

Optica Foundation Gift Acceptance Policy

Purpose of Policy. The Optica Foundation solicits and accepts gifts that are consistent with its mission and support its core programs. The gift acceptance policy ("Policy") governs the Optica Foundation's acceptance of gifts and provides guidance to the Foundation Board of Directors ("Board") and staff as they solicit, evaluate, and accept the various types of gifts that the Foundation may be offered.

1. Types of Gifts. Donations and other forms of support will generally be accepted from individuals, partnerships, corporations, foundations, government agencies, or other entities subject to the requirements set forth below for specific types of gifts.

A. Gifts Accepted Without Review. The Foundation will accept unrestricted gifts of cash, cash equivalents, and publicly traded securities without prior review by the Board.

- i. Cash & Cash Equivalents: Unrestricted cash gifts are acceptable by cash, check, or electronic banking transfer.
- ii. Publicly Traded Securities: Unrestricted publicly traded securities may be transferred to a designated brokerage account maintained by the Foundation or delivered physically with proper stock transfer documentation. All publicly traded securities shall be sold as soon as practicable following receipt.
- iii. Cryptocurrency: The Foundation may accept cryptocurrency directly, but prefers that the donor liquidate all gifted cryptocurrency and transfer it to the organization's gift bank account as cash.

B. Gifts Subject to Board Review Before Acceptance. All gifts, except unrestricted cash gifts, must be reviewed by the Board prior to acceptance. The Foundation's policy is to liquidate all noncash gifts immediately upon receipt or as soon as feasible. The following guidelines also apply:

- i. Closely-Held Securities: Non-publicly traded securities, such as equity or debt in private companies, LLPs, and LLCs, may be accepted with Board approval. The Board shall review and decide whether to accept closely held securities based on the following factors:
 - a. Restrictions on the security that would prevent the Foundation from ultimately converting the securities to cash;
 - b. Time required to convert the security to cash;
 - c. The marketability of the securities; and
 - d. Risk or undesirable consequences for the Foundation from accepting the securities.
- ii. Tangible Personal Property: The Board shall review and decide whether to accept gifts of tangible personal property by considering the following factors:
 - a. The marketability of the property;
 - b. The restrictions on the use, display, or sale of the property; and
 - c. Carrying costs and possible liability for the property.
- iii. Real Estate: Gifts of real estate must be reviewed prior to acceptance and require, at the donor's or donor heir's expense, demonstration of clear title of ownership, appraisal of the property's fair market value and marketability, an environmental risk assessment, and a statement of expenses, encumbrances, carrying costs, and any other relevant factors. Only after considering the property's net value can real estate gifts be accepted. Gifts of real estate are subject to immediate sale. It is the donor's responsibility to obtain an independent appraisal of the property for tax purposes.

- iv. Retirement Plans or IRA Accounts: The Foundation may accept designations as a beneficiary of a donor's retirement plan(s). Retirement plans include, but are not limited to, Individual Retirement Accounts [IRA, 401(k), 403(b)], and defined contribution plans. Designations will not be recorded as gifts until the gift is irrevocable in accordance with GAAP.
- v. Bequests: The Foundation may accept bequests to the Foundation under a donor's will and trust. A bequest will not be recorded as a gift until the gift is irrevocable. When the gift is irrevocable but is not due until a future date, the gift will be recorded in accordance with GAAP.
- vi. Life Insurance: The Foundation may accept designations as beneficiary or contingent beneficiary and owner of a donor's life insurance policy. The life insurance policy will be recorded as a gift once the Foundation is named as both beneficiary and irrevocable owner of a life insurance policy. The gift shall be valued in accordance with GAAP rules. If the donor contributes future premium payments, the Foundation 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, the Foundation may:
 - a. Continue to pay the premiums;
 - b. Convert the policy to paid-up insurance; or
 - c. Surrender the policy for its current cash value.
- vii. Charitable Remainder Trusts: The Foundation may accept designations as the remainder beneficiary of a charitable remainder trust. The Foundation may not accept appointment as trustee of a charitable remainder trust.
- viii. Charitable Lead Trusts: The Foundation may accept designations as the income beneficiary of a charitable lead trust. The Foundation may not accept appointment as trustee of a charitable lead trust.
- ix. Pooled Income Funds: The Foundation may accept designations as beneficiary of a pooled income fund.

