

# **WESTERN RESERVE HISTORICAL SOCIETY**

## **GIFT ACCEPTANCE POLICIES**

### **Mission and Organization of the Western Reserve Historical Society**

The Western Reserve Historical Society (WRHS) was founded in 1867 as a branch of the Cleveland Library Association by Clevelanders committed to preserving and sharing the rich history of Northeast Ohio with their community. WRHS was founded at a time when points west of Northeast Ohio were largely remote and untamed. Hence, the founding mission included collection and preservation of the heritage of the Western Reserve and the West. Today, that mission has been focused to “inspire people to discover the American experience by exploring the tangible history of Northeast Ohio.”

We carry out our mission through:

- Collecting and preserving
- Educational and entertaining offerings, programs, and exhibitions
- Providing connectivity to new-comers to and natives of this region
- Making our historical assets accessible to the widest audience possible

WRHS is an independent nonprofit organization incorporated under the laws of the State of Ohio and organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

### **Purpose of Gift Acceptance Policies and Guidelines**

WRHS solicits gifts to help further and fulfill its mission. The development program of WRHS is charged with increasing charitable funds to help support WRHS’s mission and vision, including operating income, capital gifts, and restricted and unrestricted endowment funds. Planned gifts are an important part of the development program.

These policies and procedures seek to set parameters for various types of gifts which will be accepted by WRHS, establish standards of conduct for staff and Board members responsible for negotiating and soliciting gifts, and to educate and inform existing and prospective donors and their advisors about various planned charitable giving arrangements.

WRHS does not give specific legal or financial advice, and encourages donors to seek independent counsel when considering a planned gift.

## **General Gift Acceptance Policies**

It is the policy of WRHS to:

- Exceed stakeholders' expectations for ethical and financial standards;
- Respect and protect the intent of donors and their gifts and gift arrangements;
- Maintain confidentiality of information, unless permission is expressly given by the donor or his/her family;
- Offer diverse opportunities for philanthropic support;
- Communicate philanthropic giving opportunities to the public;
- Abide by the Model Standards of Practice for the Charitable Gift Planner, as adopted and amended by the National Committee on Planned Giving (Appendix A);
- Abide by all local, state and federal laws.

WRHS reserves the right to decline gifts that are not in keeping with its mission and vision, that do not conform to these policies and procedures, or that adversely affect its financial status. WRHS also reserves the right to determine how gifts will be credited and recognized, with due consideration given to donor preferences and the opinion of donor advisors.

It is the preference of the Society, whenever possible, that a gift agreement be signed by the donor and WRHS, which will serve as the basis of a mutual understanding of the donor's intentions. In the absence of such an agreement, the Society will strive to respect the implied intent of the donor.

### **Conflict of Interest**

All prospective donors are encouraged to seek advice and assistance from independent legal, financial, or other professional advisor when considering a planned gift. A donor's interests are best protected when they have a full understanding of the tax, financial, legal, and estate planning consequences of a gift before its completion. Donors are also encouraged to discuss their charitable intentions with their family.

The business relationship of any provider with WRHS should be disclosed to the donor, e.g., that a professional advisor serves in a volunteer capacity for the Society. Members of the Board of Directors and members of standing and advisory committees must conduct their personal affairs in such a manner as to avoid any possible conflict of interest. (See Conflict of Interest Policy in Appendix B)

## **Use of Legal Counsel**

WRHS will seek the advice of paid or pro bono legal counsel in matters relating to the design and acceptance of gifts whenever necessary or appropriate. The purpose of legal counsel is to protect the Society's interests and assets. Review by legal counsel is recommended for situations such as:

- Gifts of real estate;
- Gifts of closely held stock and interests in partnerships and limited liability companies;
- Gifts involving contracts, agreements or other legal documents required WRHS to undertake or assume an obligation, including bargain sales, trusts naming WRHS as trustee, or gift annuities;
- Transactions involving a potential conflict of interest, such as a Board member acting as a sales agent in a transaction;
- Such other circumstances as deemed appropriate by the President & CEO, the CFO, the Vice President of Development, the Development Committee, the Executive Committee, or the Board of Directors.

## **Gift Negotiation and Acceptance Authority**

The President & CEO and the Vice President of Development will be authorized to negotiate gift agreements on behalf of WRHS, in consultation with the CFO. The approval of gift agreements and related documentation will be reviewed by the Development Committee. Gift arrangements which are considered exceptions, i.e., outside the scope of this policy, will be reviewed by the Executive Committee and presented to the Board of Directors for consideration and action.

