



APPROVED

## **Board Policy: Gift Acceptance Policies & Guidelines**

### **Policy Statement**

The Mountaineers' ability to fulfill and enhance its mission is dependent on the generosity of donors. Gifts may be solicited and accepted from individuals, corporations, foundations, and federal, state, and local governments. Gifts may be accepted only for programs, services and purposes consistent with the mission of The Mountaineers.

The mission of The Mountaineers' is:

To enrich the community by helping people explore, conserve, learn about and enjoy the lands and waters of the Pacific Northwest and beyond.

The following policies and guidelines govern acceptance of gifts made to The Mountaineers or for the benefit of any of its programs.

### **Roles and Responsibilities**

The Mountaineers' Development Committee is responsible for oversight of gifts made to The Mountaineers. The committee may screen and assist staff in making acceptance decisions and recommendations to the board of directors on gift acceptance issues, as necessary and appropriate, and ensuring that all tax acknowledgement and reporting obligations are fulfilled. The Development Committee must approve the acceptance of closely held securities, real property, bargain sales, charitable remainder or lead trusts or any gifts outside the gifts defined by this policy. Staff has the authority to accept all other gifts as defined by this policy but may consult with Development Committee as needed. Board of directors must approve bargain sales and real property gifts.

### **Types of Gifts**

The Mountaineers may accept the following types of gifts:

1. Cash
2. Securities
3. *Tangible Personal Property in accordance with our guidelines*
4. Bargain Sales
5. Life Insurance Proceeds
6. Charitable Remainder Trusts
7. Charitable Lead Trusts
8. Retirement Plan Beneficiary Designations
9. Bequests



10. Life Insurance Beneficiary Designations
11. Real Property

At this time The Mountaineers is not accepting general partnership interests, unincorporated businesses, non-U.S. property.

The following criteria govern the acceptance of each gift form:

1. Cash. U.S. currency is acceptable in any form. Checks shall be made payable to The Mountaineers and shall be delivered to The Mountaineers administrative office in Seattle. Gifts made by credit card may be charged on MasterCard or Visa. Mountaineers staff can accept cash.
2. Securities. The Mountaineers may accept both publicly traded securities, defined as securities traded on a recognized national exchange in the United States (e.g., NYSE, NASDAQ, etc.) and closely held securities. Mountaineers staff can accept securities.
  - A. Publicly Traded Securities. Publicly traded securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by The Mountaineers' Board of Directors or its Investment Committee. In some cases, marketable securities may be restricted by applicable securities laws. In such cases, the Development Committee shall determine whether to accept the restricted securities.
  - B. Closely Held Securities. Closely held securities include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership forms. Gifts of closely held securities can be accepted subject to the approval of the Development Committee or Investment Committee as necessary. Such gifts must be reviewed prior to acceptance to determine:
    - i. What restrictions there may be on the security that could prevent The Mountaineers from ultimately converting these assets to cash;
    - ii. Whether the security is generally marketable or may become marketable in the foreseeable future;
    - iii. Whether the security will require any financial obligations to be assumed by The Mountaineers; and
    - iv. Whether the security will generate any undesirable tax consequences for The Mountaineers.

If potential problems arise on initial review of the security, the Development Committee may seek further review and recommendation by an outside professional, such as legal counsel, before making a final decision on acceptance of the gift. The Development Committee, subject



to the advice of legal counsel as appropriate, shall make the final determination on the acceptance of closely held securities. Every effort will be made to sell closely held securities as quickly as possible.

The cost of reviewing closely held securities prior to acceptance by The Mountaineers shall generally be at the expense of The Mountaineers.

3. Tangible Personal Property. The Mountaineers may accept gifts of tangible personal property (gifts-in-kind), including, but not limited to: rare books, manuscripts, artifacts or items of value to the extent that they can be utilized by The Mountaineers in fulfilling its charitable mission. Gifts of tangible personal property shall be evaluated under the following criteria:
  - A. Does the property fulfill the mission of The Mountaineers?
  - B. Is the property marketable?
  - C. Are there any undue restrictions on the use, display, or sale of the property?
  - D. Are there any carrying costs for the property?

Gifts of Tangible Personal Property shall be made pursuant to a “Deed of Gift” which shall include the following: a complete description of the item(s) being donated; an estimate of value; a statement that the donor(s) makes an unconditional gift of the item(s), transfers legal and beneficial title, and all other rights associated with the item(s); the donor(s) signature; date; and the signature of The Mountaineers representative accepting the gift. Mountaineers staff can accept tangible personal property within the above guidelines but may consult with The Development Committee as needed.

4. Bargain Sales. The Mountaineers may enter into a bargain sale arrangement when the bargain sale furthers the mission and purposes of The Mountaineers. A bargain sale is a transaction in which a seller transfers property to The Mountaineers for a price that is less than the property’s fair market value, as determined by an independent appraisal, with the intention to donate the amount represented by the difference between the fair market value and the purchase price of the property. All bargain sales must be reviewed and approved by the Development Committee and Board of Directors. Bargain sale transaction shall be subject to the following conditions:
  - A. The Mountaineers must obtain an independent appraisal (in addition to any appraisal that the donor may be required to obtain for tax purposes) to substantiate the value of the property.
  - B. If The Mountaineers assumes debt with the property, or takes the property subject to debt, the total amount of the debt must be less than 60 percent of the appraised market value of the property.



