

DONATIONS AND GIFTS POLICY 2021

Bay.org / BayEcotarium and Affiliates 501(c)(3)

GUIDELINES FOR ACCEPTING DONOR ADVISED FUND CONTRIBUTIONS

Thank you for your generous and continued support of Aquarium of the Bay/ BayEcotarium DBA Bay.org.

Gifts from a donor advised fund have become popular vehicles for charitable giving due to the tax benefits they can provide and to centralize philanthropic giving. The following is intended to answer some of the most frequently asked questions about donor advised funds and inform you about important associated rules and restrictions.

- A donor advised fund (DAF) is a named charitable giving account you can set up under a public charity, most often a sponsoring financial or community institution. To set up a DAF, you make an irrevocable gift of cash or other assets to the financial or community institution, receive a tax deduction, and as a “donor-advisor” may make non-binding grant recommendations to benefit the charities you care about.
- A DAF can also be part of a planned gift. When establishing a DAF, a qualified charity such as the Bay.org, may be recommended to receive any remaining balance in the DAF upon the death of the donor.
- Restrictions – The U.S. Pension Protection Act of 2006 establishes certain restrictions applying to donor advised funds. It is important to be aware of these to make sure that a donation through a DAF meets your needs and charitable intent. The restrictions that most often impact donors concern pledges (new and existing), providing multi-year support, and accepting donor benefits.
- Donating through a DAF limits the donor benefits you may receive. Because a full tax deduction is received at the time of establishing the DAF, donors may only receive “incidental” benefits, or benefits which do not carry a fair market value.
- There are penalties for receiving more-than-incidental benefits for a DAF gift. The U.S. Pension Protection Act of 2006 imposes an excise tax on any donor, donor advisor or family member who recommends a grant that results in “more than incidental benefit.” The sponsoring agency can be penalized as well.

Please note that this document is intended as a summary of our current guidelines for accepting gifts from donor advised funds. This document is not intended as legal advice. Donors should consult their DAF manager, tax advisors, and/ or legal counsel to determine the tax treatment of their proposed contributions and any other restrictions that apply to DAF grants.

GUIDELINES FOR EVENTS, MEMBERSHIP AND PLEDGES – YOUR DONOR ADVISED FUND

EVENTS, TICKETS, AND DONATIONS

Donors wishing to support Aquarium of the Bay/ Bay.org through special events should be aware of the following: Event tickets and tables, as they have substantial fair market value, may not be purchased through a DAF. An exception to this is when the donor will not attend the event and the entire table or seat is to be donated back to Bay.org.

Event donations through your DAF are welcomed. Your event donations, including raise-the-paddle donations can be made through a DAF if the DAF has approved the donation/contribution. Notify Bay.org and contact your fund sponsoring organization to clarify any required language to recommend the grant.

Under federal law governing donor advised funds, it is not permissible for donors to split or “bifurcate” payments for table, or tickets when a portion of the purchase is tax-deductible because you receive benefits or services. This means

that donors may not recommend a grant through a DAF for the deductible portion of a table or ticket purchase and then pay the non-deductible portion from a personal source.

If a portion of event admission is not tax deductible, your DAF can support the event in the following ways:

- If you would like to attend an event and make an additional contribution, you may pay the full price of admission (non-deductible and deductible portions) from a personal source outside of your DAF. Then, you may recommend a grant for the additional contribution from your DAF. Bay.org is pleased to recognize both your personal and DAF contributions in all event-related materials.
- If you purchase a table or tickets and donate them back to Bay.org (and not attend the event), you may recommend a grant for the original contribution from your DAF, noting that the requested table or tickets shall be donated back to the organization.

MEMBERSHIPS

Grants from DAFs to cover annual membership fees are acceptable if:

- The membership benefits are limited to incidental annual benefits, such as free or discounted admission to low-cost events, parking, preferred access, and attendance at certain members-only events.
- The donor waives non-deductible (tangible) benefits if the membership level offers them.
- An important note on tangible benefits: Under federal law, if any portion of the membership is not tax-deductible, you must either waive the tangible benefits or use a personal source to pay the entire membership value. As noted above, bifurcation is not permissible.

PLEDGES

When a DAF is established, the donor may recommend but not legally direct future charitable grants. As the donor has given up legal ownership of the fund, they may not make a legally enforceable pledge from their DAF to the charity they want to support. However, a distribution from a DAF in fulfillment of a donor's personal pledge to Bay.org is not considered to result in more than an incidental benefit to the donor if: (1) the fund makes no reference to the existence of any pledge when making the DAF distribution; (2) no donor receives, directly or indirectly, any other benefit that is more than incidental; and (3) the donor does not claim a charitable contribution deduction for the DAF distribution.