The Development Committee consists of at least two appointed members of the Board of Directors, the President & CEO, and the Vice President of Development.

## **Donor Responsibility**

It is the responsibility of the donor to obtain and pay for any appraisals, financial, tax, or legal advice, environmental assessments, or any other documents required by the Internal Revenue Service or WRHS. Any challenges to tax deductibility or tax matters are the responsibility of the donor.

It is also the responsibility of the donor to seek advice, prior to signing or completing any documents, from professional advisors regarding the tax, financial, and legal consequences to that donor of making the contemplated gift.

The donor is encouraged to disclose his or her intent to WRHS. WRHS prefers that donors disclose their gifts, so that the donor's wishes, intentions, and the purpose of the gift can be

discussed and understood by all parties, and to allow WRHS to thank and recognize the donor during his or her lifetime. Appropriate recognition of the donor is an important part of WRHS's stewardship of donors.

Donors may remain anonymous to the public. The IRS requires that a charity report information on donations over a certain dollar amount; however, that information is excluded from publicly available versions of the annual IRS Form 990 to maintain donor confidentiality.

### **Valuation and Crediting of Gifts and Pledges**

For public recognition purposes, planned gifts will be recognized by WRHS at the full fair market value of the property as of the date of the gift. Pledges, trusts held elsewhere, and revocable gifts such as bequests, will be recognized as gifts at the full value of the commitment. Transaction costs for selling publicly traded stock will be charged as an expense of WRHS, once WRHS becomes owner of the stock.

Recognition of gifts is separate from and different than crediting gifts for accounting purposes. For accounting purposes, generally accepted accounting principles, such as those promulgated by the Financial Accounting Standards Board (FASB) will be used to value gifts for financial statement purposes. Intentions and revocable gifts will not be included in the financial statements until such time as the funds are received by WRHS. Present value calculations or other reasonable methods of calculating gift expectancies will be used to report trusts held elsewhere and gift expectancies to the Board and other appropriate parties. Publicly traded securities will be valued at the average of the high and low sale price on the date the security is transferred into WRHS's name or account. Closely held securities, real estate, and other types of real property will be valued based on a written appraisal from a qualified party, as agreed to by the donor and WRHS.

### **Restrictions on Gifts**

WRHS encourages unrestricted gifts of any amount. All unrestricted bequest gifts shall be automatically used in the following order, unless otherwise directed by the Board of Directors:

- Pay down any outstanding debt of WRHS; and
- Set aside in the capital improvements fund.

WRHS reserves the right to decline restricted gifts that may cause a hardship. Recognizing that many donors have a specific purpose intended for their gifts, restricted gifts to WRHS will be accepted under the following conditions:

- The restriction must be compatible with the overall mission of WRHS.
- The restriction shall not impede the ability of WRHS to acquire gifts from other sources.
- The restriction shall not place undue burden on WRHS's resources.
- The restriction shall not subject WRHS to adverse publicity.

## **Donor Recognition and Named Gifts**

All planned giving donors are important to WRHS. Their gifts will be celebrated and recognized, whether the gifts are revocable or irrevocable, restricted or unrestricted. Donors of planned gifts will be recognized in WRHS publications, unless the donor requests anonymity.

WRHS encourages unrestricted gifts to its endowment. WRHS also accepts restricted gifts to its endowment and recognizes that donors may have a special interest in supporting core mission areas such as education, sites such as Hale Farm & Village, Shandy Hall, and Loghurst, museum and library acquisitions, the Crawford Auto-Aviation Museum, the Library, the History Center, and other areas for which there are already permanently restricted endowment funds established. WRHS gladly accepts restricted endowment gifts in any amount to add to these existing funds.

WRHS further recognizes that donors may wish to permanently restrict their gift for new uses not currently supported by an established endowment fund, or for future unrestricted use in operations. For WRHS to accept such a permanently restricted gift as a separately named fund requires a minimum contribution of \$250,000\*. Donors of all planned gifts, but in particular restricted gifts, are encouraged to sign a gift agreement describing the use of the funds, avoiding unreasonable limitations or restrictions, and providing a clause which gives WRHS the flexibility to use the funds for a similar purpose if the original purpose is no longer possible or practical.

The minimum dollar threshold amount for the establishment of named funds will be reviewed every three years by the Development Committee with recommendations to the Board of Directors for consideration and action.