C. Gifts that cannot be accepted.

- i. Remainder Interests in Property: The Foundation may not accept gifts where the Foundation is named as a remainder interest in property.

2. Gifts with Restrictions or for New Awards or Programs.

- A. Restricted Gifts**: A gift with restrictions—whether cash or noncash—will be accepted only after the restrictions are approved by the Board.
- B. New Awards or Programs**: Unless otherwise authorized by the Board, the Board and the appropriate council, if required, must approve restricted gifts for new awards, prizes, and fellowships in advance.

3. Administrative.

- A. Gift Agreements**: The Foundation will enter into a written gift agreement with the donor specifying the terms of any gift, unrestricted or restricted, which may include provisions regarding public donor recognition and costs for program creation and development.

- B. Pledge Agreements:** The Foundation's acceptance of pledges by donors for future contributions shall be contingent upon the execution and fulfillment of a written charitable pledge agreement specifying the terms of the pledge, including payment terms and dates, and any approved conditions or limitations.
- C. Fees Responsibility of Optica Foundation:** While most gifts will likely not require involvement of legal, tax or other professional advisors, the Foundation may engage advisors at its expense to assist with gifts in the following circumstances: 1) to review restricted gifts, including closely-held securities; 2) to review contracts or other legal documents requiring the Foundation to assume an obligation; 3) where the Foundation is named as a trustee in a document; 4) gifts of real estate; 5) pledge agreements; 6) when there is a potential conflicts of interest.
- D. Fees Responsibility of Donor:** Donors are responsible for all expenses related to: (1) the fees of independent legal counsel or financial or tax advisor(s) retained by the donor for completing the gift; (2) evaluation or appraisal fees; (3) all other third-party fees associated with the transfer of the gift to the Foundation.
- E. Valuation of Gifts:** The Foundation shall record gifts at their fair market valuation on the date of receipt or transfer of the gift.
- F. Tax Deductibility of Donations:** The Optica Foundation is a 501(c)3 non-profit. It is the donor's responsibility to determine the tax deductibility of any gift. Donors should seek professional advice for complex gifts, such as those involving deferred gifts or estate planning.
- G. Written Acknowledgement:** The Foundation shall provide written acknowledgment of all gifts made to it and comply with the current IRS requirements for acknowledgment of the gifts.
- H. Gifts of \$5,000+ Reported to Board:** The Board shall be provided with a list of donors who made gifts of \$5,000 or more biannually to coincide with the spring and fall board meetings. The lists may be sent to the Board by email.
- I. Review of Gifts that Entail Reputational and Other Risk:** Reputational and other risks shall be considered by staff before accepting a donation. Optica's CEO shall bring any donations that entail such risks to the Board for approval.

4. Compliance with Law.

The Foundation's acceptance of donations and engagement in donor programs such as awards, prizes, and fellowships shall comply with applicable laws. The Foundation shall screen potential donors against applicable United States Entity Lists to ensure the Foundation complies with U.S. export control laws and that the Foundation does not engage with any individual or entity designated as a Specially Designated National by the Department of the Treasury's Office of Foreign Assets Control. Donations from individuals or entities on the Department of Commerce's BIS Entity List may be approved by the Foundation Board in accordance with the law.

5. Changes to or Deviations from the Policy.

This Policy has been reviewed and accepted by the Board, which has the sole power to change this Policy. The Board should review this Policy periodically. Any deviations from this Policy are subject to the written approval of The Board.