

CARNEGIE HALL

GIFT ACCEPTANCE POLICIES AND GUIDELINES

Adopted by the Board of Trustees October 5, 2017

Carnegie Hall, a New York not-for-profit corporation, encourages and depends on gifts to further and fulfill its mission to present extraordinary music and musicians on the three stages of this legendary hall, to bring the transformative power of music to the widest possible audience, to provide visionary education programs, and to foster the future of music through the cultivation of new works, artists and audiences.

The purpose of these policies and guidelines is to govern the acceptance of charitable gifts by Carnegie Hall, to assure that Carnegie Hall is a responsible steward of these gifts and that such gifts are in the best interests of Carnegie Hall and to provide guidance to prospective donors when they are contemplating making gifts to the Hall. The following policies and guidelines apply to gifts offered to Carnegie Hall to support any of its programs or services.

GIFT ACCEPTANCE COMMITTEE

The Gift Acceptance Committee will consist of staff members appointed by the Executive and Artistic Director, including designees from Development, Finance and Legal. This Committee will be responsible for reviewing *inter vivos* gifts, pledges, bequests and other planned gifts offered to the Hall where and as appropriate, in accordance with these policies and guidelines and with applicable laws, rules and regulations. Carnegie Hall reserves the right to refuse or return gifts containing restrictions that are inconsistent with the Hall's purpose or mission or that otherwise may be deemed inappropriate by the Committee. No less frequently than semi-annually, the Gift Acceptance Committee will report on accepted gifts (usually as a gross contributed revenue figure) to the Board of Trustees' Finance and Operations Committee.

COMPLIANCE WITH TAX LAWS AND REQUIREMENTS

Carnegie Hall will comply with all applicable tax laws and other legal requirements regarding gifts.

Unusual aspects of, or structures for, proposed gifts should be reviewed by Carnegie Hall's counsel. Carnegie Hall will not knowingly facilitate a donor claiming an improper tax or other benefit.

Carnegie Hall will comply with all applicable Internal Revenue Service requirements, and will acknowledge all gifts in writing to the extent and in the manner required by law. All charitable gifts to Carnegie Hall are recorded in Carnegie Hall's records by the name of the donor and include the date of the gift, restriction (if any) and value or description. Carnegie Hall's Development Office is responsible for sending donors required gift acknowledgments, which must include a good faith estimate of any goods or services provided in exchange for the gift.

APPRAISALS AND INDEPENDENT ADVISORS

It is the donor's responsibility to determine whether it is necessary to obtain an appraisal of a proposed gift and, if so, to secure such appraisal. It is also the donor's responsibility to secure independent legal, tax, financial and estate advice with respect to the donor's gifts to Carnegie

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Hall. Carnegie Hall will not act as advisor to any donor in any of these respects, though the Hall will work with a donor's advisors in furtherance of approved gifts.

RESTRICTED GIFTS

Restricted Purpose Gifts

Proposed gifts that are required to be used in connection with one or more existing programs of Carnegie Hall will not require review by the Gift Acceptance Committee.

Any proposed gift to Carnegie Hall that is subject to any other restrictions pertaining to use will be reviewed by the Gift Acceptance Committee to ensure that the restrictions are consistent with the mission and administration of Carnegie Hall.

Applicable restrictions on a gift's purpose will be clearly stated in the written acknowledgment of the gift as well as in any written agreement governing the gift.

Endowments

The minimum amount necessary to establish a restricted endowment is \$100,000. Endowments may be funded with outright contributions or with deferred contributions from bequests, life insurance policies, retirement plan designations, charitable remainder trusts and similar instruments and arrangements.

Endowments created by testamentary transfer will be administered in accordance with the donor's wishes as set forth in the relevant testamentary document, provided that the donor clearly establishes an endowment and the intended use is not prohibited by law or Carnegie Hall policy and is otherwise acceptable to the Hall.

Endowment principals will be pooled and invested, and the income expended, in accordance with the prevailing investment and spending policies of Carnegie Hall and applicable laws and regulations.

