

Multidisciplinary Academic Grants in Cryptocurrencies  
**Gift Acceptance Policy**  
Updated 2021-11-29

**Purpose of the Policy**

1. To protect the interests of the donor, and Multidisciplinary Academic Grants in Cryptocurrencies (MAGIC), or causes named as the beneficiary of a gift.
2. To make certain all gifts to Multidisciplinary Academic Grants in Cryptocurrencies are structured to provide benefits to the donor and the named entity.
3. To encourage interested donors to make gifts without encumbering their own or MAGIC's financial or other resources.
4. To secure gifts from individuals to causes without compromising or endangering the reputation of MAGIC.

**Notes for MAGIC Fund Advisory Committees**

MAGIC Fund Advisory Committee members must reach out to the Board of Directors if they have questions about accepting any particular gift. The Board of Directors may impose additional restrictions on the sorts of gifts that committees can accept for any reason. MAGIC Funds are encouraged to accept gifts that are easily accounted for. MAGIC may charge MAGIC Funds fees to accept certain types of gifts; these may be imposed on a per-occurrence or per-month basis.

**Nonstandard Gift Policy**

1. No irrevocable gift, whether outright or life-income in character, will be accepted if under any reasonable set of circumstances the gift would be known to jeopardize the donor's financial security.
2. The Executive Director of MAGIC shall be apprised of potential gifts or bequest to MAGIC. Each case shall be reviewed on a regular basis by the Board of Directors with the Executive Director to ensure proper action, accounting, and acknowledgement surrounding each gift.
3. Donors should always be advised of their own need for legal counsel to assist them in the process of making their gift. MAGIC staff shall avoid becoming involved in what can be interpreted as unauthorized practice of law; any suggestions made to a donor by MAGIC staff should be accompanied by encouragement to seek advice from the donor's personal counsel and/or financial advisors.
4. MAGIC accepts donations on its website in fiat currency and various cryptocurrencies, and may from time to time add or remove donation options from its website or accept donations in other locations. Precautions shall be taken by MAGIC staff to protect the privacy and confidentiality of each donor and the donor's family. Permission must be obtained before any public acknowledgement is made of gifts received by MAGIC. The right of anonymity must always be respected. Permission is assumed if the donor posts about the donation publicly.

5. MAGIC staff shall attempt to have the Executive Director and/or Board Representative meet with each large individual donor prior to or concurrent with the execution of a gift agreement. In the case of charitable remainder trusts or other complex arrangements, such a meeting is mandatory. All complex arrangements may be reviewed by MAGIC's counsel.
6. In all cases, any professional advisors such as Attorneys or CPAs hired by MAGIC must recognize their client is MAGIC, and that they do not represent the donor. Professional advisors for MAGIC will always seek to work with the advisors for the donor.
7. Gifts shall not be accepted where the mental competency of the donor is in question. However this does not preclude a person acting in the capacity of Attorney-in-fact from making a gift from the estate of the individual granting the Power of Attorney. In this event every consideration shall be given to the donor's charitable giving habits and financial condition to ensure that the gift is in the best interest of the donor and is carried out in a prudent manner. The donor's Power of Attorney must specifically grant the power to make charitable gifts.
8. In compliance with Federal, State and Local laws, MAGIC will provide gifts receipts meeting IRS substantiation requirements for property, including cryptocurrencies and cryptocurrency-related assets received by MAGIC as a gift. However, except for gifts of fiat currency, no formal value shall be ascribed to any receipt or other form of substantiation of a gift received by MAGIC; such estimates may be provided for convenience purposes only. Please refer to our Investment Policy for further clarification. Donors assume full liability for the value of the donation that they allocate to the donation for any purpose.
9. Investment considerations and gift considerations are in all cases to be evaluated separately, each on their respective merits. In no event shall the offer of a gift be tied in any way to an investment action decision by MAGIC.
10. MAGIC shall in no way compensate, whether through commissions, finders' fees, or other means, any third party for directing a donor to MAGIC. This does not preclude paying a fixed payment for an approved fundraising professional.
11. Written instruments setting out the description and terms of a gift shall be reviewed by the Board of Directors of MAGIC to comply with applicable laws and regulations as well as an explanation of its potential liability to MAGIC. The Board of Directors reserves the right to retain an attorney for further review of contractual installments.

## **Types of Gifts**

1. MAGIC is equipped to receive donations in a variety of cryptocurrencies. MAGIC may, at the treasury's direction, cash out all or a portion of gifts to USD to fund programs and operations. Any amount held in cryptocurrencies must follow the Fiscal Policy and Investment Policy.
2. Both current gifts and deferred gifts shall be actively encouraged. Response to each type of gift should be prompt without regard to the monetary value or timing of the individual gift. The decision to accept or reject any gift, whether current or deferred, shall be weighed on the merits of the individual gift, always regarding the donor's intent and financial condition as well as the benefit to MAGIC's causes.