## THE MOUNTAINEERS

- C. The Mountaineers must determine either that it will use the property, or that there is a market for sale of the property, allowing sale within 12 months of receipt.
  - D. The Mountaineers must calculate the costs to safeguard, insure, operate and carry the property (including property tax, if applicable) during the anticipated holding period.
5. Life Insurance. Donors and supporters of The Mountaineers will be encouraged to name The Mountaineers as beneficiary or contingent beneficiary of their life insurance policies. Mountaineers staff may accept these gifts.
  6. Charitable Remainder Trusts. The Mountaineers may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Development Committee. The Mountaineers will not accept an appointment as trustee of a charitable remainder trust.
  7. Charitable Lead Trusts. The Mountaineers may accept a designation as income beneficiary of a charitable lead trust with the approval of the Development Committee. The Mountaineers will not accept an appointment as trustee of a charitable lead trust.
  8. Retirement Plan Beneficiary Designations. Donors and supporters of The Mountaineers will be encouraged to name The Mountaineers as beneficiary of their retirement plans. Mountaineers staff may accept these gifts.
  9. Bequests. Donors and supporters of The Mountaineers will be encouraged to make bequests to The Mountaineers under their wills and trusts. The provisions of these policies and guidelines shall apply to all bequests received by The Mountaineers for any of its programs or services.
  10. Real Property. Gifts of real property may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real property, The Mountaineers shall require an initial environmental review (phase I) of the property by an independent and recognized environmental inspection firm to confirm that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, The Mountaineers shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, The Mountaineers will obtain a title binder prior to accepting the real property gift. The cost of the title binder shall generally be an expense of the donor.



Gifts of real property shall be transferred by means of a Statutory Warranty Deed, Special Warranty Deed, or Bargain and Sale Deed. The Mountaineers generally does not accept transfers by Quit Claim Deed.

Gifts of real property must be approved by the Board of Directors in consultation with The Mountaineers' legal counsel. Criteria for acceptance of real property shall include:

- A. Is the property useful for the purposes of The Mountaineers?
  - B. Is the property marketable?
  - C. Are there any restrictions, reservations, easements, or other limitations associated with the property?
  - D. Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
  - E. What are the results of the environmental audit?
  - F. What degree of the costs and risks associated with any mitigation or clean up identified in the environmental audit are appropriate for The Mountaineers to assume given the value of the property and/or other commitments made by the donor?
  - G. Is the property the subject of litigation or other dispute?
11. Use of Legal Counsel. The Mountaineers shall seek the advice of legal counsel in matters relating to acceptance of gifts, when appropriate. Review by counsel is recommended for:
- A. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
  - B. Gifts of S corporation stock.
  - C. Documents naming The Mountaineers as a trustee.
  - D. Gifts involving contracts, such as bargain sales or other documents requiring The Mountaineers to assume an obligation.
  - E. Transactions with potential conflict of interest, e.g., a gift of encumbered property by a director, trustee or officer.
  - F. Gifts of real property, particularly those which reveal any potential environmental liabilities.
  - G. Other instances in which use of counsel is deemed appropriate by the Development Committee
12. Independent Advice for Donors. The Mountaineers urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The Mountaineers may not act as a personal consultant or tax advisor to any donor. It is the responsibility of the donor to obtain, and bear the costs of, independent legal counsel. The Mountaineers will comply with the Model Standards of Practice for the Charitable Gift Planner



promulgated by the National Committee on Planned Giving (NCPG), shown as an appendix to this document.

13. Restrictions on Gifts. The Mountaineers will accept unrestricted gifts, gifts for specific programs and purposes, and gifts for endowment provided that such gifts are deemed to be consistent with its stated mission, purposes and priorities. The Mountaineers will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of The Mountaineers. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Development Committee.

#### 14. Tax Law Compliance

##### A. Gift Acknowledgments

- i. The Chief Executive Officer or his/ her designee shall be responsible for acknowledging all gifts made to The Mountaineers.
- ii. The Mountaineers shall provide written acknowledgements to all donors, regardless of amount. Such acknowledgements shall (a) state the amount of cash received or, in the case of gifts of property, describe (but not value) the property; and, for gifts other than “quid pro quo” gifts, shall state: “You received no goods or services in connection with your gift.”
- iii. In the case of “quid pro quo” gifts, i.e., gifts in which the donor receives something of value in exchange for the gift, The Mountaineers shall provide written acknowledgement for all gifts of more than \$75. Such acknowledgements shall
  1. State the amount of cash received or, in the case of gifts of property, describe (but not value) the property;
  2. Describe the goods and/or services provided to the donor, along with a good faith estimate of their value; and
  3. State that only the excess over such value is deductible by the donor as a charitable contribution. E.g.: “Thank you for your gift of \$200. You received a dinner with a value of \$50. \$150 of your gift may be deducted as a charitable contribution, subject to applicable limits.”

- ##### B. Appraisals.
- For a gift of property for which a donor claims a charitable contribution deduction of more than \$5000, the donor must obtain a qualified appraisal, as defined in Treasury Regulations. The cost of any such appraisal shall be borne by the donor. The appraisal must be obtained no earlier than 60 days before the date of contribution of the appraised property and no later than the due date, including extensions, of the tax return on which the donor first claims the deduction.



- C. IRS Tax Form 8283: Donor Reporting. A donor who claims a deduction for non-cash property of more than \$500 must file a Form 8283 with the tax return on which the donor claims the deduction for the property. While it is the donor's responsibility to file the form, the form requires a signature on behalf of The Mountaineers to acknowledge receipt of the property. The form does not require The Mountaineers to include a certification as to the value of the property. This form must be signed by The Mountaineers' CEO or President
- D. IRS Tax Form 8282: Reporting Sales of Gift Assets. The CEO or his/ her designee are responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within three years of receipt by The Mountaineers when the value of the item claimed on Form 8283 exceeds \$5,000. The Mountaineers must file this form within 125 days of the date of sale or disposition of the asset.

**Policy Owner:** Development Director