods.

[13] See Appendix F condensed financial information in Annual Report from Northern California Public Broadcasting (KQED)

[14] http://www.charitynavigator.org/index.cfm/bay/content.view/cpid/48.htm

6. Relationships with the institution that holds the station license

Although most institutional licensees do a good job of making it clear to the listener that their station is affiliated with a larger entity, station executives must take a closer look at transparency regarding these relationships in the area of fundraising.

Some stations do not include information about their relationship to the institution because they feel it will adversely affect their fundraising efforts. Donors often want to contribute to the station, not the license holder, but obscuring these relationships is not appropriate.

In general, institutional stations should be mindful of policies of the parent institution that govern the way they accept and process gifts, store and share donor information, and designate contributions. Donors should be made aware of these when they could directly affect their gift; for instance if the institution keeps a portion of all gifts to the station. If a station follows their license-holder's gift acceptance policies and/or Donor Bill of Rights, then those policies should be posted or linked on the station's website.

Some institutional licensees may decide to organize a volunteer group that is involved in securing annual gifts to the station. The structure of what are sometimes called friends groups varies widely. Whatever the arrangement, stations should recognize that the public does not always understand the distinction between these groups and the station (or licensee) itself. Therefore, friends groups must operate with the same care and commitment to transparency as the station they were created to support. At a minimum, if friends groups help make decisions about managing contributed funds, donors must know.

7. Challenge Grants

Many stations have found that challenge grants are excellent tools to increase the amount and the motivation for individual gifts during on-air pledge drives and other fundraising campaigns. Challenge grants can come from other station members, foundations, corporations and other sources. The purpose of the grant may be to encourage listeners or viewers to become members or renew their memberships early in a pledge drive or provide an incentive for listeners/viewers to join for the first time.

Challenge grants may be setup in a number of ways. Some are dollar for dollar matches, (*e.g.* "Give this hour and donor X will double your gift.") Usually, these grants have a total dollar limit, which should be revealed on air.

Other challenges are set up so that the station gets the full grant only if a certain goal of dollars or donors is met within a specified period of time. With regard to transparency, this type of challenge grant can be troublesome. The question comes up, "What happens to the grant if the goal is not met?" To create urgency, station announcers or other communications may push the fact that the money will go away if the goal is not achieved. Oftentimes, this may not be true. In most cases, the donor has agreed that the station can keep the money, goal met or not. This approach is unethical.

As a matter of transparency and good donor relations, a station should report back to the donor the impact of their grant soon after the application/offering of such a grant. If the grantmaker of a failed challenge has not already authorized the station to roll their challenge into another hour or simply make it a standard gift, they should be contacted and asked for clarification.

Some stations have designated normal contributions and underwriting funds as matching grants, when, in fact, the donor was not contacted and did not know their gift was being counted as a matching grant. This approach is highly unethical.

In the area of challenge grants, this working group recommends full disclosure. To be safe, stations may want to use only dollar-for-dollar matching and avoid the problematic goal-based challenge grant. In any case, we recommend that stations be clear, in writing, with the donor about how their gift will be used and with the listener/viewer about the true nature of the challenge grant.[15]

[15] See Appendix G, WAMU's Member Match Policy

8. METHODOLOGY

This document was created by a working group of six public media executives and facilitated by the Development Exchange, Inc. (DEI) during the fall of 2011.

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APPENDICES

Appendix A

Association of Fundraising Professional's Donor Bill of Rights
Available at http://www.afpnet.org/files/ContentDocuments/Donor_Bill_of_Rights.pdf

The 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 ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit 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.

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.

APPENDIX B

Association of Fundraising Professional's e-Donor Bill of Rights

The e-Donor Bill of Rights

In addition to the rights outlined in the Donor Bill of Rights, online donors should demand the following of their online solicitors:

I. To be clearly and immediately informed of the organization's name, identity, nonprofit or for-profit status, its mission, and purpose when first accessing the organization's website.

II. To have easy and clear access to alternative contact information other than through the website or email.

III. To be assured that all third party logos, trademarks, trustmarks and other identifying, sponsoring, and/or endorsing symbols displayed on the website are accurate, justified, up-to-date and clearly explained.

IV. To be informed of whether or not a contribution entitles the donor to a tax deduction, and of all limits on such deduction based on applicable laws.

V. To be assured that all online transactions and contributions occur through a safe, private, and secure system which protects the donor's personal information.

VI. To be clearly informed of any costs or fees associated with online transactions and contributions.

VII. To be clearly informed if a contribution goes directly to the intended charity, or is held by or transferred through a third-party.

VIII. To have easy and clear access to an organization's privacy policy posted on its website and be clearly and unambiguously informed about what information an organization is gathering about the donor and how that information will be used.

IX. To be clearly informed of opportunities to "opt-out" of data lists that are sold, shared, rented or transferred to other organizations.

X. To not receive unsolicited communications or solicitations unless the donor has "opted-in" to receive such materials.

APPENDIX C

Policy on Production Underwriting (KQED)

NORTHERN CALIFORNIA PUBLIC BROADCASTING, INC.

POLICY ON PRODUCTION UNDERWRITING

ADOPTED - January 9, 1997

NCPB's mission includes the creation of new programs and productions to provide life enriching experience for its viewers and listeners.

The funds NCPB receives from its members and from the Corporation for Public Broadcasting support NCPB's daily operations but are insufficient to support substantial creation of new programs and productions without significant additional financial support from private-sector sources. In soliciting funds from private-sector sources, NCPB will be mindful of its public trust and its need to serve the public without encumbrance.

NCPB -- a broadcast organization licensed by the Federal Communications Commission (FCC) to operate public broadcasting stations KQED-TV, KTEH-TV, KCAH-TV, KQED-FM, KQEI-FM -- observes all pertinent FCC guidelines pertaining to television and radio program underwriting.

The Public Broadcasting Service (PBS) and National Public Radio (NPR) each promulgate guidelines pertaining to maintenance of editorial control and avoidance of commercialism and actual or perceived conflicts of interest. The PBS or NPR guidelines must be complied with for any program to be distributed by one or the other of these organizations; this KQED policy must be complied with in all cases.

Frequently, funders elect to support programs dealing with subjects in which they see a cultural or social value or connection with their own areas of endeavor. The purpose of the PBS and NPR guidelines, and this Board Policy, is to define basic litmus tests against which the suitability of any production underwriting can be evaluated. Special attention is to be given to cases in which the interest of a prospective funder in the subject matter of a proposed program is so clear and direct that the public's perception of editorial independence might be impaired.

Editorial control: NCPB maintains editorial control for the programs it produces for local and national broadcast. NCPB will not produce a program or series of programs for broadcast if the program's funder has asserted or has the right to exercise editorial control. Exceptions may be made when NCPB agrees to provide production services for a program or program series which will not air on NCPB television or radio.