\*According to the laws of the State of Ohio, endowment funds of less than \$250,000 may be modified as to purpose through application to the Attorney General's office if the fund has been in existence for at least ten years. This was established when the State of Ohio adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) in 2009.

## **Role of WRHS**

Staff, the Board of Directors, and volunteers of WRHS help facilitate and steward gifts. Staff is available to meet with prospective donors and their legal, tax, or financial advisors to discuss areas of mutual interest without obligation. WRHS does not offer, nor does it provide, legal, financial or tax advice. Tax calculations and gift scenarios are available from WRHS as illustrations, as are explanations of various gift mechanisms; however, definitive guidance regarding the tax consequences of a gift is the responsibility of the donor and his or her advisors.

It is the policy of WRHS not to act as trustee of a gift.

The Senior Vice President of Finance & Administration/CFO is responsible for complying with all IRS regulations upon the sale or disposition of any asset sold within two years of receipt by WRHS when the charitable deduction value on the item exceeds \$5,000, or the threshold currently in effect under the Internal Revenue Code at the time of the sale or disposition.

Acknowledgment of all gifts made to WRHS and compliance with the current IRS requirements in acknowledgment of gifts shall be the responsibility of WRHS.

## Types of Gifts

The following gifts are acceptable:

- Cash
- Tangible personal property
- Securities
- Real estate
- Remainder interests in property
- Oil, gas and mineral interests
- Bargain sales
- Life insurance
- Charitable gift annuities
- Charitable remainder trusts
- Charitable lead trusts
- Retirement plan beneficiary designations
- Bequests
- Life insurance beneficiary designations
- Gifts of items for the collections (please see the WRHS Collections Policy for more information)

The following criteria govern the acceptance of each gift type:

- Cash – Cash is acceptable in any form. Checks shall be made payable to the Western Reserve Historical Society. Wire transfers are acceptable, and wire instructions can be obtained from the Business Office of WRHS. Credit cards are accepted, however, donors should be advised the credit card fees can be significant and encouraged to avoid the fees charged to WRHS by either writing a check or using a wire transfer.
- Tangible personal property – All gifts of tangible personal property shall be examined in the light of the following criteria:
  - Does the property fulfill the mission of WRHS?
  - Is the property marketable?
  - Are there undue restrictions on the use, display, or sale of the property?
  - Are there any carrying costs for the property?
  - Is there a formal appraisal by an independent, qualified appraiser funded by the donor not less than 6 months old?

The Executive Committee of WRHS and/or the Board of Directors shall make the final determination on the acceptance of other tangible property gifts. WRHS may have restrictions on the use of gifts of tangible property to fund a charitable gift annuity or charitable remainder trust.

- Securities – WRHS can accept both publicly traded securities and closely held securities.
  - Publicly traded securities – Marketable securities may be transferred to the WRHS brokerage account. As a general rule, all marketable securities are sold upon receipt. Any restrictions on marketable securities trigger review by the WRHS Development Committee. The value of a gift of publicly traded securities is the average of the high and low price of the security on the day the transfer is made by the donor to WRHS, and will be the gift value credited to the donor.
  - Closely held securities – Closely held securities can be accepted subject to the approval of the WRHS Executive Committee. If potential problems arise upon review, further review and recommendation by an outside professional may be sought.
- Real estate – Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, WRHS shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event the initial inspection reveals a potential problem, WRHS shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall be an expense of the donor.
  - When appropriate, a title binder shall be obtained by WRHS prior to the acceptance of a real property gift. The cost of this title binder shall generally be the expense of the donor.
  - Prior to acceptance of the real property, the gift shall be reviewed by WRHS legal counsel and referred to the Board of Directors for consideration and action. Criteria for the acceptance of real property shall include:
    - Is the property useful for the purposes of WRHS?
    - Is the property marketable?
    - Are there any restrictions, reservations, easements, or other limitations associated with the property?
    - Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc. associated with the property?
    - Does the environmental audit reflect that the property is not damaged?
  - Preference will be given by the Board of Directors to placing all gifts of real estate on the market for sale as soon as practicable.
  - If the property is listed on the National Register of Historic Places or the Ohio Historic Inventory – or is eligible for such listing – then WRHS shall first negotiate and donate a preservation easement to a qualified organization, prior to selling the asset.
- Remainder interests in property – WRHS will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions listed above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, WRHS may use the property or sell it. Where WRHS receives a gift of the remainder interest, expenses for maintenance, real estate



taxes, and any property indebtedness are to be paid by the donor or the primary beneficiary.

