



GREAT POND MOUNTAIN CONSERVATION TRUST

Gift Acceptance Policy

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Adopted: August 11, 2008

Revised: September 27, 2012

Due for Review: _____

See Also: _____

Land Trust Standards and Practices

This policy complies with the LTA Standard 5, Practices B-D.

Introduction

Purpose of Policy: The Board and staff of Great Pond Mountain Conservation Trust solicit gifts from individuals, corporations, and foundations to secure financial resources necessary to fulfill the mission and conduct the programs of the Trust. This policy governs the acceptance of such gifts and provides guidance to prospective donors and their advisors when making such gifts. The Board may employ legal counsel when needed for advice on any proposed gift or to review any proposed transaction for possible conflicts of interest.

Responsible Committee: GPMCT Development Committee, Board of Directors

Policy

I. Rights and Expectations of Donors

GPMCT respects the rights and expectations of donors:

- to be provided with important, relevant, and accurate information concerning the solicitation of funds and other forms of support;
- to feel free to ask questions when making a donation and to receive prompt answers;
- to be informed of the mission of the organization and the way funds will be used;
- to be informed of the identity of those serving on the Board and to expect the Board to exercise prudent judgment in its financial stewardship responsibilities;
- to have access to the organization's most recent financial reports;
- to be assured their gifts will be used for the purposes for which they were given;
- to receive appropriate acknowledgement and recognition;
- to be assured that information about their donations is handled with respect and with confidentiality; and
- to expect that upon their request, their name, address, and other contact information will be kept confidential and not shared.

II. Donor's Advisors

The Land Trust encourages prospective donors to seek the assistance of their personal legal and financial advisors in all matters relating to any gifts that may have consequences for the donor concerning taxes and estate planning.

III. Unrestricted Donations, Foundation Grants, and Board Restricted Donations

Donations or foundation grants received for which the donor or foundation does not express a specific use of the donation are to be entered into the GPMCT financial records as an "unrestricted" donation, and deposited into the operating checking account. Unless the Board decides to dedicate the donation or grant to another use, unrestricted donations and grants will be used for expenses incurred by the general operations of GPMCT. The Executive Director will inform the board of all unrestricted donations and grants greater than \$10,000 to provide the Board with the opportunity to consider dedicating the donation to a specific purpose or program. Should the Board decide to dedicate the donation to a specific purpose, the donation will be entered into the financial records as "Board designated" to the specific purpose and transferred to the appropriate fund account.

IV. Donor-Restricted Donations and Foundation Grants

Donations and foundation grants received for which the donor or foundation does express a specific use of the donation or grant are to be entered into the GPMCT financial records in the restricted category designated for the specific use, and credited to the fund account most appropriate for holding such restricted funds.

GPMCT will not accept gifts that are too restrictive in purpose, i.e., those that: are too difficult to administer, are for purposes outside of the GPMCT mission, that place an undue financial burden on the Trust, or that violate the Articles of Incorporation, Bylaws, or these policies. The Board will be advised by the Executive Director of any gifts restricted to purposes other than established funds or programs of the Trust, and will decide whether to accept or decline the offer of the gift.

There are two types of donor-restricted donations:

- A) **Permanently Restricted Donations.** Donations and foundation grants received for the Land Trust Endowment are to be entered into the Land Trust financial records as "permanently restricted" and deposited in the appropriate savings account or investment account. Use of these funds is governed by Board investment policies.
- B) **Temporarily Restricted Donations.** Donations and foundation grants received to support purposes or programs that will be completed in a given period of time (e.g., land acquisition projects, education programs, stewardship projects) are to be entered into the GPMCT financial records as "temporarily restricted" to the specific purpose expressed by the donor, and credited to the fund account most appropriate for holding such temporarily restricted funds. Such donations and foundation grants will remain temporarily restricted until the funds have been expended for the specific purpose.

V. Types of Gifts

- A) **Cash.** Cash is acceptable in any form. Checks will be made payable to Great Pond Mountain Conservation Trust or GPMCT.
- B) **Securities.** GPMCT's broker immediately sells all readily marketable securities upon delivery of the security to GPMCT's account established to receive and liquidate such gifts.
- C) **Real Estate.** Potential real estate gifts include outright gifts, bequests, bargain sales, gifts of remainder interests, and gifts funding a charitable remainder trust. All proposals regarding donation of real estate will be evaluated by the Land Protection Committee for public benefits, conservation values, and management feasibility. The committee will recommend acceptance by the Board of the proposed real estate as permanent conservation land if it is determined to provide sufficient public benefit and conservation value and is suitable to be effectively managed.

If the Land Protection Committee determines that real estate proposed to be donated is not appropriate for conservation protection by GPMCT, the donor will be informed of that decision. If the donor is still willing to donate the real estate with the understanding that it will be sold (i.e., the property is a "trade land") and the proceeds used to support implementation of the GPMCT

mission, the real estate will be sold as prescribed by Board policies governing transfer of assets. In such instances, staff will obtain a written statement of the donor's agreement for such a sale when feasible.