Other Restrictions

Carnegie Hall generally does not accept securities that are subject to restrictions as to sale or liquidation, or restrictions on gifts of art. See more detailed guidelines below.

TYPES OF GIFTS

Cash and Publicly-Traded Securities Not Subject to Restriction

Outright gifts of cash and publicly-traded securities that are not subject to restriction—either by the donor or applicable law—do not require Gift Acceptance Committee review. Checks should be made payable to “The Carnegie Hall Corporation” or “Carnegie Hall.” Credit card payments and fund transfers (including wire and ACH transfers) are also acceptable. Publicly-traded securities may be accepted and will be sold upon receipt unless otherwise directed by the Finance and Operations Committee.

Publicly-Traded Securities Subject to Restriction

Gifts of otherwise marketable securities restricted by applicable law or other restriction will be reviewed by the Gift Acceptance Committee, taking into account the potential benefits as well as

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costs of the proposed gift. Any restricted marketable securities that are accepted by Carnegie Hall will be sold as soon as practicable upon expiration or satisfaction of their restrictions unless otherwise directed by the Finance and Operations Committee.

Closely-Held Securities and Other Ownership Interests

Gifts of closely-held securities, including debt and equity positions in non-publicly traded companies, as well as interests in LLPs, LLC and other ownership forms, must be reviewed by the Gift Acceptance Committee, taking into account:

1. the value of the proposed gift (potentially obtaining an independent appraisal),
2. the marketability of the proposed gift,
3. any restrictions on transfer,
4. special issues arising from co-ownership or ownership of a non-controlling or minority interest,
5. potential tax consequences,
6. the nature of the company's business and
7. potential liabilities, costs or other obligations arising from ownership of the interest.

If accepted, Carnegie Hall will seek to sell the securities as soon as legally permissible, unless otherwise directed by the Finance and Operations Committee.

Value of Gifts of Securities

For acknowledgment and accounting purposes, and in accordance with applicable law, the value of donated securities will be determined as the mean between the highest and lowest quoted selling prices on the date they are received in Carnegie Hall's brokerage account, multiplied by the number of shares.

Tangible Personal Property

Carnegie Hall may accept gifts of tangible personal property, including but not limited to art, collectibles, antiques and books, with the approval of the Gift Acceptance Committee (in consultation with the Carnegie Hall Director of Archives and Rose Museum, as appropriate). In considering whether to accept a proposed gift of tangible personal property, the Gift Acceptance Committee will consider:

1. whether the proposed gift is related to Carnegie Hall's mission,
2. the financial value of, and any potential liabilities associated with, the proposed gift,
3. the costs associated with receiving, maintaining or selling the proposed gift (including costs of insurance, shipping, storage, care and appraisals),
4. any restrictions on the use or sale of the proposed gift,
5. whether a proposed gift to the Archives or Rose Museum is duplicative of existing holdings and
6. whether, if appropriate, the gift can be sold easily without significant cost.

Intangible Personal Property

Carnegie Hall may accept gifts of intangible personal property, including but not limited to copyrights, patents and royalties, with the approval of the Gift Acceptance Committee. In

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considering whether to accept a proposed gift of intangible personal property, the Gift Acceptance Committee will consider:

1. the value of the proposed gift,
2. any potential associated costs,
3. whether the property would be useful to Carnegie Hall,
4. whether the property would be readily marketable,
5. any potential joint or partial ownership that may result or persist following transfer to Carnegie Hall and
6. any other potential benefits and burdens associated with the proposed gift

Real Estate

In rare instances, Carnegie Hall may accept gifts of developed or undeveloped real estate. Proposed gifts of real estate must be approved by the Gift Acceptance Committee and the Executive and Artistic Director. In determining whether to accept such gifts, the donor will be asked to disclose, and the Gift Acceptance Committee will evaluate:

1. the value of the proposed gift,
2. whether there are any financial, environmental or other liabilities that would be required to be assumed upon acceptance of the proposed gift,
3. the costs of carrying the property, including but not limited to insurance, property taxes and maintenance,
4. whether the property would be useful to Carnegie Hall,
5. whether the property would be readily marketable,
6. commitments for sale or lease,
7. pending or anticipated litigation or other proceedings, including eminent domain or condemnation actions,
8. whether the property is subject to any liens, easements, restrictions or other limitations,
9. whether the gift is a straightforward outright conveyance of a fee simple interest or in another form (e.g., a gift of a remainder interest or a gift of real estate to a charitable remainder trust),
10. any potential joint or partial ownership that may result or persist following transfer to Carnegie Hall and
11. any other potential benefits and burdens associated with the proposed gift.