- Oil, gas and mineral interests – WRHS will accept a gift of oil, gas and mineral interests only upon review and recommendation by the Executive Committee and approval by the Board of Directors.
- Bargain sales – WRHS may enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of WRHS. All bargain sales must be reviewed and recommended by the Executive Committee and approved by the Board of Directors. Factors used in determining the appropriateness of the transaction include:
  - WRHS obtains an independent appraisal substantiating the value of the property.
  - If WRHS assumes debt with the property, the debt ratio must be less than 50% of the appraised market value. If it is the intent of WRHS to use the item, and not to sell it, no debt may be assumed with the property.
  - WRHS must determine if it will use the property (and if a collection item, must comply with the WRHS Collections Policy), or that there is a market for the sale of the property, allowing sale within 12 months of receipt.
  - WRHS must calculate the costs to safeguard, insure, and maintain the property (including property tax if applicable) during the holding period.
- Life insurance – WRHS 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 cash surrender value upon receipt. If the donor contributes future premium payments, WRHS 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, WRHS shall:
  - Continue to pay the premiums;
  - Convert the policy to paid up insurance; or
  - Surrender the policy for its current cash value.
- Charitable gift annuities – WRHS may offer charitable gift annuities. The minimum gift for funding an annuity is \$25,000. WRHS may make exceptions to the minimum, at the discretion of the Development Committee. The minimum age for life income beneficiaries is 65. In the case of a two-life annuity, the minimum age applies to the younger of the two annuitants. Deferred annuities will also be considered with payments beginning at the minimum age of 65. WRHS uses the American Council of Gift Annuities rates. Annuity payments may be made on a quarterly, semi-annual, or annual schedule.
- Charitable remainder trust – WRHS may accept designation as a remainder beneficiary of a charitable remainder trust with the approval of the Executive Committee. WRHS will not accept appointment as trustee of a charitable remainder trust.
- Charitable lead trusts – WRHS may accept designation as income beneficiary of a charitable lead trust with the approval of the Executive Committee. WRHS will not accept appointment as trustee of a charitable lead trust.

- Retirement plan beneficiary designations – Donors and supporters of WRHS are encouraged to name WRHS as beneficiary of their retirement plans. Such designations are not recorded as gifts to WRHS until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of the gift may be recorded at the time the gift becomes irrevocable.
- Bequests – Donors and supporters of WRHS are encouraged to make bequests to WRHS under their wills and trusts. Such bequests are not recorded as gifts to WRHS until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of the gift may be recorded at the time the gift becomes irrevocable.
- Life insurance beneficiary designations – Donors and supporters of WRHS are encouraged to name WRHS as beneficiary or contingent beneficiary of their life insurance policies. Such designations are not recorded as gifts to WRHS until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of the gift may be recorded at the time the gift becomes irrevocable.

The Board of Directors may amend these policies from time to time to reflect changes in state or federal law, IRS regulations, or charitable practice.

# APPENDIX A

## **Model Standards of Practice for the Charitable Gift Planner**

### **PREAMBLE**

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent. This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

### **I. PRIMACY OF PHILANTHROPIC MOTIVATION**

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

### **II. EXPLANATION OF TAX IMPLICATIONS**

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

### **III. FULL DISCLOSURE**

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

### **IV. COMPENSATION**

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

### **V. COMPETENCE AND PROFESSIONALISM**

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

### **VI. CONSULTATION WITH INDEPENDENT ADVISORS**

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors of the donor's choice.

### **VII. CONSULTATION WITH CHARITIES**

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planners, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

### **VIII. DESCRIPTION AND REPRESENTATION OF GIFT**

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

### **IX. FULL COMPLIANCE**

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

### **X. PUBLIC TRUST**

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999.

# **Appendix B**

## **CONFLICTS OF INTEREST POLICY**

### Article I

#### Purpose

The purpose of this policy is to protect the interest of the Society in considering a transaction or activity that might benefit the private interests of an officer or member of the Board of Directors.

### Article II

#### Definitions

1. Interested Person: Any member of the Board of Directors, officer, employee, or member of a committee of the Board of Directors who has a direct or indirect Financial Interest.
2. Financial Interest: Exists is a person has, directly or indirectly, through business, investment or close family –
  - A. An ownership or investment interest in any entity with which the Society has a transaction or is engaging in an activity;
  - B. A compensation arrangement with the Society or with an entity or individual with which the Society has a transaction or is engaging in an activity, including substantial favors or gifts; or
  - C. A potential ownership or investment interest in, or compensation arrangement with, an entity or individual with which the Society is contemplating a transaction or activity.