As a general matter of policy, Bay.org recommends that donors notify us of their intent to recommend a grant, as it assists us with future planning. Suggested wording is: "I intend to recommend a grant of [amount] from a donor advised fund (DAF), and this notification is not a legally binding commitment."

For questions related to grants recommended through your donor-advised fund, please consult with your fund advisor or legal counsel for definitive tax treatment.

Questions? Please contact Braxton Cahill, Controller, Bay.org at braxton@bayecotarium.org.

DONOR GIFTS AND ESTATE PLANNING

MAKE ADVANCING SCIENCE PART OF YOUR LEGACY

Incorporating a gift to the BayEcoTarium/ DBA Bay.org into your Estate, Will, Living Trust, Retirement Plan, or other financial assets is a simple but powerful way to connect people to the wonder of nature, clean oceans, impactful science, climate change and 360 solutions for a sustainable future. A simple phone call is often all it takes to set up a donation that will support the mission of the Smithsonian Affiliated Aquarium of the Bay and any of its branches. Gifts of any size make a big difference— and can benefit you, too! See below for just a few of the many ways you can support with non-cash gifts.

IRA RMDs AND YOUR GIFT TO BAY.ORG

Your retirement plan's Required Minimum Distribution (RMD) can be used to make a tax-free gift to Bay.org allowing your hard-earned savings to be put to work at an organization that matters to you. If you are 70 ½ or older, up to \$100,000 of your otherwise taxable RMD, can be paid directly from your IRA to Bay.org as a [qualified charitable distribution \(QCD\)](#), fulfilling your distribution requirement and eliminating taxable income.

WILLS AND TRUSTS

Including the Aquarium of the Bay or Bay.org in your Will or Living Trust is an easy way to make a lasting difference for the future— without affecting your income during your lifetime. You can choose to leave Bay.org a specific amount or percentage of your estate, or the balance remaining after distributions have been made to other beneficiaries.

RETIREMENT PLANS AND BANK ACCOUNTS

Make a plan to support Oceans and Environment in the future by leaving all or part of the balance of your IRA, 401(k), or other financial account to Bay.org— all you have to do is submit a simple form to your plan administrator naming us as a beneficiary. We will receive the assets tax-free; you will still be able to take withdrawals and modify your beneficiaries if your family's needs change during your lifetime.

CAPITAL CAMPAIGN

The Transformation of the 25-year-old Smithsonian Affiliated Aquarium of the Bay will commence with a soft launch Capital and Endowment Campaign on June 8, 2021- the World Oceans Day. The launch will be held at the Blue Marble Benefit scheduled at the Herbst Theater at the War Memorial in San Francisco subject to Covid19 restrictions on gatherings being lifted and vaccination requirements, for the safety of our guests, staff, organizers and entertainers. With 10 naming opportunities, the campaign targets for institutional Advancement total \$235 million with \$25 million in additional contingency measures. Further, all naming opportunities are created and established by BayEcotarium in recognition of and in reliance upon the high moral character of the honoree. In the event that the Board of Directors determines that the actions or conduct of an honoree – including but not limited to conviction of a felony - are contrary to the values of the organization and exposes it to public disrepute, it may in its sole discretion remove that person/ family/ corporation's name from the facility or program. These naming opportunities typically lasting 10 years include:

Endowment Campaign

- \$5 million Endowed position President & CEO
- \$55 million Institutional Endowment

Thematic Exhibit Galleries

- \$15 million Interactive Aquarium
- \$15 million Climate Resilience
- \$15 million Conservation Movement
- \$15 million Innovation Lab/ New Technologies

Capital Campaign

- \$70 million Lead Gift and Naming of the Bay Ecotarium
- \$30 million Ocean X and Event Space
- \$15 million Green Eco Park

PLEDGES

The standard pledge will be made in writing addressed to BayEcotarium.org, 55 Francisco St. Suite #710, San Francisco CA 94133, for duration of up to five years, and will constitute a contractual obligation of the donor to BayEcotarium.org.

There may be exceptions to this policy made with the approval of the Board. The value of any canceled or unfulfilled pledge will be subtracted from campaign totals. The value of oral pledges will not be counted in committed or publicly announced campaign totals but may be included in projected/anticipated campaign totals for internal use. Pledges will also be solicited for restricted grants and specific uses, with mutual agreement.