Avoiding Audience Perception of the Loss of Editorial Control: NCPB will not accept underwriting for a program or series for which there exists a clear and direct connection between the interests, products, or services of the funder such that a reasonable viewer or listener, with knowledge of all relevant facts known to NCPB, would believe that NCPB had allowed the program funder to exercise editorial control. Further, NCPB will not accept production funding from any entity (individual or group) which is the primary subject of that production. NCPB management will review and decide such issues in good faith and will reserve the right to reject any underwriting which it believes to be in conflict with this policy.

Non-commercialism: NCPB will not accept program funding or enter into program funding relationships which are overtly commercial or self-serving.

Communication with Potential Funders: NCPB will give potential funders a copy of this Board Policy to ensure that they understand that NCPB will maintain full editorial control of its projects.

APPENDIX D

Requirements related to disclosure of contributions (John Crigler)

GARVEY SCHUBERT BARER
A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

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Please reply to JOHN CRIGLER
jcrigler@gsblaw.com TEL (202) 298-2521

MEMORANDUM

TO: Doug Eichten, President, DEI

FROM: John Crigler

DATE: October 7, 2011

RE: Requirements Related to Disclosure of Contributions

This memo summarizes requirements of the Federal Communications Commission ("FCC") and Internal Revenue Service ("IRS") concerning disclosure of contributions to noncommercial educational ("NCE") broadcast stations.

1. FCC rules. The FCC requires broadcast stations to identify sponsors.[1] A "sponsor" is one who directly or indirectly pays or promises money or other valuable consideration in exchange for broadcasting any "matter." The general principle embodied in the FCC's sponsorship identification rules is that the public is entitled to know who is trying to influence its opinion.[2] Thus, underwriters must be identified on-air because they provide consideration in exchange for the broadcast of a matter, namely the underwriting acknowledgement itself. Pure donors, those who make a contribution but do not ask for an on-

[1] See 47 U.S.C. § 317 and 47 C.F.R. § 73.1212. A copy of the relevant regulations is attached.

[2] See 47 C.F.R. § 73.4242 and 40 Fed. Reg. 41936 (September 9, 1975).

air acknowledgement or attempt to influence programming, are not required to be identified on air.[3]

One form of sponsored programming – "political broadcast matter or any broadcast matter involving the discussion of a controversial issue of public importance" – requires not only on-air identification, but the identification of the sponsor's chief executive officers or members of the board of directors in the station's public inspection file.[4] The furnishing of broadcast program material is deemed to be consideration for airing the program, so programs offered "free" are nonetheless considered as "sponsored" if they are provided in exchange for being broadcast.

When a donor restricts the use of a donation to a particular program, the underwriter must not only be identified on-air, concurrently with the broadcast of the program, but must also be identified in writing in the "Donor List" maintained in the station's public inspection file.[5] The Donor List is not a list of all underwriters, nor even of those underwriters who make an unrestricted donation to the station but who stipulate that the acknowledgement of their contribution will air during a particular program. The Donor List is limited to those who contribute funds earmarked for the *production* of specific programs.

Certain provisions of the FCC's sponsorship identification rules apply to the advertisement of commercial products or services. These provisions are inapplicable to NCE stations which are prohibited from advertising for-profit entities.

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[3] See 47 C.F.R. § 73.1212(a) and Section 317(a) of the Communications Act.

[4] See 47 C.F.R. § 73.1212(e).

[5] See 47 C.F.R. § 73.3527(e)(9).

2. IRS Requirements. IRS rules focus primarily on the deductibility of donations rather than on disclosure of the donor by the recipients of donations. A donor may not claim a tax deduction for any single charitable contribution of $250 or more unless the donor obtains a contemporaneous, written acknowledgement of the contribution. A failure to provide such an acknowledgement deprives the donor of a valid claim for a deduction, but does not subject a station that receives the donation to penalty.

Most 501(c)(3) organizations report income on Form 990 or Form 990-EZ. These forms allow organizations to report revenue from contributions and grants on an aggregated basis.[6] Additional reporting about certain "substantial contributors" may be required, however. Schedule B, the Schedule of Contributors, requires an exempt organization to identify a contributor by name and address when its contribution is the greater of $5,000 or 2% of the sum of all contributions and grants received by the exempt organization. Schedule B must be made public by certain nonprofit political organizations (so-called 527 organizations) and by private foundations, but **not** by 501(c)(3) organizations. Thus, an exempt organization may be required to report certain donations and the identity of the donors to the IRS, but may not be required to disclose this information to the public.

[6] See Form 990, Part VIII, line 1(f).

§ 73.1212 Sponsorship identification; list retention; related requirements.

(a) When a broadcast station transmits any matter for which money, service, or other valuable consideration is either directly or indirectly paid or promised to, or charged or accepted by such station, the station, at the time of the broadcast, shall announce:

(1) That such matter is sponsored, paid for, or furnished, either in whole or in part, and

(2) By whom or on whose behalf such consideration was supplied: *Provided, however*, That "service or other valuable consideration" shall not include any service or property furnished either without or at a nominal charge for use on, or in connection with, a broadcast unless it is so furnished in consideration for an identification of any person, product, service, trademark, or brand name beyond an identification reasonably related to the use of such service or property on the broadcast.

(i) For the purposes of this section, the term "sponsored" shall be deemed to have the same meaning as "paid for."

(ii) In the case of any television political advertisement concerning candidates for public office, the sponsor shall be identified with letters equal to or greater than four percent of the vertical picture height that air for not less than four seconds.

(b) The licensee of each broadcast station shall exercise reasonable diligence to obtain from its employees, and from other persons with whom it deals directly in connection with any matter for broadcast, information to enable such licensee to make the announcement required by this section.

(c) In any case where a report has been made to a broadcast station as required by section 507 of the Communications Act of 1934, as amended, of circumstances which would have required an announcement under this section had the consideration been received by such broadcast station, an appropriate announcement shall be made by such station.

(d) In the case of any political broadcast matter or any broadcast matter involving the discussion of a controversial issue of public importance for which any film, record, transcription, talent, script, or other material or service of any kind is furnished, either directly or indirectly, to a station as an inducement for broadcasting such matter, an announcement shall be made both at the beginning and conclusion of such broadcast on which such material or service is used that such film, record, transcription, talent, script, or other material or service has been furnished to such station in connection with the transmission of such broadcast matter: *Provided, however*, That in the case of any broadcast of 5 minutes' duration or less, only one such announcement need be made either at the beginning or conclusion of the broadcast.