### Article III

#### Procedures

1. Disclosure: An Interested Person must disclose the existence and nature of the Financial Interest to the Board of Directors and members of the committee of the Board of Directors relevant to the proposed transaction or activity.
2. Procedure for Addressing Potential Conflict of Interest:
  - A. In the absence of the Interested Person, the remaining members of the Board of Directors or committee will decide whether a conflict of interest exists. If so, then the following steps will be taken.

B. If appropriate, a disinterested person will be appointed to investigate alternatives to the proposed transaction or activity.

C. The Board of Directors or committee shall determine whether the Society can obtain a more advantageous transaction or activity with a person or entity that does not give rise to a conflict of interest.

D. If a more advantageous transaction or activity is not reasonably accessible, then the Board of Directors or committee shall determine by a majority vote of the disinterested members whether the transaction or activity is (i) fair and reasonable to the Society; (ii) in the Society's best interest; and (iii) advances the purpose of the Society. The Board of Directors or committee will make its decision on the transaction consistent with these determinations.

#### Article IV

##### Record of Proceedings

The minutes of the Board of Directors and its committees shall contain the following information:

A. The names of each person who disclosed or otherwise was found to have a Financial Interest;

B. The nature of the interest;

C. Any action taken to determine whether a conflict of interest was present;

D. The decision as to whether a conflict of interest existed;

E. The names of the individuals present for discussion and votes relating to the conflict of interest and the transaction or activity;

F. The content of discussion regarding the conflict of interest, the transaction or activity, and the alternatives; and

G. All votes taken in connection with the conflict or interest and the transaction or activity.

#### Article V

##### Annual Statements

Each member of the Board of Directors, officer and member of a Board committee annually shall sign a statement affirming that he or she –

A. Has received a copy of this policy;

B. Has read and understands this policy and agrees to comply with it; and

C. Understands that the Society is a charitable organization that is exempt from federal tax, and that to maintain that exemption it must engage in activities that primarily accomplish its tax-exempt purposes rather than benefit an individual.

## **COLLECTIONS POLICY**

Approved April 23, 1984  
(revised February 15, 1994)  
(revised October 17, 2000)  
(revised October 15, 2010)  
Approved December 1, 2010  
(revised July 21, 2015)  
(revised September 2018)  
Approved October 3, 2018

**WESTERN  
RESERVE  
HISTORICAL  
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### **MISSION STATEMENT, 2010:**

The Western Reserve Historical Society (“WRHS”) is a not-for-profit educational institution that preserves and uses its collections, historic sites, and museums to inspire people to explore the history and culture of northeastern Ohio and place that regional experience within the larger context of state, national, and global history.

Collections and exhibitions focus on the Western Reserve. Both permanent, and especially, changing, exhibitions place the region in its larger historical context. The Crawford Auto-Aviation Museum collections illustrate the history of the automotive industry in the Western Reserve as well as nationally and internationally.

WRHS’s collections and exhibits serve as a major educational resource for library and museum users, including school children, the general public, and scholars. In order to communicate effectively with these audiences, exhibits, whenever appropriate, employ modern interactive technologies and techniques. WRHS seeks to make its research material, exhibits, and programs accessible to all.

**A. PURPOSE:**

The Articles of Incorporation, dated 7 March 1892, of the Western Reserve Historical Society (WRHS) state:

*The purpose for which said corporation is formed is not profit, but is to discover, collect and preserve whatever relates to the history, biography, genealogy and antiquities of Ohio and the West; and of the people dwelling therein, including the physical history and condition of that State; to maintain a museum and library, and to extend knowledge upon the subjects mentioned by literary meetings, by publication and by other means.*

The phrase “Ohio and the West” has been more closely defined by practice since the mid-twentieth century to mean northeastern Ohio and its Western Reserve region, without excluding material that falls outside this geographical area that may be broadly related to its interpretation and understanding. Within the geographic area of northeastern Ohio, WRHS focuses its collecting efforts around the core and strategic themes of community and family history, place and entrepreneurship, and business and industry.

WRHS owns and operates, as of the date of this resolution, an archives-library, history museum, the Frederick C. and Kathleen S. Crawford Auto-Aviation Museum, together with the historical properties: Hale Farm and Village, Shandy Hall, Loghurst, and the Handyside Residence. This collections policy includes all of these entities by reference under the categories: archives-library, museums and historical properties.