- D) Remainder Interests in Property.** GPMCT will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of 5.C). The donor or other occupants may continue to occupy the real property for the duration of the stated life. During the period of occupancy, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary. At the death of the donor, GPMCT will consider disposition of the property under the provisions of 5.C).
- E) Bargain Sales of Real Estate.** GPMCT will usually enter into bargain sale transactions (i.e., the real estate is offered to GPMCT at less than fair market value) to acquire land to be permanently conserved. GPMCT might also enter into a bargain sale arrangement in instances in which the bargain sale substantially furthers GPMCT's mission through sale of the real estate and application of the proceeds to implementation of the mission. All such bargain sales must be approved by the Board. Factors used in determining the appropriateness of the transaction will include:
- an independent appraisal must substantiate the value of the real estate;
 - if GPMCT assumes debt with the real estate, the amount of debt plus bargain sale price must be less than 50% of the appraised value;
 - the Board must determine that there is a reasonable anticipation for sale of the property within 12 months of acquisition; and
 - the Board must determine that the expenses of ownership during the holding period do not create a financial burden that diminishes the delivery of GPMCT programs.
- F) Tangible Personal Property.** Tangible personal property includes such items as art, jewelry, equipment, and other objects of value. The Executive Director will accept proposals for donation of tangible property if they can be readily sold or if they can be used to help implement the organization's mission. Donations to be sold will be liquidated as soon as feasible. The donor will be encouraged to obtain an appraisal under regulations of the Internal Revenue Service for such donations. In acknowledging the gift, unless an appraisal is provided, the donor will be thanked by describing the gift and its condition rather than its financial value.
- G) Life Insurance.** GPMCT 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 interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, GPMCT 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, GPMCT may: continue to pay the premiums; convert the policy to paid-up insurance; or surrender the policy for its current cash value. Supporters of GPMCT may choose to name GPMCT as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to GPMCT until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift will be recorded at the time the gift becomes irrevocable.
- H) Charitable Remainder Trusts.** GPMCT may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Board. GPMCT will not accept appointment as trustee of a charitable remainder trust. When the gift is irrevocable, but is not due until a future date, the present value of that gift will be recorded at the time the gift becomes irrevocable.
- I) Charitable Lead Trusts.** GPMCT may accept a designation as income beneficiary of a charitable lead trust. GPMCT will not accept an appointment as Trustee of a charitable lead trust. When the gift is irrevocable, but is not due until a future date, the present value of that gift will be recorded at the time the gift becomes irrevocable.

- J) Retirement Plan Beneficiary Designations.** Supporters of GPMCT may choose to name GPMCT as beneficiary of their retirement plans. Such designations will be recorded as gifts to GPMCT at the time when the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift will be recorded at the time the gift becomes irrevocable.
- K) Bequests.** Donors and supporters of GPMCT may choose to make bequests to GPMCT under their wills and trusts. Such bequests will be recorded as gifts to GPMCT at the time when the gift becomes irrevocable, at which time the present value of that gift will be recorded.
- L) Pledges.** Donors may elect to enter into written, signed pledges for donations to be made over a period of years. Such pledges will be entered into GPMCT financial records as donations temporarily restricted to the purposes of the specific campaign, and will be counted toward the fundraising goal of the campaign. Should pledges not be fulfilled, the Executive Director will inform the Board, and the Board will consider methods of addressing the unfulfilled pledge.

VI. Responsibility for IRS Filings upon Sale of Gift Items

The Executive Director is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by GPMCT when the charitable deduction value of the item is more than \$5,000. The Executive Director must file this form within 125 days of the date of sale or disposition of the asset.

VII. Capital Campaigns

GPMCT conducts fundraising campaigns to raise money for specific capital investment purposes, including the acquisition of interests in conservation land. Policies governing gifts to capital campaigns will be developed by the Board at the outset of a campaign. The policy for each campaign will be set forth in an addendum to this policy.

IX. Foundation Grant Applications

The Executive Director will inform the Development Committee of all foundation grant proposals when submitted. Should the Committee determine that the terms of an awarded grant impose infeasible conditions upon GPMCT, it will refer the matter to the Board for its consideration as to whether or not to accept the grant award.

Documentation

Receipt of gifts will be documented by staff in the GPMCT donor database. Acknowledgements of all gifts will be sent to donors in a timely manner and copies maintained in electronic form or, for major gifts, noncash gifts, and grants, in the GPMCT development files. For gifts requiring board approval, board action will be noted in the minutes of the meeting at which a vote to approve is made.

Finance

Fundraising activities are funded as a regular operating expense of the organization, with the exception of a capital campaign, which will have a separate budget.

Adoption

This policy was adopted by the Board of Directors of Great Pond Mountain Conservation Trust on the 11th day of August, 2008, at a duly constituted meeting at which a quorum was present.

Signature of authorized officer

Date