(e) The announcement required by this section shall, in addition to stating the fact that the broadcast matter was sponsored, paid for or furnished, fully and fairly disclose the true identity of the person or persons, or corporation, committee, association or other unincorporated group, or other entity by whom or on whose behalf such payment is made or promised, or from whom or on whose behalf such services or other valuable consideration is received, or by whom the material or services referred to in paragraph (d) of this section are furnished. Where an agent or other person or entity contracts or otherwise makes arrangements with a station on behalf of another, and such fact is known or by the exercise of reasonable diligence, as specified in paragraph (b) of this section, could be known to the station, the announcement shall disclose the identity of the person or persons or entity on whose behalf such agent is acting instead of the name of such agent. Where the material broadcast is political matter or matter involving the discussion of a controversial issue of public importance and a corporation, committee, association or other unincorporated group, or other entity is paying for or furnishing the broadcast matter, the station shall, in addition to making the announcement required by this section, require that a list of the chief executive officers or members of the executive committee or of the board of directors of the corporation, committee, association or other unincorporated group, or other entity shall be made available for public inspection at the location specified by the licensee under § 73.3526 of this chapter. If the broadcast is originated by a network, the list may, instead, be retained at the headquarters office of the network or at the location where the originating station maintains its public inspection file under § 73.3526 of this chapter. Such lists shall be kept and made available for a period of two years.

(f) In the case of broadcast matter advertising commercial products or services, an announcement stating the sponsor's corporate or trade name, or the name of the sponsor's product, when it is clear that the mention of the name of the product constitutes a sponsorship identification, shall be deemed sufficient for the purpose of this section and only one such announcement need be made at any time during the course of the broadcast.

(g) The announcement otherwise required by section 317 of the Communications Act of 1934, as amended, is waived with respect to the broadcast of "want ad" or classified advertisements sponsored by an individual. The waiver granted in this paragraph shall not extend to a classified advertisement or want ad sponsorship by any form of business enterprise, corporate or otherwise. Whenever sponsorship announcements are omitted pursuant to this paragraph, the licensee shall observe the following conditions:

(1) Maintain a list showing the name, address, and (where available) the telephone number of each advertiser;

(2) Make this list available to members of the public who have a legitimate interest in obtaining the information contained in the list. Such list must be retained for a period of two years after broadcast.

(h) Any announcement required by section 317(b) of the Communications Act of 1934, as amended, is waived with respect to feature motion picture film produced initially and primarily for theatre exhibition.

NOTE: The waiver heretofore granted by the Commission in its Report and Order adopted November 16, 1960 (FCC 60–1369; 40 F.C.C. 95), continues to apply to programs filmed or recorded on or before June 20, 1963, when § 73.654, the predecessor television rule, went into effect.

(i) Commission interpretations in connection with the provisions of the sponsorship identification rules are contained in the Commission's Public Notice, entitled "Applicability of Sponsorship Identification Rules," dated May 6, 1963 (40 F.C.C. 141), as modified by Public Notice, dated April 21, 1975 (FCC 75–418). Further interpretations are printed in full in various volumes of the Federal Communications Commission Reports.

[40 FR 18400, Apr. 28, 1975, as amended at 46 FR 13907, Feb. 24, 1981; 49 FR 4211, Feb. 3, 1984; 49 FR 33663, Aug. 24, 1984; 50 FR 32417, Aug. 12, 1985; 57 FR 8279, Mar. 9, 1992]

APPENDIX E

Brief on transparency regarding foundations (Amie Miller, DEI)

Grants to Media: Transparency and Independence

Public media, which pioneered the model of independent, non-profit journalism, has long been funded by a combination of individual donations, corporate underwriting, foundation grants and federal support. According to FCC rules, public media must disclose its funding sources for on-air programming. However, in recent years, several changes have occurred that have drawn new attention to questions of financial transparency in public media. Specifically:

- Dramatic changes in the media and journalism landscape have enabled the emergence of numerous new journalism outlets, many of which have adopted a non-profit funding model, but which vary tremendously in their funding sources, editorial standards, independence and transparency.
- The decline in traditional news outlets has spurred interest among foundations in supporting journalism. While some of these foundations have a history of support for public media, many are new to the field and are entering through support for new digital media news outlets where disclosure and transparency standards are largely undefined.
- A few high-profile scandals in recent years cast a negative light on public media's capacity to be impartial and independent.
- The substantial growth in the philanthropic sector over the past 20 years, combined with some private sector scandals (e.g., Enron) and increasing competition for funding from a growing number of non-profit organizations led to: 1) increased scrutiny of the entire philanthropic sector by regulators and the public, 2) increased pressure on foundations (internally and externally) to demonstrate the impact of their grantmaking, and 3) increased pressure on foundations to be more transparent about their grantmaking and its outcomes.[16]
- While Americans generally trust the news sources they use themselves, overall trust in the news media is declining. A September 2011 report by the Pew Research Center for the People and the Press found that: "Fully 66% say news stories often are inaccurate, 77% think that news organizations tend to favor one side, and 80% say news organizations are often influenced by powerful people and organizations."
- Public broadcasting is repeatedly a target in ongoing budget battles at the federal level, with some critics raising questions about the system's editorial and financial integrity and accountability.

In this environment, it is essential for public media to be as open and transparent as possible about its funding sources and the policies and practices that ensure its editorial independence and integrity. By doing so, public media will enhance its donor relations; build public understanding about the characteristics of high-quality, independent journalism; and better position itself to respond to criticisms when they arise.

[16] While several large foundations have taken significant steps to enhance their transparency, a challenge is that most foundations are small (median staff of 2). Fewer than 30% of foundations have websites or even issue annual reports.

The Foundation Landscape

In 2010, the nation's 76,000+ grantmaking foundations gave a total of $45.7 billion in grants and charitable contributions. Most of the money given by foundations is allocated for specific programs and projects. Approximately 20% of overall foundation dollars are given in general operating grants, a level that has held fairly steady in recent years. In 2009, community foundations allocated a somewhat larger share of their grant dollars for operating support (approximately 25%). In 2010:

- $32.5 billion was given by independent foundations. Constituting the majority of foundations in the United States, independent foundations are usually established by an individual, may be run by the founder's family, or may have an independent board and staff. In some cases, the original donor is still alive and may be actively involved in running the foundation. Independent foundations consistently account for more than 70% of foundation giving. They vary greatly in size – from small family foundations with modest endowments (64% of family foundations reported total assets of less than $1 million in 2009) to the Bill & Melinda Gates Foundation which reported nearly $34 billion in assets in 2009. By law, independent foundations must make charitable expenditures of at least 5% of the market value of their assets each year.

- $4.7 billion was given by corporate foundations. Corporate foundations derive their funds primarily from the contributions of a for-profit business. Like independent foundations, corporate foundations must pay out at least 5% of the value of their preceding year assets in grants and other qualifying charitable expenses. Most corporate foundations make grants based on annual contributions from their companies, retaining relatively low asset bases.

