

## **Ice Age Trail Alliance (IATA)**

### **Policy: Gift Acceptance and Acknowledgement Policy**

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**Effective Date:** November 12, 2011

**Amended:** April 24, 2015

**Amended:**

**Related Policies:** IATA's Record- Keeping Policy, Conflict of Interest Policy, Fundraising Policy, Endowment Policy, and the Land Selection Criteria as applicable.

## **TABLE OF CONTENTS**

- 1.0 Background and Purpose**
- 2.0 Authority for This Policy and Applicability**
- 3.0 Donor Intent**
- 4.1 Gift Acceptance and Acknowledgement**
- 4.2 Cash**
- 4.3 Stock**
- 4.4 Real Property**
- 4.5 Real Property without Conservation Value**
- 4.6 Real Property with Conservation Value**
- 4.7 Corporate Matching Gifts**
- 4.8 Membership**
- 4.9 Event Sponsorships**
- 4.10 Bequests**
- 4.11 Anonymity**

**1.0 Background and Purpose.** . Gifts received by the Ice Age Trail Alliance (IATA) are welcome forms of contributing to the mission of the organization. The IATA is committed to conducting the acceptance and use of these gifts in an ethical and responsible manner, as outlined below, in order to be in compliance with state and federal laws and to maintain the credibility of the organization.

**2.0 Authority for This Policy and Applicability.** Authority for this policy is provided by IATA's bylaws and corporate law. This policy is applicable to all IATA staff, volunteers and contractors.

**3.0 Donor Intent.** The intent of the donor should be clearly communicated to the IATA in writing, including, if applicable, the specific program or project the donor wishes to benefit from the gift (it being understood that in general, the IATA prefers to receive unrestricted gifts to support all aspects of its mission). Options the IATA may choose for the management, sale or transfer of donated marketable assets, and how the proceeds will further the donor's charitable intent, should be disclosed and discussed with the donor in advance of the gift, if possible. In some cases, a written donation agreement may be appropriate. In the absence of donor stipulation to the contrary, the donor shall be advised through the gift acknowledgement letter that their gift is being received with the understanding that their interest is to provide general purpose support for the work of the IATA and that the use of the gift (or proceeds of sale thereof) shall be unrestricted. No restricted gifts with a value in excess of \$10,000 shall be accepted without the approval of the Executive Director. In the case of special circumstances the Executive Director may

seek approval by the Board of Directors or the Executive Committee. Any asset offered for donation or sale to the IATA will be carefully evaluated, using outside professional advisors where appropriate, to ensure that it is in a useable, safe and marketable condition at the time of the transfer. Consideration will be given to the level of staff work required, potential liability of ownership and other issues related to accepting, managing and liquidating a donated asset, relative to its value to the organization.

#### **4.0 Gift Acceptance and Acknowledgement.**

- 4.1** All gifts to the IATA shall be promptly reported to the Executive Director or his/her designee. IATA and its representatives do not provide tax advice to donors and specifically recommend that donors seek legal and tax advice prior to making significant gifts.
- 4.2** The IATA will accept any gifts of cash for any purpose in any of its various forms: currency<sup>1</sup>, checks, money orders, electronic funds transfers, and credit card payments. Gifts of cash will be acknowledged within two working days following receipt of gift.
  - 4.2.1** Gifts of any type which are restricted for purposes that the Alliance cannot or will not comply with will be returned at the direction of the Executive Director or the Executive Committee.
- 4.3** The IATA will accept gifts of stock from publicly traded companies. Stock gifts will be sold as soon as possible following the date of the gift.<sup>2</sup> A gift acknowledgement letter will recognize the donor for having given the gift of stock. The letter shall not indicate the cash value of the gift. If a donor desires to make a donation to the IATA and holds depreciated stock that is now worth less than the cost basis, it is to the donor's advantage to sell the stock to establish a tax loss and then make a contribution to the IATA in cash. A prospective donor of stock to the IATA will be advised in writing that it might be desirable to consult with a qualified tax and/or legal advisor before donating stock.
- 4.4** Gifts of real property are governed by the IATA Bylaws, Article X, Section 1 and further by this policy. The IATA may accept gifts of real property. Such gifts may be kept and used by IATA or may be sold utilizing the same process (see sections 4.5 and 4.6). A gift acknowledgement letter will recognize the donor for having given the gift and will include a description of the real property. The letter shall not indicate the cash value of the gift. Appraisals of gifted real property are the sole responsibility of the donor and should be completed not earlier than 60 days prior to the donation date of the real property and prior to the due date of the donor's tax returns. The IATA will specifically encourage donors to conduct such an appraisal in all cases in which the estimated value exceeds \$5,000. The acceptance and disposition of any such donated asset must fully comply with federal and state tax laws, including requirements for the donor to have an independent appraisal to determine value of certain donations, the IATA's obligation to review the appraisal, and the requirements of IRS forms 8283 (Non-Cash Charitable Contributions) and 8282 (Sale, Exchange, or Other Disposition of Donated Property).
- 4.5** With the approval of the Executive Director, the IATA may accept gifts of non-

Ice Age Trail-related real property utilizing the process described in 4.4.