3. Any gift, including restricted donations, shall be accepted only after review by MAGIC's counsel and/or the Board of Directors. Every effort shall be made to ensure the restrictions on the gift do not negate any potential benefit to the intended cause. Also the restrictions should not encumber MAGIC staff with excessive additional responsibilities as to make the gift inadvisable.
4. MAGIC should not be engaged in the execution of notarial wills. MAGIC may, however, provide gift clauses for inclusion in wills by donors and/or their personal counsel.
5. Gifts of art, non-fungible tokens, or any other asset deemed illiquid may be accepted only after review by MAGIC's counsel and/or Board of Directors.
6. Gifts of real estate are acceptable only after the following criteria are met:
  - a. A personal inspection is conducted by an appropriate MAGIC staff member.
  - b. Determination is made that the property has not been utilized in a manner that would cause embarrassment to MAGIC.
  - c. An appraisal satisfactory to the IRS gift substantiation requirements has been completed and MAGIC and donor have reached an understanding as to the valuation of the property.
  - d. Debt, insurance, homeowners' association fees, property taxes and other carrying costs have been assessed as to the effect on the advisability of taking the gift.
  - e. Appropriate steps have been taken to determine if any other liabilities might attach to the property such as leases, contracts, or servitudes.
  - f. All pertinent information regarding the property is supplied by the donor. This would include names of owners and co-owners (and percentage ownership), recent tax statements, address and/or legal description, and description of current use.
  - g. Donor must convey all his/her undivided interest in the real estate including any mineral interests. The IRS will not consider a gift of partial interest and would disqualify such a gift from income and estate tax deductions.
  - h. MAGIC may recover any costs of managing real estate by charging a fee that is determined by the schedule set by the Board of Directors.
  - i. The donor must be willing to bear the costs associated with the gift of real estate, such as legal fees, real estate commissions, management fees, and appraisals, or have these costs deducted from the sale of the property.
  - j. The Board of Directors must approve any exception.
7. Gifts of real estate are ordinarily acceptable only after it has been determined that no reasonable possibility exists that the property could be contaminated by toxic waste. An initial personal inspection shall be made by an appropriate MAGIC staff member. This inspection shall include both a physical inspection and an investigation of the recent ownership history of the property. If, after inspection, it is determined that there is a substantial likelihood that the property has been environmentally impacted, the property may not be accepted. If, after inspection, it is determined that a reasonable possibility exists that the property has been environmentally impacted, an inspection must be made by a licensed environmental consultant, who must certify, within the context of a Phase 1 Site Assessment, that no contamination exists before the property may be accepted. The inspection should be performed in general conformance with the scope of ASTM Practice

E1527. The expense of inspection must be borne by the donor unless an exception is approved by the Board of Directors.

8. Gift annuity contracts are to be entered into by MAGIC upon approval of the Board of Directors and may be subject to review by MAGIC's council. In no event shall a gift annuity contract be agreed to which pays an income at a rate in excess of an actuarially prudent rate of return. MAGIC will invest the gift in a manner that will attempt to protect the integrity of the principal amount given. Gift annuities will not be funded with real estate or other illiquid assets. Donors must be reminded in correspondence or conversation with them and their advisors that a qualified charitable gift annuity is not insurance under the laws of their State. Gift annuity contracts should be approved by the Board and reviewed by legal counsel.
9. Gifts of life insurance shall be accepted after examination of funding of the policy and the gift substantiation requirements. MAGIC staff members shall avoid even the appearance of giving an endorsement, either implied or direct, to any life insurance product, company, or agent.
10. Where a personal residence is the subject of a gift, it will not be accepted without the approval of the Board of Directors if the right to utilize the residence is vested in a person other than the donor. Gifts of personal residences will be subject to MAGIC's real estate policies and environmental assessment procedures.
11. Gifts of oil and gas rights may be received absent extenuating circumstances such as extended liabilities or other conditions making receipt of the gift inadvisable. In that regard, each potential oil and gas gift shall be examined by a professional advisor with experience in mineral leases for such extenuating circumstances which would argue against receipt of the gift. Working interests in oil and gas, which entail special problems regarding taxation either to MAGIC generally or to individual trusts which receive the gifts, and may also entail extended liabilities for personal, property and environmental damage should not be considered.

## Multidisciplinary Academic Grants in Cryptocurrencies

### Adoption of Gift Acceptance Policy

The Board of Directors has received a copy of, read and understood, and agreed to comply with the terms and conditions of the Gift Acceptance Policy.

Approved and accepted on November 29, 2021.



---

President, Justin Ehrenhofer



---

Vice President, John Murphy



---

Secretary/Treasurer, Matt Shroyer