- $4.1 billion was given by community foundations. Community foundations are supported by local donors and governed by a board of private citizens who work toward the greater good of the citizens in the community. Funds come from a variety of sources, including bequests and living trusts, and are invested in perpetuity. Most community foundation grants are donor-advised, though community foundations often distribute some discretionary grants.

Foundations vary widely in their missions, interests and goals: from supporting "quality of life" in local communities to building audiences for the arts; from promoting specific policy reforms to advancing social justice; from increasing the number of people who achieve college degrees to "advancing U.S. interests and values abroad."

Over the past ten years or so, in part due to public scrutiny of the philanthropic sector, there has been a shift toward "strategic grantmaking" with funders focusing substantially increased attention on demonstrating the impact of their grants. Many funders have taken a much stronger interest in measuring and assessing the outcomes of the grants they make. In several cases, funders (especially community foundations and larger foundations) have launched initiatives aimed at promoting social change in particular geographic regions or around specific topics.

Growing Interest in Media

Some foundations have been long-time and substantial funders of public media. Many others have never funded media, other than perhaps through low-level operating grants to local public broadcasting stations. Recent research by the John S. and James L. Knight Foundation indicates that a growing number of community and place-based foundations are interested in funding media and/or have begun to do so. This is in large part due to growing awareness of the negative impact of the decline in traditional sources of news in communities across the country.

The Knight Foundation has been instrumental in driving this growing interest, including providing matching funds to foundations for investment in local information needs. In a recently published guidebook for foundations new to media grantmaking, Knight notes that:

“[F]oundation leaders are learning that the quality of information and public conversation matters to their communities and it underpins the work the foundations are trying to accomplish. Many are seeing their news and information efforts strengthen their community leadership profile and improve their work in more traditional areas.”

The growing interest in funding media initiatives to inform communities is certainly to be welcomed by public broadcasters. This trend has had some very positive results: the growth of outlets like Pro Publica, new investment in local journalism initiatives led by public broadcasting stations, and the emergence of highly innovative digital media outlets focusing on specific communities and/or issues.

Public media may be concerned, however, about some other outcomes of this trend. A recent study by the Pew Research Center’s Project for Excellence in Journalism found that a significant proportion of the new digital media news sites “produced news coverage that was clearly ideological in nature.” **Importantly, the study found that the sites that were most ideological were those that were funded mostly or entirely by one parent organization or funder.** In contrast, the sites that had multiple funders, more revenue streams, more reporters and more transparency were the most balanced in their reporting perspectives.

Recognizing Grants

According to data compiled by the Corporation for Public Broadcasting, foundation grants accounted for 7.9% of public broadcasting’s revenue in 2008.

Foundations generally expect and typically require some kind of public acknowledgment of their support. In general, corporate and community foundations have a particular interest in the visibility of their acknowledgments due to their own promotional needs (to customers and prospective donors). The capacity of media to get grantmakers’ names in front of significant audiences repeatedly is generally attractive to foundations.

There are, of course, some foundations that prefer to remain anonymous. Usually, this is a legacy of the original donor’s giving preference. Sometimes, it is because the foundation is small and is concerned about being barraged with solicitations.

It is not uncommon that foundations want to use on-air or online credits to promote awareness of their broader work. Most often, this is done through the use of a tagline to give a short description of the foundation’s top priorities. In some cases, foundations may want to use taglines to mention another grantee or a campaign that they support.

Enhancing Transparency

Public media has set the standard for independent journalism and is rightfully protective of the high level of public trust that it has earned. As news outlets diversify and as more content moves online, public media outlets can safeguard and deepen that public trust by expanding their own transparency about financial and editorial practices.

In donor relations, as in any relationship, communication is essential. While there are definitely some foundations (and underwriters and major donors) who might like to influence editorial decision-making and on-air/online content, most funders understand or can be helped to understand the importance of journalistic independence and editorial integrity. Stations that are clear and explicit about the editorial firewall *and* that have a diversified donor base will be best positioned to avoid real or perceived conflicts of interest.

Enhanced transparency around financial support will help stations to improve relations with multiple constituencies. In particular:

1. **Donors and potential donors:** Perhaps the biggest challenge in establishing transparency around grants is educating the donors. The vast majority of foundations are small (76% have 4 or fewer staff members). Unlike the largest foundations, they do not have a staff of program officers expert in a variety of subject areas. Stations should assume that foundations know relatively little about FCC crediting rules and their applications, will not be familiar with the structure of media credits, may not be aware of editorial firewall concerns and may have little understanding of what distinguishes high-quality, independent journalism.

Stations can enhance donor relations, avoid misunderstandings and misperceptions, and promote transparency by having clear and early communications with donors about how gifts will be acknowledged. For example, stations can:

- Be explicit from the outset about public media's journalistic standards and editorial firewall. Have a written explanation of how these play out in practice and share it with donors and prospective donors.
- Create a written gift acceptance policy that identifies the kinds of gifts that are acceptable and unacceptable, spells out crediting policies and articulates policy around anonymous contributions. If there are certain categories of gifts that are not acceptable, identify them. Gift acceptance policies engage staff and board members in proactive conversation; help the organization avoid case-by-case decision-making; enhance donor relations by avoiding mixed messages; and provide a tool to help organizations avoid difficult situations and conflicts of interest.
- Avoid the appearance of impropriety by disclosing all contributions (including in-kind) that support content, whether on-air or online.
- Proactively share examples of appropriate credits with donors and potential donors. Many stations that fund news content with grants and individual donations run rotating credits throughout the schedule, thereby giving funders visibility while also underscoring the difference between funding a content area and funding a particular story.
- Regularly support content (on-air, online or other) with contributions from a multiplicity of funders. As noted above, news outlets funded by multiple funding sources not only appear to be the most independent, but actually produce the most balanced content. Some stations are achieving this goal by establishing topic-specific funds for programming (i.e., seeking corporate, individual and foundation support for a fund to support coverage of the environment or coverage of health). Others have specifically sought multiple mid-level gifts from an array of funders (including underwriters) that, together, support a particular content area.

2. **Audience/general public:** Stations can advance transparency with their audience and the general public by:

    - Including on the station website such information as:
        - A summary of the station's revenue streams.

- A list of donors to the station, including foundation donors, major donors, underwriters and potentially lower-dollar donors.
- Links to funders' websites, if they exist.
- A link to the station's 990 tax form or other relevant reports.
- An explanation of on-air and online crediting policies.

- Offering explanation of how the station establishes editorial priorities. Some stations draw on diverse community networks as they set editorial priorities. Others set priorities based on key local, regional or national issues. The fact that a station gets funding to support coverage of a content priority that it has chosen is altogether different from a funder driving content. This is a distinction that is important and can be proactively explained.
- Offering resources that help educate audiences and the public about what good journalism is. For example, the Pew Research Center's Project for Excellence in Journalism offers guidelines to help consumers assess news outlets in terms of transparency, range of viewpoints, story themes and reporting capacity.