## **B. DECISION-MAKING:**

During the various phases of the acquisition, management, preservation, use, loan and deaccession of historical materials, all pertinent issues will be identified and discussed in a manner that involves all interested staff, encourages the sharing of information, and seeks maximum input into the decision-making process.

A Collections Management Team (“CMT”) consisting of staff from units of the organization with responsibility for collections, education, museum administration, communications and institutional advancement will make recommendations regarding the WRHS’s collection management activities. The WRHS President & CEO appoints the members of the CMT on an annual basis based on recommendations from the Vice President of WRHS. The team will keep a written record of its proceedings and will open its deliberations to all interested staff members.

The CMT will meet regularly to make recommendations regarding:

- New acquisitions of objects and collections;
- Placement in the permanent or education “for use” collections;
- Prioritization of the conservation of objects and approval of conservation treatments;
- Loans to and from WRHS;
- Deaccessions from the permanent collection and disposal methods;
- Actions to ensure the proper care and documentation of collections.

The actions of the CMT, including recommendations regarding the acquisition, loans, deaccession, and disposal will be forwarded to the Vice President, President and CEO, Collections and Library Committee, and Board of Directors as outlined in other sections of this

policy.

### **C. COLLECTING OBJECTIVES BY MEDIA:**

1. Archives-Library Collections: to collect, preserve and maintain manuscripts, published material, prints, photographs, audio and visual recordings, digitally encoded data, and ephemeral collections pertinent to the purpose of WRHS.
2. Museum Collections: to collect, preserve and maintain examples of material culture including objects of the fine and decorative arts, historical and cultural artifacts, costume and textiles, automobiles and aircraft and other expressive or utilitarian artifacts relevant to WRHS's mission.
3. Properties: to accept, restore and maintain historically significant properties relevant to WRHS's mission.

### **D. ACQUISITION POLICY:**

1. Definition: Acquisition is defined as the discovery, preliminary evaluation (for WRHS purposes only), negotiation for, taking custody of, documenting title to, and acknowledging receipt of materials, objects and historic properties.
2. Acquisition Criteria: Library materials, museum objects and historical properties must meet all of the following conditions:
  - a. The present owner must have a clear title, and must warrant that the item is free of all liens, mortgages, encumbrances or adverse claims.
  - b. If for sale, WRHS must secure a funding commitment in writing before purchase.
  - c. If for sale, a fair market value must be determined between parties through a formal appraisal by a qualified independent appraiser.

- d. WRHS will accept materials if it believes it can provide proper professional care (secure storage, cataloging, and preservation) for those materials at the time they are being considered for acquisition or within a reasonable period thereafter. If the gift is real estate and in accordance with the Gift Acceptance Policy and if WRHS's Board of Directors chooses to consider the real estate for accession under this Collection Policy, the donor must provide funds for an endowment sufficient to assure its proper care, preservation, maintenance and programmatic operation.
- e. Materials considered for acquisition must have the potential to substantially advance knowledge about the history and people of northeastern Ohio and/or their place in broader (i.e. national and international) contexts.
- f. Considerations and judgments of potential acquisitions for the collections are not to be influenced by any connections their owners might have to WRHS or to other agencies or to families or political bodies.
- g. The provenance of the materials or objects must, whenever possible, be documented.
- h. All moral, legal, and ethical implications of the acquisition must have been considered.
- i. Acquisitions will not be so encumbered by literary rights, property rights, copyrights, patents or trademarks that will prevent WRHS from preserving, exhibiting or making the materials and objects available for scholarly research.
- j. Acquisitions must be free from donor-imposed restrictions, except in rare and specific instances, as recommended by the curatorial staff and approved in writing by the President & CEO, who will then make a report to the Collections &

Library Committee of the Board of Directors if under \$5,000.

