

Title:	Gift Acceptance Policy
Number:	FC 060
Effective:	November, 2004
Revised:	November 9, 2005 October, 2007
Review Schedule:	Annually at regularly scheduled fall meeting
Last Review:	October, 2007
Responsible Committees:	Development and Finance Committees

I. GENERAL POLICIES

- A. The Audubon Naturalist Society (ANS) accepts gifts of any amount in the form of cash, stock, real estate, personal property, partnership interests or other assets, including gifts through trusts, estates, or insurance policies.
- B. The Audubon Naturalist Society reserves the right to refuse any gift that it believes is not in the best interest of the Society.
- C. Gifts to the Audubon Naturalist Society may not be directly or indirectly subjected by a donor to any material restriction or condition that prevents the Society from freely and effectively employing the transferred assets, or the income derived there from, in furtherance of its tax exempt purposes.

II. GIFTS OF LIQUID AND SEMI LIQUID ASSETS

- A. **Cash.** The Audubon Naturalist Society accepts cash, checks, money orders, and gifts via credit card
- B. **Marketable Securities.** The Audubon Naturalist Society accepts gifts of publicly traded stocks and bonds. When the securities are in "street name," they are transferred to the Audubon Naturalist Society's account.
- C. **Stock in Privately Owned Companies.** To be accepted, such stocks must have a qualified appraisal performed by an independent professional appraiser. If immediately marketable, the stocks are sold. If not, they are kept (in the safe) until they can be redeemed. Prior to acceptance, such gifts must be reviewed and approved by the Audubon Naturalist Society CFO and legal counsel.
- D. **Stock in subchapter S Corporations.** To be accepted, such stocks must have a qualified appraisal performed by an independent professional appraiser. Prior to acceptance, such

gifts must be reviewed and approved by the Audubon Naturalist Society CFO and legal counsel.

- E. **Partnership Interests and Interests in Limited Liability Companies (LLC).** The Audubon Naturalist Society does not accept gifts of general partnership or Limited Liability Companies.

III. BEQUESTS

- A. The Audubon Naturalist Society accepts bequests from persons who have directed in their wills that certain assets be transferred to the Society as long as the bequest conforms to the applicable policies stated in this policy governing the type of asset included in the bequest.

IV. CHARITABLE REMAINDER TRUSTS

- A. The Audubon Naturalist Society may accept gifts from charitable remainder trusts in a form substantially similar to the forms approved by the Treasury Department or are otherwise determined by the Audubon Naturalist Society's legal counsel to be legal trusts for administration by the Audubon Naturalist Society on the following terms:
1. The Audubon Naturalist Society may accept charitable remainder interest from any charitable remainder trust if the Society determines it is in its best interest to accept the gift.
 2. The Audubon Naturalist Society encourages donors to consult their own legal counsel and tax advisors to create a charitable remainder trust.

V. LIFE INSURANCE

- A. The Audubon Naturalist Society may accept life insurance policies as gifts to the Audubon Naturalist Society on the following terms:
1. The Audubon Naturalist Society shall be both the owner and the beneficiary of any policy accepted by the Audubon Naturalist Society.
 2. The donor agrees that the proceeds from the policy will be the property of the Audubon Naturalist Society for such purposes as designated by the donor, subject to the policies and procedures of the Audubon Naturalist Society.
 3. The Audubon Naturalist Society shall have no obligation to continue premium payments on insurance policies.
 4. If any insurance policy lapses for non-payment prior to maturity because a donor fails to provide sufficiently for premium payments, the Audubon Naturalist Society may redeem the policy and apply the proceeds from any cash settlement to its general fund.

5. The Audubon Naturalist Society does not participate in charitable split dollar insurance plans.

VI. GIFTS OF REAL PROPERTY

- A. The Audubon Naturalist Society ("ANS") will consider receiving gifts of real property (property with no encumbrances: i.e. land, including not only the face of the earth, but also improvements and fixtures, and including minerals) subject to the following conditions:
 1. Gifts of real property will be treated as gifts for income rather than as permanent holdings by ANS and will be sold as soon as reasonably possible considering the value of the property and the state of the real estate market, unless the Board of Directors makes a specific exemption to this policy. Such exemptions will normally be based on:
 - a. The property having extraordinary special natural characteristics
 - b. The property having a location that can significantly assist ANS in carrying out its mission,
 - c. The donor establishing a permanent endowment adequate to provide for the perpetual maintenance and operation of the donated property. If the property is capable of producing income, this can be taken into account in determining the adequacy of the proposed endowment.
 2. The prospective donor's intent must be altruistic and in keeping with ANS' mission.
 3. All donated real property must be given without restrictions, unless it is determined that the restrictions are in accord with the mission or needs of ANS with the following exception:
 - a. ANS will consider accepting a donation of real property subject to a life estate based on the life of the donor if it otherwise meets the conditions of this policy.
 4. Gifts of real property must be free of any liens, mortgages or other encumbrances, and the donor must provide appropriate evidence of clear title.
 5. Donated real property must be in conformance with all zoning and land use requirements. ANS may require that the prospective donor provide a written opinion letter from a local land use attorney to support this conclusion.
 6. The prospective donor must provide ANS with a current environmental study or studies of the property conducted by an independent, third party environmental auditor sufficient to satisfy the "bona fide prospective purchaser" requirements of the

Comprehensive Environmental Response, Compensation and Liability Act. The selection of the environmental auditor is subject to the approval of ANS.