Appendix F

Example of condensed financial information in Annual Report from Northern California Public Broadcasting (KQED)

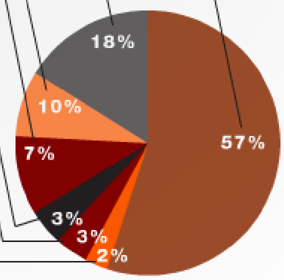
Full report available at http://tinyurl.com/6yd59e7

Condensed Financial Information

($000) *For the year ended September 30, 2010.*

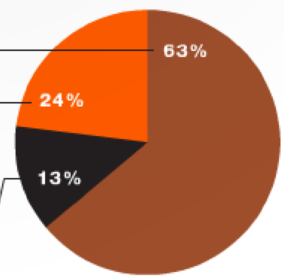
Note: This condensed financial information has been derived from Northern California Public Broadcasting Inc.'s financial statements as of and for the year ended September 30, 2010. It has been audited by Hood & Strong LLP. For a complete copy of the 2010 audited financial statements, please call 415.553.2863 or email aquibell@kqed.org.

Contributions and Membership Fees	31,275
Underwriting and General Grants	9,706
Community Service Grants	5,517
Other	3,643
Project Grants	1,873
Investment Income Transferred from Endowment	1,471
Bequests and Trusts	1,391
Total Revenues	**54,876**



Expenses

PROGRAM SERVICES	
Television Production and Broadcasting	18,508
Radio Production and Broadcasting	9,173
Program Promotion	2,530
Education Network	1,338
Interactive	2,086
Total Program Services	**33,635**
SUPPORT SERVICES	
Marketing and Development	12,617
General and Administrative	6,662
Total Support Services	**19,279**
Total Expenses	**52,914**
Trade and In-Kind Donations	1,979
Trade and In-Kind Expenses	1,880
Net Trade and In-Kind Activity	99



APPENDIX G

Member Match Policy (WAMU)

WAMU Member Match Policy

Rev. Aug. 2009

Terminology

Campaigns to raise matching funds are a time-honored tradition in the larger nonprofit world, and are particularly compelling for public radio membership efforts as well.

Unofficially, one major public radio network recently completed some focus group fundraising research, and one major finding was that public radio members don't believe "challenges" are real.

The use of the term “challenge” may be inadvisable, as it implies a competition. With a concerted focus on the need for major/planned giving, public radio stations are trying to engage members in longer-term relationships, to enable frequent conversations about larger investment opportunities.

As a result, WAMU will refer to gifts/grants made for the purpose of matching membership contributions through a campaign as "member match" (or "corporate match") gifts…never as “challenge.”

Purpose of Funds Raised

When promoted on-air, explain clearly that the money donated by this group of donors (or this corporation/business) is for the *expressed purpose* of raising additional funds (dollar-for-dollar) in the next on-air campaign. The appeal language used to solicit additional gifts from current members sets forth the exact manner in which WAMU intends to use their contribution, so we are ethically bound to meet our donors’ intentions, and apply their contributions the way they expect us – and the way we promised -- to.

Types of Match

Until 2008, WAMU would offer dollar-for-dollar challenges issued on the basis of a pledge ($1,000 and greater) received during an on-air campaign (the traditional approach.

Today, WAMU uses a pool of pre-campaign *member match* dollars received from direct mail and on-air additional gift solicitations (we begin 30 -- 45 days prior to the upcoming campaign).

The latter approach is the preferred method for WAMU during our two, eight-day on-air campaigns.

Corporate Matching Grants

While the vast majority of our matching funds are from individual donors, WAMU does have a corporate matching grant program which has accounted for $40,000 in our October 06 and February 07 major campaigns. One match was from a magazine publisher, the other from a large foundation.

In both cases, the Assistant Director of Development, Leadership Giving worked closely with the Director of Corporate Marketing and the appropriate account executives to secure the matching funds without jeopardizing current or prospective underwriting revenue.

Recognition for Corporate Matching Grants

When we "land" an organizational matching grant, we will solely mention the contributing agency during the period in which their challenge is active on-air (no additional underwriting commitment), we will invite the organization to provide a volunteer team to staff our phones during the time period in which their match is issued on-air, and we'll provide post-campaign recognition on-air and in our monthly eNewsletter.

Scheduling Member Match Offers

In recent years, WAMU typically enjoys from $25,000 to $50,000 in additional/member matching gifts collected for each campaign…not counting corporate matches.

Before each on-air campaign, based on previous campaign results, we will schedule fixed-dollar member matches during hours in which we believe the need is greatest and in which we will ensure the match is met. Typically these match amounts are set by the Director of Development, with some flexibility provided to the Assistant Director of Development, On-Air and Online Fundraising to adjust upward or downward when appropriate.

Member match dollars received daily during the course of the campaign are accounted for, attributed to the member match appeal code, and added into the pool of member match funds.

When scheduling corporate matching grants of $10,000 and greater, WAMU prefers to focus on new and rejoining members. We designate one day during the middle portion of an on-air campaign, and offer up the corporate challenge in four increments throughout the chosen day, typically during *Morning Edition, The Diane Rehm Show, The Kojo Nnamdi Show,* and *All Things Considered.* Doing so ensures the corporation of a full day of on-air recognition, and allows each daypart team to share the risk and the success of making goal and securing the grant.

When applied solely to new and rejoining members, WAMU does not count renewing and additional gift contributions toward the goal…we solely count new and rejoining members/dollars to make the match.

Match Ratio

With regard to the match ratio, an article in the June 15, 2007 issue of <u>The Chronicle of Philanthropy</u> reported findings of a study of challenge grant "matching ratios" that helps provide support for a dollar-for-dollar ratio.

The study concluded that higher *ratios* of matching gifts (2:1 or 3:1) do not affect the amount of ensuing contributions...at least by way of direct mail solicitation. Until such a time as additional research investigates different methods of fundraising, it seems logical to assume on-air and online fundraising may follow the same trend.

Simply, with a dollar-for-dollar match, we know that $25,000 will become $50,000, or $60,000 will become $120,000 (and typically more) by the time we end the campaign.

Accounting for Member Match Gifts

Member match gifts are recorded and set aside until applied on-air during the campaign. As member match goals are exceeded, these gifts are added to the hourly campaign totals in which specific amounts of the member match dollars were reached.

All member match contributions – whether from individual, corporation, or foundation -- are considered unrestricted gifts.