The following, which will be furnished to Carnegie Hall by the donor, at the donor's expense, or otherwise paid for by the donor, will also be considered:

1. results of title search and building and environmental inspection,
2. title insurance,
3. maintenance and carrying costs, including utilities, property management, insurance and security,
4. qualified independent appraisal report and
5. transfer and recordation costs, including taxes, upon accepting and disposing of the property.

Carnegie Hall will not accept real property subject to a retained life interest unless the property has a minimum value of \$500,000 and the youngest life tenant is at least 70 years of age. Any

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retained life estate should include provisions requiring the life tenant to maintain the property, pay all taxes on the property, insure the property and refrain from encumbering the property.

Charitable Gift Annuities

To the extent that ordinary charitable gift annuities are offered by Carnegie Hall in the future, such annuities will not require Gift Acceptance Committee review. The Committee, however, will review any variations or unusual terms. Payout rates will depend on the number of annuities and their ages. Carnegie Hall follows the rates recommended by the American Council on Gift Annuities. The minimum gift for funding is \$10,000, and the minimum age for a beneficiary is 60 years old (at the time the annuity is funded or, in the case of a deferred annuity, at the time the annuity is scheduled to begin payments to the annuitant).

Charitable Remainder and Lead Trusts

Designations of Carnegie Hall as a remainder beneficiary of a charitable remainder trust or as an income beneficiary of a charitable lead trust will not require Gift Acceptance Committee review. The Committee, however, will review any non-cash funded trusts or other variations or unusual terms. Carnegie Hall will not serve as a trustee of a charitable remainder trust or a charitable lead trust.

Retirement Plan Benefits

Donors are encouraged to name Carnegie Hall as the beneficiary of their retirement plans. Unless conditions are imposed on Carnegie Hall, the naming of Carnegie Hall as a beneficiary of a donor's retirement plan will not require Gift Acceptance Committee review.

Life Insurance Plan Benefits

Carnegie Hall may accept a gift of life insurance in the form of a transfer of a paid-up whole life policy without Gift Acceptance Committee review. Designation of Carnegie Hall as a beneficiary or contingent beneficiary on a donor's life insurance policy that is not paid-up will require Gift Acceptance Committee review to assure that the donor has made satisfactory provisions for the payment of any future premiums. Carnegie Hall reserves the right, at its discretion, to cash in any insurance policy or to retain it.

Donor-Advised Funds and Private Foundations

Carnegie Hall accepts gifts from donor-advised funds (“DAF”) and private foundations. However, where benefits (including concert or special event tickets or membership) are provided in return for a contribution from a DAF or private foundation and the donor does not waive the benefits, Carnegie Hall cannot sign an acknowledgment representing that no goods or services were provided in return for the contribution, even if the individual pays separately for the non-deductible portions. In such circumstances, Carnegie Hall will issue a receipt stating that goods or services were received and indicating both the tax-deductible and non-deductible portion of the gift. Similarly, Carnegie Hall will not accept contributions from a DAF or private foundation to satisfy an individual's legally-binding pledge obligation to Carnegie Hall.

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Donor-Directed Investments

It is Carnegie Hall's policy not to accept any gifts of funds with respect to which the donor retains investment management control of such funds.

Pledges

Legally enforceable commitments to make a future gift to Carnegie Hall may be made through written pledges payable according to a fixed time schedule over a period of no more than ten years, unless approved by the Gift Acceptance Committee or the Finance and Operations Committee.

Other Gifts

Carnegie Hall may accept other types of gifts on a case-by-case basis with the approval of the Gift Acceptance Committee.