7. The prospective donor will be responsible for obtaining an independent, third party appraisal of the current fair market value of the property. The appraiser must be a Member of the Appraisal Institute (MAI), and the appraisal must have been undertaken within one year of the donation. The prospective donor must provide ANS with a copy of the appraiser's final report.
- B. ANS will establish a Real Property Review Team ("Review Team") including ANS staff members and members of the Board of Directors to review the appropriateness of the proposed gift, and to conduct negotiations with the donor or donor's representative concerning the proposed gift. The Review Team may utilize the services of qualified third parties in connection with its review and negotiations.
- C. All gifts of real property are subject to the final approval of the Board of Directors at a regularly scheduled meeting of the Board, or a Special Meeting, scheduled with at least one week's advance notice, called for the purpose of considering the proposed gift. Board approval will be in the form of a Resolution setting forth the terms of the gift and how it is in conformance with this Policy and ANS' mission. The Board may authorize the President or the Executive Director to execute such documents and perform such actions as are necessary to accept the donated property.
- D. No real property accepted pursuant to the terms of this Policy will be sold to any "disqualified person" as defined by the IRS (disqualified persons include members of the Board of Directors, or any person who has been a member of the Board of Directors within the previous three years, or any employee of ANS) except through an appropriate bidding process open to the public.

VII. GIFTS OF TANGIBLE PERSONAL PROPERTY

- A. At the discretion of the Executive Director, the Audubon Naturalist Society may accept, and from time to time solicit, donations of tangible personal property under the following conditions:
 1. The property being donated is to be used by ANS in fulfilling its mission. In this case,
 - a. The property must be in such condition and state of repair that it can be used for its intended function without ANS having to make more than minor expenditures.
 - b. The property must be safe for use in its intended function.
 - c. If the donor considers the property to be worth more than one thousand dollars, he/she should obtain an independent, qualified third party appraisal of

- the property's current fair market value, and provide a copy of that appraisal to ANS.
- d. The property has no restrictions on its use or disposal unless the Board of Directors has approved such restrictions.
2. The property can be sold by ANS for the purpose of generating revenue. In this case,
 - a. A ready market must exist for the property
 - b. The property must be in such condition and state of repair that it can be easily sold without ANS having to make more than minor expenditures
 - c. The donor is responsible for obtaining any appraisal of the property's fair market value the donor needs (for instance for tax purposes). ANS will not provide any estimate of such value.
 - d. The donor may be requested to provide proof of ownership
 - e. Until the property is sold, the donor is responsible for any obligations associated with the ownership of the property such as taxes and insurance.
 - f. The donor may be required to indemnify ANS for any liabilities that may result from the sale of the property.
 - B. For property having a value exceeding five thousand dollars, the Executive Director will consult with the CFO, the ANS legal counsel, and the Executive Committee of the Board of Directors before accepting such property. The Executive Committee shall place any restrictions on the acceptance of the gift it considers appropriate.
 - C. ANS shall attempt to obtain the maximum revenue for any property disposed of under this policy. No property accepted pursuant to the terms of this Policy will be sold to any "disqualified person" as defined by the IRS except under the following conditions:
 1. For property the donor claimed was worth less than \$1000, ANS has made public its intent to dispose of the item (including a notice describing the item to be sold and its minimum price) for at least one week. Acceptable public notices include listings on such web sites as eBay and craigslist (<http://washingtondc.craigslist.org/>) and/or notices posted in the entryway of the ANS sanctuary office buildings.
 2. For property the donor claimed was worth more than \$1000, the notification shall include advertisements in local papers.
 - D. If the donation is made for the purpose of resale at an ANS fund raising event such as an auction, the public advertisement of that event shall satisfy all the requirements of this policy.

VIII. REVIEW OF POLICY

This policy will be reviewed on an annual basis by the Finance Committee and the Development Committee. The Finance Committee Review shall occur at its regularly scheduled fall meeting.

Approval

Finance Committee: Kathleen Malloy Date: 1/23/08

Development Committee: [Signature] Date: FEB 25, 2008
(chair)

Board of Directors: [Signature] Date: March 19, 2008