APPENDIX J

Sample Gift Acceptance Policy (from DEIworksite.org)

WXYZ Gift Acceptance Policy

Unanimously approved by the WXYZ Board of Directors – January 15, 201X

I. Introduction

WXYZ is a not for profit organization under the laws of the State of STATE. WXYZ encourages the solicitation and acceptance of gifts for purposes that will help WXYZ to further and fulfill its mission. The Board of Directors of WXYZ through their Board of Directors, Executive Director, and staff is responsible for establishing and implementing fund raising strategies to meet the voluntary gift support needs of WXYZ. The following policies and guidelines govern acceptance of gifts made to WXYZ or for the benefit of any of its programs. The following policies have been developed to guide the efforts of all staff, volunteers, and allied advisors involved in gift solicitation on behalf of WXYZ.

Note: The fiscal year of WXYZ shall end on MONTH 30 of each year.

II. Purpose

The Board of Directors of WXYZ and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and missions of WXYZ. This gift acceptance policy will provide guidelines to representatives of WXYZ who may be involved in the acceptance of gifts, to outside advisors who may assist in the gift planning process, and to prospective donors who may wish to make gifts to WXYZ and/or its endowment. The provisions of these policies shall apply to all gifts received by WXYZ for any of its programs or services. This policy is intended only as a guide and allows for some flexibility on a case-by-case basis. The gift review process outlined here, however, should be followed closely. The policy is a cornerstone of WXYZ's dedication to honoring each donor's desires and to keeping the promise made to each donor.

III. Use of Legal Counsel

WXYZ shall seek the advice of legal counsel in matters relating to acceptance of gifts where appropriate. Review by counsel is recommended for:

--review of closely held stock transfers that are subject to restrictions

--review of documents naming WXYZ as Trustee

--review of all gifts involving contracts, such as bargain sales or other documents requiring WXYZ to assume an obligation

Buy-sell agreements review of all transactions with potential conflict of interest that may invoke IRS sanctions and such other instances in which use of counsel is deemed appropriate by a Gift Review Committee and Board of Directors of WXYZ or XXX.

IV. Conflict of Interest

All prospective donors shall be strongly urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. WXYZ will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

V. Definitions

All gifts to WXYZ will fall into one of the following categories:

Current Gifts contributed by a donor are granted under the terms of which the charity may expend all or a portion of the assets at its discretion for the specified purposes in the near term.

Deferred Gifts are a broad description for charitable gifts that provide a "deferred" benefit to the charity. These gifts are not available for use until some future date. Thus, they are not used to fund immediate operations or near-term capital projects. Since an endowment fund is generally viewed as a way of building future reserves, deferred gifts are particularly well-suited for that purpose. Oftentimes, deferred gifts are used interchangeably with planned gifts.

The General Fund is the term used to denote any and all unrestricted accounts used for the general operations of WXYZ.

Note: Any Operating Excesses (Retained Earnings) generated in WXYZ's General Fund as measured at the fiscal year end, unless otherwise directed by appropriate WXYZ board vote will be allocated as follows: xx% to the general funds of WXYZ and xx% to WXYZ Endowment Fund.

The Endowment Fund provides a tool to reach moneys otherwise not available to WXYZ through annual fundraising by offering contributors of substance the opportunity to make a gift in perpetuity. The intent is to grow the endowment by not removing any of the principal and reinvesting all or a portion of the income. This will ultimately provide more funds to support the programs and services offered by WXYZ in fulfilling its mission.

Notes: All planned gifts, unless otherwise specified by a donor and accepted by WXYZ, including but not limited to bequests, distributions of principal or income from charitable trusts, proceeds from charitable gift annuities and pooled income funds held at WXYZ or other community based organizations, endowed donor advised funds, long-term grants made from private foundations, or memorial gifts unless otherwise restricted by an individual donor, would go into the unrestricted endowment assets of WXYZ Endowment Fund.

VI. Restrictions on Gifts

WXYZ will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. WXYZ will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter or bylaws of WXYZ, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of WXYZ. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by a Gift Review Committee and the Board of Directors of WXYZ.

Unrestricted Funds are gifts that are to be used for any purpose and the donor has placed no restrictions on how and when the funds may be used. These funds will be used at the discretion of the executives and Board of Directors of WXYZ in accordance with the policies set forth in the Gift Acceptance Policy.

Temporarily Restricted Funds are gifts that are to be used for a specific purpose set forth by the donor. The funds are held in a restricted account until they are spent for the intended purpose.

Permanently Restricted Board Funds are gifts where the corpus of the gift is given to WXYZ Endowment and the income is to be used for a restricted purpose as set forth by the donor or, if unrestricted by the donor, for general operating purposes at the discretion of the General Manager of WXYZ and/or the Board of Directors.

The donor may select one of the following funds for their gift:

Unrestricted General Fund
General operations or other use at the discretion of WXYZ
Unrestricted Endowment Fund
General endowment fund, held in perpetuity, and used at the discretion of WXYZ
Board Restricted Funds
Program Fund
Music Fund
Capital Equipment Fund
Building Fund

VII. Gift Acceptance Responsibilities

The Board of Directors of WXYZ will maintain and revise as appropriate policies and guidelines relating to gift and fund acceptance. The Board delegates to the Gift Review Committee authority to accept gifts that meet the requirements of the Gift Acceptance Policy. Proposed gifts of assets not specified in this policy or the proposed declination of any gift will be referred first to the Gift Review Committee to develop a recommendation and then to the Board of Directors for action.

All gifts accepted by the Gift Review Committee will be reported to the Board. The Board, by a majority vote, must provide final acceptance for any gift with a value in excess of $200,000 following a recommendation by the Gift Review Committee. Written documentation of each gift specifying in detail the donor, the purpose for which the gift is made and restrictions, if any, will be prepared by the Gift Review Committee and maintained by WXYZ Business Manager in the official files of WXYZ.

Any questions, which may arise in the review and acceptance of gifts to WXYZ, will be referred to The Gift Review Committee, which, unless otherwise designated by the Board, will be comprised of the Board Vice Chair, Chair of the Board Development Committee, Chair of the Board Finance Committee, the station General Manager, WXYZ's corporate attorney. The Development Director of WXYZ will staff the Committee. The Chair of the Gift Review Committee will be appointed by the Board Chair. The Committee will meet quarterly. For gifts of tangible property or improvements to WXYZ property, the Board Property Committee will be consulted.

The Gift Review Committee will assist in developing and monitoring a formal policy for recording donor intent which shall be managed by WXYZ's General Manager.