- i. "Start-up funds" gifts already expended shall not be returned or refunded;
- ii. "Start-up funds" and other gifts made but not expended may be redirected to other activities of BayEcoTarium at the direction of the donor or, if requested, returned (provided that the donor shall be required to pay any applicable tax on the returned donation as income); and
- iii. Pledges made but not paid would be redirected to other activities of BayEcoTarium at the direction of the donor or, if requested, rendered null and void.

CORPORATE PARTNERSHIP

Invested Partner in Bay Academy/ Conservation Mission

- Your annual Partner Membership of \$50,000 supports strategic educational initiatives to preserve and support BayEcoTarium's commitment to Climate Resilience and Ocean Conservation while preparing a work-force ready future. Benefits include a reserved table at the prestigious Blue Marble Awards, annual CEO Briefing with an advisory role in educational initiatives, a speakers bureau for your corporate events, and a concierge service for visitors to the BayEcoTarium.
- Education and Outreach activities including Shoreline Clean-ups and Habitat Restoration as well as Eco Expeditions can be sponsored on a case-by-case basis. Opportunities are regularly updated on our website for STEAM, Research Vessel Mike Reigel, Sea Lion Center, Bay Model Alliance, Film and Lecture Series, Webinars, Virtual Tours, Dive Certifications and Bay Mobile programs that can be sponsored in addition to Internships. Engage your company's brand with our audiences through custom event sponsorships. You will receive recognition, multichannel marketing, community awareness, and hospitality benefits, all tailored just for you.

In-Kind Donation/ Technology Collaborator

- Potential Vendors may offer products, software, hardware, materials, and services in-kind as donations. Donations may not automatically translate into the endorsement of the donor company and or vendor; nor does the donation ensure exclusivity in vendor/ Sponsor preference. Exclusive technology partnerships can be forged with corporations that engage in mission aligned Corporate Social Responsibility and Sustainable Development Goals. Opportunities to incorporate custom technologies may emerge during the construction of the BayEcoTarium in areas including (but not limited to) lighting, solar, wind, renewable energy technologies, recycled materials, software, hardware, network technologies, acoustics, biomimicry, filtration and pressure systems, HVAC, generators, green technologies, Cleantech products, education platforms, nanowear, ticketing systems, holographic and immersive projections, security systems, Artificial Intelligence and Machine Learning tools, to name a few.

DONOR PRIVACY POLICY

OUR COMMITMENT TO PRIVACY

Bay.org is committed to protecting the privacy of our donors. Bay.org does not sell, trade, or rent personal information about our donors with third-party organizations.

Data Collection

Bay.org may collect personal information about donors for a number of reasons, including:

- To administer and maintain accounts related to donations
- To facilitate fundraising
- To communicate with donors and potential donors concerning the museum and museum services

- To comply with legal and regulatory requirements
- Such information may include: name, address, phone number, email address, and credit card information when a donor voluntarily provides it to us. In addition, Bay.org maintains a record of each donor's giving history and communications with Institutional Advancement staff.

This information is kept on file and may be used for the following internal purposes:

- To distribute receipts for donations
- To thank donors for their donation
- To inform donors about events and programs
- To inform donors about fundraising activities
- For internal analysis and recordkeeping
- For reporting to relevant Federal and State government agencies, such as the IRS
- For annual audits
- For grant reporting
- To contact donors about changes to this policy

Recognition and Reporting

Bay.org may publicly recognize the receipt and purpose of an individual gift, unless the donor explicitly requests that the gift be anonymous. The specific amount of a donation will not be disclosed without the consent of the donor, except as required by law. Data on donors and donation amounts (excluding personally identifying information) may be aggregated and used for reporting purposes, including grants and government filings, without the consent of the donor. Bay.org also discloses a list of donors in various giving categories in Annual Reports.

Safeguards

Bay.org safeguards donor information by:

- Physical measures, including locked files and locked offices.
- Technological measures, including the use of passwords and digital security.
- Other measures, including restricting access on a "needs to know" basis.
- Use of a secure site for online financial transactions.
- Destruction of credit card information after a transaction has been processed and completed.
- We may revise our donor privacy policy at any time, without notice, and such changes will be effective immediately upon posting the revised policy to the website. Changes may be necessary due to changes in law, policy, or internal procedures. Check here periodically for any updates.

DISCLAIMER

All donations, unless otherwise specified, will be deemed unrestricted and will in no way reflect on any product, software, hardware, endorsement, and or entitlement in the operations, interpretive content development, exhibit design, visual presentations, programs, free access to the institutional facilities. For restricted grants, please contact paul@bayecotarium.org.