- k. Items may be offered for accessioning, for use, and/or utilitarian purposes. This must be determined in advance and clearly specified in the deed of gift. Refer also to the Gift Acceptance Policy for gifts of tangible personal property and real estate.
3. Means of Acquisition: Materials and objects may be acquired by purchase, bequest, gift, bargain sale, exchange or other legal means. Please refer to the Gift Acceptance Policy on bargain sales. Exchanges must be at arm's length and substantiated by formal appraisals by independent qualified appraisers. All potential exchanges must be approved in advance by the President & CEO. Each party must bear the cost of its own independent appraisal. No exchange should be consummated without the final written approval of the President & CEO, who will make a report to the Collections & Library Committee of the Board of Directors. No materials or objects shall be knowingly or willfully accepted or acquired which are known to have been illegally imported into, or illegally collected in the United States. All acquisition activity shall conform to current applicable international, federal, state and local laws. In pursuit of materials and objects, WRHS shall not knowingly aid, abet, or encourage the destruction of historic sites, buildings, structures and objects. All rights, title and interest shall be obtained by WRHS for all potential acquisitions, without restrictions or limiting conditions, or shall have the potential of being converted to free and clear title under appropriate law.
4. Acquisition Process: Authority to acquire materials (under paragraph 3 above) rests with the President & CEO, who may choose to delegate this authority to the CMT as outlined in Section B, Decision-Making. The CMT will meet as needed to discuss acquisitions and deaccessions. WRHS's Curator of (Museum) Collections and Curator of

Manuscripts (Library) will work with appropriate staff to ensure that all state and federal laws and regulations are followed during the acquisition process. The CMT will be responsible for:

- a. Reviewing collections under consideration for acquisition and making a formal recommendation to the President & CEO that they be accepted or refused. Such decisions are to be based on the members' curatorial and historical expertise and the criteria set forth in Section C of this policy. When an acquisition involves a purchase, bargain sale, or exchange, CMT shall make a formal recommendation to the President & CEO, who will then decide whether the purchase fits within WRHS's budget or might be covered by another source of funds. If the value of the transaction exceeds \$5,000, the President & CEO will make a recommendation to the Collections & Library Committee of the Board of Directors for consideration and action. If the value of the transaction exceeds \$25,000, the Collections & Library Committee will submit its recommendation to the Board of Directors for consideration and action.
- b. President & CEO, as liaison to the Collections & Library Committee of the Board of Directors, will inform the committee of all new acquisitions on a quarterly basis.
- c. Ensuring that collections development in the various divisions (museum and archives-library) is coordinated, aligned with WRHS's strategic and operational agenda, and aligned with the WRHS Collection Development Plan.
- d. Preparing a unified quarterly acquisitions report for distribution to the President & CEO, senior staff, the Collections & Library Committee.
- e. Suggesting new collection initiatives in alignment with the WRHS Collection

Development Plan. Initiatives may address previously neglected areas of regional history or may be constructed to enhance existing holdings. Suggestions for new initiatives will be implemented only when approved in writing by the President & CEO of WRHS.

- f. Reviewing and evaluating new collecting initiatives (as outlined in item e. above) on an annual basis and preparing a report on those initiatives for the President & CEO of WRHS.
- g. Participating in all deaccessions procedures by reviewing proposed deaccessions and making a formal recommendation to the President & CEO if the proposed deaccession is within the interests of WRHS. The final decision on proposed deaccessions is the sole responsibility of the President & CEO, who will make a recommendation to the Collections & Library Committee for consideration and action, who will, if necessary, make a recommendation to the Board of Directors for consideration and action if necessary.
- h. Initiating a full review of the Collections Policy at three-year intervals to ensure that the policy reflects the organizational structure of WRHS at that time; that all references to legal decisions/laws relating to museum and archival collections are current; and that the policy incorporates any decisions relevant to new or modified collecting initiatives (as noted in items e. and f. above). The policy, if amended during such reviews, shall be referred to the President & CEO. If the President & CEO approves the policy amendment, she/he will make a recommendation to the Collections & Library Committee for consideration and action. The Collections & Library Committee will, in turn, make a recommendation to the Board of Directors for final consideration and action.

- i. Historical Properties: Authority to acquire historical properties by purchase, gift, exchange, or bargain sale (buildings and real estate used for historical purposes), regardless of value, shall be vested in the Board of Directors, upon formal recommendation of the President & CEO and governed by this Collections Policy and the Gift Acceptance Policy regarding gifts of real estate.
5. General: No staff member shall offer appraisals of the monetary value of materials or objects to donors, or reveal WRHS's insurance value, if any, for the purpose of establishing fair market value of gifts offered to WRHS. If a donor requests assistance in obtaining an independent appraisal, staff members may refer the donor to appropriate institutions or other sources of information. A list of qualified individual appraisers may be kept by WRHS. As a public service, staff may attempt to attribute, identify or authenticate items brought to WRHS by the public. All objects or materials that may be deposited with WRHS for these purposes shall have identification and be covered by insurance, paid for by the depositor, with WRHS as co-insured, as property on loan to WRHS. In cases where such materials (or materials loaned for other purposes) are not reclaimed by the owner, WRHS shall apply Ohio Revised Code Sections 3385.01-10, commonly referred to as the Ohio Museum Property Law. The Registrar shall maintain permanent acquisition and loan files within the registrar's office, which shall contain all legal instruments and conveyances pertaining to each acquisition or loan or source relating to their respective departments. All materials, objects and properties, except ephemera and library duplicates, acquired for addition to the permanent collections shall be processed under procedures and guidelines adopted by WRHS. The Registrar shall, with the assistance of the archives and library staff, maintain a permanent record of all accessions.