VIII. Review Factors

The following factors will be considered in determining whether gifts shall be accepted by WXYZ:

- The charitable intent and ultimate benefit
- The restrictions, if any, placed on the gift
- Economic practicality of administering the gift
- Ongoing maintenance required by the gift

IX. Types of Gifts

The WXYZ may accept those gifts presented to it which are "readily marketable", and not subject to significant liabilities as outlined in WXYZ's Gift Acceptance Policies. In conformance with applicable statutes and regulations governing charitable institutions, gifts to WXYZ may not be directly or indirectly subject to material restrictions or conditions that prevent WXYZ from utilizing the assets or the income derived from them in furtherance of its tax exempt purposes. The following gifts are considered acceptable:

- Asset Types
- Cash
- Securities (Publicly Traded and Closely Held)
- Real Estate
- Life Insurance
- Tangible Personal Property
- Gifts of Property that are temporarily or permanently affixed to WXYZ building or grounds
- Deferred Gifts
- Bequests
- Charitable Gift Annuities (optional)
- Pooled Income Fund
- Charitable Remainder Trusts (optional)
- Charitable Lead Trusts (optional)
- Retirement Assets
- Remainder Interests in Property

For those gifts which are not "readily marketable," WXYZ will follow specific procedures as outlined in WXYZ's Gift Acceptance Policies.

<u>Asset Types</u>

WXYZ will accept gifts in the following form, subject to the conditions described below. In order for WXYZ to provide written substantiation for gifts, the donor will have to provide the name and address of the donor along with the necessary IRS documentation.

Cash

All gifts delivered by check or credit card shall be accepted by WXYZ, regardless of amount.

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

Securities

WXYZ can accept both publicly traded securities (such as those traded on a stock exchange – NYSE, AMSE, NASDAQor government and corporate bonds) and closely held securities. For gift crediting and accounting purposes, the value of the gift of securities is the average of the high and low prices on the date of the gift.

Note: Publicly Traded Securities may be electronically transferred to an account maintained at one or more brokerage firms, reregistered in the name of WXYZ, or delivered physically with the transferor's signature of stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Investment Committee. In some cases marketable securities may be restricted by applicable securities laws; in such instances, the final determination on the acceptance of the restricted securities shall be made by a Gift Review Committee and the Board of Directors of WXYZ. Gifts of bonds that require a holding period may be accepted and cashed when the holding period has expired.

Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval by a Gift Review Committee and the Board of Directors of WXYZ. However, gifts must be reviewed prior to acceptance to determine that:

There are no restrictions on the security that would prevent WXYZ from ultimately converting those assets to cash, the security is marketable, and, the security will not generate any undesirable tax consequences for WXYZ.

Note: No commitment for repurchase of closely held securities shall be made prior to completion of the gift of securities. If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the by a Gift Review Committee and Board of Directors of WXYZ, and legal counsel where necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

Securities that are unacceptable include those that are assessable or create a potential liability, securities that may not be assigned, such as Series A Savings Bonds, and those that have no apparent value.

Real Estate

Any gift of real estate must be reviewed by the Gift Review Committee. In general, WXYZ desires that individuals contribute property directly to WXYZ. The property will then be sold by such process and timing as WXYZ leadership dictates.

The donor or donor's estate is normally responsible for obtaining and paying for an appraisal of the property. The appraisal will be conducted by an independent, professional agent.

The appraisal must be based upon a personal visitation and internal inspection of the property by the appraiser. Also, whenever possible, it must show documented valuation of comparable properties located in the same area.

The formal appraisal should contain photographs of the property, the tax map number, the assessed value, the current asking price, a legal description of the property, the zoning status, and complete information regarding mortgages, liens, litigation or title disputes.

WXYZ reserves the right to require an environmental assessment or any potential real estate gift.

The property must be transferred to WXYZ prior to any formal offer or contract for sale being made.

The donor or donor's estate may be asked to pay for all or a portion of the following:

Maintenance costs
Real estate taxes
Insurance
Real estate broker's commission and other costs of sale
Appraisal costs

For gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate or sale price; however, this value may be reduced by costs of maintenance, insurance, real estate taxes, broker's commissions and other expenses of sale.

Life Insurance

A gift of a life insurance policy must be referred to the Gift Review Committee

If the gift is a paid-up policy, WXYZ must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, WXYZ will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, WXYZ may:

Continue to pay the premiums,

Convert the policy to paid up insurance, or

Surrender the policy for its current cash value.

For Life Insurance Beneficiary Designations, donors and supporters of WXYZ shall be encouraged to name WXYZ as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to WXYZ until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

Tangible Personal Property

Any gift of tangible personal property shall be referred to the Gift Review Committee prior to acceptance. The Gift Review Committee will consult with the Board's Property Committee before making a decision.

A gift of jewelry, artwork, collections, equipment, and software shall be assessed for its value to WXYZ which may be realized either by being sold or by being used in connection with WXYZ's tax exempt purpose.

Depending on the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value.

WXYZ shall adhere to all IRS requirements relating to disposing of gifts of tangible personal property and will provide appropriate forms to the donor and IRS.

Gifts of Property that are temporarily or permanently affixed to WXYZ building or grounds

The proposed gift will be presented to the Gift Review Committee who will consult with the Board's Property Committee. Both Committees should study the gift in light of the "Regulations Governing Memorials" as set forth by the Board on November 15, 1995 and is attached as an appendix to the Gift Acceptance Policy.

The Gift Review Committee will make a recommendation to the Board that will contain the following:

A description of the gift

Estimated cost of the gift including installation

Cost of future maintenance and its effect on the operating budget

Architectural integrity effects

Professional organizations involved in the installation

Manner of payment

Recommendation of the Board Property Committee

Gift Review Committee recommendation

The Board of Directors, in consultation with WXYZ executives will be solely responsible for approval.

If the gift involves a contract to be signed by WXYZ or the ability to access liens upon WXYZ, the donor will deposit with WXYZ in an escrow account the amount equal to two thirds of the estimated project expense. WXYZ will pay the donor interest at a pre-arranged market rate until the funds are required for payment. Contracts or work may not commence until these arrangements have been finalized.

Deferred Gifts

WXYZ encourages deferred gifts in its favor through any of a variety of vehicles:

Bequest
Charitable gift annuity (or deferred gift annuity)
Pooled income fund
Charitable remainder trust
Charitable lead trust
Remainder interest in property

WXYZ, or its agent, should not be designated in a will as a personal representative for a donor's estate. A member of WXYZ staff serving as a personal representative for a member of the community does so in a personal capacity, and not as an agent of WXYZ.

WXYZ, or its agent, shall not act as trustee of a charitable remainder trust without prior written consent.

When donors are provided planned gift illustrations or form documents, these will be provided free of charge. For any planned gift related documents, materials, illustrations, letters or other correspondence, the following disclaimer should be included:

WXYZ strongly urges you to consult with your attorney, financial and/or tax advisor to review and approve this information provided to you without charge or obligation. This information in no way constitutes advice. WXYZ will gladly work with your independent advisors to assist in any way.