- <sup>1</sup> Should the gift be literally currency, and in an amount greater than \$10,000, IATA will be required to file a Form 8300 with the Internal Revenue Service.
- <sup>2</sup> This policy enables IATA to establish a valuation for the gift and avoids the potential for a donor to request that the organization hold onto stock inappropriately.

- 4.5.1** Such real property will be sold as soon as possible and full market value should be sought. Market value shall be determined by a qualified real estate appraiser hired by the IATA.
- 4.5.2** There shall be no “private benefit” or “private inurement” or conflict of interest.
- 4.5.3** Permission to sell the real property and commit the profits to the mission work of the organization must be explicitly obtained from the donor in writing prior to accepting the gift.
- 4.5.4** Prior to acceptance of the donation, the IATA shall perform a due diligence review on the property which shall include the following as applicable: usability, conservation value (if not for IATA, may provide other conservation organization benefit), safe and marketable condition, environmental hazards assessment (Phase I), liability of ownership, cost of holding and selling, preliminary title report, survey, and building inspection report.
- 4.5.5** If the property has conservation value beyond the needs of the Ice Age Trail, the IATA may accept the donation and place a conservation easement, and/or other restrictions, on the property before reselling. The burden of perpetual stewardship of any IATA-retained rights shall be considered prior to this manner of protection, and shall require review by the Land Conservation Committee and subsequent approval by the Board of Directors.
- 4.5.6** The acceptance and disposition of any donated real property asset must fully comply with federal and state tax laws, including requirements for the donor to have an independent appraisal to determine value of certain donations, the IATA’s obligation to review the appraisal, and the requirements of filing IRS forms 8283 (Non-Cash Charitable Contributions) and 8282 (Sale, Exchange, or Other Disposition of Donated Property).

Furthermore, the donor may obtain a formal appraisal prior to the date of the gift to be shared with the IATA. Alternately, if no appraisal was performed by the donor, the IATA may choose to perform an appraisal for purposes of sale and tracking for budget and tax purposes. A gift acknowledgement letter will recognize the donor for having given the gift and will include a description of the property. The letter shall not indicate the cash value of the gift.

- 4.6** The IATA may accept gifts of real property as conservation land upon the recommendation of the Land Conservation Committee and with the subsequent approval of the Board of Directors. This policy includes separated rights to land such as conservation easements, etc. In making such a decision, the Executive Director and the Board of Directors will explicitly consider: how the property matches the mission of the IATA; the long-term viability of the property as conservation land; and, the ongoing management costs of holding the property. The donor must obtain a formal appraisal prior to the date of the gift. A gift acknowledgement letter will recognize the donor for having given the gift and will include a description of the land. The letter shall not indicate the cash value of the gift.

- 4.7** The IATA will explicitly seek out and accept corporate matching gifts. Businesses making such gifts will be recognized at the appropriate level for the sum of their gifts during any given fiscal year, and a soft credit will accrue to the donor whose gift is matched. Acknowledgements will be sent to both the donor and to the corporation. In the event that the initial donation is temporarily or permanently restricted, the matching funds shall be treated as if they are similarly restricted.
- 4.8** The IATA has created several graduated individual membership levels and may create additional levels in the future. Each level may have specific and exclusive benefits associated with it. Qualifying gifts made to any given level must be completely unrestricted and must be made by a single donor (as opposed to pooled or matched gifts). Exceptions must be approved by the Executive Director. For example, a land or easement donor may be credited with a general membership for a year or several years following a gift without an additional cash gift.
- 4.8.1** Exceptions will be reported to the Executive Committee or Board of Directors.
- 4.8.2** Board members will always be invited to attend donor club events regardless of their individual membership status.
- 4.9** The IATA will accept event sponsorship gifts from time to time and such donors will be prominently acknowledged at the event itself.
- 4.10** The IATA will accept bequest gifts and will acknowledge such donors during their lifetimes provided the donors let the IATA know of their plans. Neither knowledge of any specific terms nor any documentation shall be necessary to receive such acknowledgement. Bequests of real property are subject to the terms in 4.4 and 4.5 above with the exceptions that an appraisal may not be required prior to donation. In cases where an appraisal provides a value to or protection of the IATA, the IATA should request the estate cover costs of the appraisal. In addition, real property donations that require the IATA to preserve the property but do not meet the criteria of property acquisition selection or the mission of the IATA, shall not be accepted.
- 4.11** From time to time donors to the IATA may wish to remain anonymous. Such requests will not be solicited by the IATA, but the organization will take all necessary precautions to ensure that these donors' wishes are honored..