## **E. DEACCESSION POLICY:**

1. **Definition:** Deaccession is the process of removing permanently from the collections accessioned library materials, accessioned museum objects or accessioned properties.  
  
The deaccession process shall be cautious, deliberate, and scrupulous. Deaccessioning is to be considered and used as a collateral aspect of WRHS's collection development protocol as outlined in Sections A through C of this document.
2. **Deaccession Criteria:** Library materials, museum objects or properties to be considered for deaccession must meet at least one of the following conditions:
  - a. The item's scope is outside the purpose of WRHS and its acquisition policy.
  - b. The item is irrelevant to the purpose of WRHS.
  - c. The item lacks physical integrity.
  - d. The item has failed to retain its identity or authenticity, or, in the case of library material and museum objects, it has been lost or stolen and remains lost for longer than two years.
  - e. The item is a duplicate.
  - f. WRHS is unable to preserve the material, object or property properly.
  - g. The item is deteriorated beyond usefulness or restoration.
  - h. The item has doubtful potential utilization in the foreseeable future.
3. **Application of Criteria:** The Board of Directors, upon recommendation of the President & CEO and the Collections & Library Committee, is authorized to apply, jointly or singly, the above deaccession criteria.
4. **Restrictions:** Before any material or object is recommended for deaccessioning, or is deaccessioned, reasonable effort shall be made to ascertain that WRHS is legally free to



do so. Where restrictions to the disposition of the material or object are found, the following procedure shall be followed:

- a. Mandatory conditions of acquisition will be strictly observed unless deviation from their terms is authorized by a court of competent jurisdiction.
  - b. In the event of a question concerning intent or force of restrictions, the staff shall seek the advice of legal counsel. All materials or objects subject to restrictions shall not be deaccessioned until the staff has assured the President & CEO, the Collections & Library Committee, and the Board of Directors to its satisfaction that it has made an effort:
    - (1) To comply with the restrictions.
    - (2) To make reasonable attempts to notify the donor, if alive, or his/her heirs or assigns, if the material or object were accessioned within the preceding ten (10) years.
5. Procedure: WRHS staff may recommend deaccessioning if, in their best judgment, one or more criteria for deaccession have been met.
- a. Such recommendations will specify the source and/or provenance of the material, object or property, the reasons for deaccessioning, the estimated market value, and the recommended means of disposal which may include exchange, sale (public auction, sealed bid, open bid, or private treaty), destruction, or transfer to another cultural institution. Due diligence shall be exercised in the recommendation of the best means of disposal of deaccessioned materials.
  - b. Curatorial staff may engage in “conditional deaccession,” that is the disposal of damaged collection items (as noted in Section D, 2.g. of this policy) provided the need for such action is approved in advance by the President & CEO.

- c. All recommendations for deaccession are to be forwarded to the President & CEO. Materials (single items or related groups of items) with a value of or less than \$5,000 may be deaccessioned with the written approval of the President & CEO. The Collections & Library Committee shall be informed of all such actions.
  - d. Formal recommendations for the deaccessioning of single items or groups of material with an estimated value of more than \$5,000 shall be presented to the President & CEO for approval and then, if approved, to the Collections & Library Committee. If approved by the Collections & Library Committee, the recommendations shall be presented to the Board of Directors for consideration and action.
6. Ethics of Sale: Materials and objects shall not be given, sold, or otherwise transferred to WRHS employees, officers, directors, or their immediate families or representatives.
7. Proceeds: All net proceeds resulting from the deaccession of objects from the permanent collections shall support WRHS's collection management initiatives. In the case of real estate, net proceeds from the sale will be allocated to unrestricted Board-designated endowment.

**F. PUBLIC DISCLOSURE:**

This policy is ordered printed by the Board of Directors and a reference to it shall be imprinted on all deeds of gift of WRHS. A copy will be made available to any donor or prospective donor upon request.