All information obtained from or about donors/prospects shall be held in the strictest confidence by WXYZ, its staff and volunteers. The donor's name, the amount or the conditions of any gift, shall be published without the express written or oral approval of the donor and/or beneficiary.

WXYZ will seek qualified professional counsel in the exploration and execution of all planned gift agreements. WXYZ recognizes the right of fair and just remuneration for professional services.

The Board of Directors, upon advice of the Gift Review Committee, reserves the right to decline any gift that does not further the mission or goals of WXYZ and which WXYZ determines will be harmful to its operations and reputation. Also, any gifts that create an administrative burden or cause WXYZ to incur excessive expenses may be declined.

Bequests

Donors and supporters of WXYZ shall be encouraged to make bequests to WXYZ under their wills and trusts. Such bequests shall not be recorded as gifts to WXYZ until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

Charitable Gift Annuities

WXYZ does not currently offer Charitable Gift Annuities. Individuals wishing to include WXYZ as a charitable beneficiary of a Charitable Gift Annuity may do so through an agreement set up at a local community foundation, umbrella organization, or similarly structured organization that offers Charitable Gift Annuities and facilitates charitable beneficiary payments to organizations and programs outside of its own operating structure.

At a future date WXYZ may make the determination may offer charitable gift annuities by a Gift Review Committee and Board of Directors of WXYZ or that it is prudent to offer charitable gift annuities to its donor base. At such

time, the minimum gift for funding shall be $10,000. WXYZ's Gift Review Committee or Executive Director may make exceptions to this minimum. The minimum age for life income beneficiaries of a gift shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity.
Annuity payments may be made on a quarterly, semi-annual, or annual schedule.
WXYZ will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. WXYZ may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5 year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Gift Review Committee and Board of Directors of WXYZ or approves the arrangement.
Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments based on state requirements. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to WXYZ's general endowment funds, or to such specific fund as designated by the donor.

Pooled Income Fund

WXYZ does not currently offer Pooled Income Funds. Individuals wishing to include WXYZ as a charitable beneficiary of a Pooled Income Fund may do so through an agreement set up at a local community foundation, umbrella organization, or similarly structured organization that offers Pooled Income Funds and facilitates charitable beneficiary payments to organizations and programs outside of its own operating structure.
Charitable Remainder Trusts
WXYZ may accept designation as remainder beneficiary of a charitable remainder trust. WXYZ will not accept appointment as Trustee of a charitable remainder trust.

Charitable Lead Trusts

WXYZ may accept a designation as income beneficiary of a charitable lead trust. The Gift Review Committee and Board of Directors of WXYZ or will not accept an appointment as Trustee of a charitable lead trust.
Retirement Assets
"Account" type retirement plans, in which a balance accumulates as principal, may be given to WXYZ. These include Individual Retirement Accounts (IRA), 401K, 403B and defined contribution plans.
Methods for giving retirement assets include:
Naming WXYZ as successor or contingent beneficiary for all or part of the assets upon death of either the retirement asset owner or spouse
By giving to WXYZ in this manner, the gift passes to WXYZ without a deduction for income taxes.
Such designations shall not be recorded as gifts to WXYZ until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

Remainder Interest in Property

WXYZ will accept a remainder interest in a personal residence, farm, or vacation subject to an appraisal Policy and review by the Gift Review Committee. The donor or other occupants may continue to occupy the real property or reduce it to cash. At the death of the donor, WXYZ may use the property or reduce it to cash. Where WXYZ receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

X. Named funds

WXYZ will, normally, establish “named funds,” as requested by the donor or their family/estate, only for gifts of $100,000 or more. These “named funds” will become part of the Funds managed by WXYZ endowment. The use of the income from the fund may be unrestricted or restricted as set forth by the donor or donor’s family.

XI. Donor Unrestricted Gifts

Unrestricted Gifts of $5,000 or more:
50% of these unrestricted gifts will be designated as permanently restricted funds and 50% will be immediately available to WXYZ for short term or longer term needs as WXYZ leadership determines.
Unrestricted Gifts less than $5,000:
100% of these unrestricted gifts will be immediately available to WXYZ for short term or longer term needs as WXYZ leadership determines.

XII. Donor Intent

Respect

Donor intent will be determined for all gifts. Without donor direction, gifts will be used at the discretion of the WXYZ leadership. Donor’s wishes will always dictate any action by WXYZ. All donors will be appropriately recognized.

Recording

Each gift will be immediately recognized in WXYZ account records and be invested as appropriate. A Memorandum of Agreement will be drawn up for all estate gifts, and gifts and memorials that exceed $5,000.

XIII. Memorials - Gifts given in memory of another individual and are not given from an individual's personal estate

Unless temporarily restricted by the donor, memorials shall be designated as Unrestricted Funds and be subject to the policies and procedures set out in WXYZ Gift Acceptance Policy.

XIV. Naming WXYZ Rooms & Property

Rooms, buildings, equipment, etc. may be named in memory of individuals only when the naming is part of a reconstruction or new purchase and the individual or their relatives and friends contribute, through new gifts, 50% or more of the total cost of the work or purchase. Gifts of this type must be accepted and approved in accordance with Section III. Gift Acceptance Responsibilities as described above. As in all cases, WXYZ Board of Directors has the ability to override the Gift Acceptance Policy in a specific case by a majority vote.

XV. Authority

The WXYZ Gift Acceptance policy is a policy of the WDEI Board of Directors. It takes priority over accounting procedures unless approved by the Board. The Gift Acceptance Policy can only be modified by WXYZ Board of Directors.

XVI. Valuation of Gifts for Development Purposes

WXYZ shall record a gift received by WXYZ at its valuation for gift purposes on the date of gift.

XVII. Responsibility for IRS Filings upon Sale of Gift Items

The Gift Review Committee and Board of Directors of WXYZ or XXXX of WXYZ are responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by WXYZ where the charitable deduction value of the item was $5,000 or greater. WXYZ must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies.

XVIII. Acknowledgement

Acknowledgement of all gifts made to WXYZ and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Board of WXYZ. IRS Publication 562 Determining the Value of Donated Property and IRS Publication 526 Charitable Contributions are to these policies as an Appendix.

XIV. Changes to Policy

These policies and guidelines have been reviewed and by the Board of Directors of WXYZ and of WXYZ. The Gift Review Committee and Board of Directors of WXYZ or of WXYZ must approve any changes to or deviations from these policies.

Approved on the _______________day of _______________, YYYY.

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Chairman, Board of Directors, WXYZ

ATTACHMENTS

A. Model Standards of Practice of the Charitable Gift Planner

B. IRS Form 8282 and Instructions

C. IRS Publication 561 Determining the Value of Donated Property

D. IRS Publication 526 Charitable Contributions