Friends of Pheasant Branch Conservancy

Acceptance and Management of Donations and Gifts Policy

FOPBC encourages current and deferred gifts from individuals, corporations, and foundations to support the mission of FOPBC. These policies and guidelines govern the acceptance of gifts by FOPBC and provide guidance to prospective donors and their advisors when making gifts to FOPBC. The provisions of these policies shall apply to all gifts received by FOPBC for any of its activities.

This policy is also intended to guide and assist the Board of Directors in its decisions, but not to restrict the Board of Directors in circumstances which had not been foreseen by this policy. Where necessary, this written policy may be revised in the future to accommodate changes.

A. Administration

a. Responsibilities of the administrator

The Chair of the Marketing and Development Committee shall be the administrator or "owner" of this Policy. The associated responsibilities shall include keeping it current and valid, and assuring timely review.

b. Responsibilities of other parties involved

This Policy also relates to the responsibilities of the Finance, Executive, and the Marketing and Development Committees.

B. Policy

a. Introduction

This policy seeks to assure that all gifts to FOPBC are structured to provide maximum benefit to both parties, the donor and FOPBC. The goal is to encourage funding of the FOPBC without encumbering the organization with gifts which may generate more cost than benefit, or which are restricted in a manner which is not in keeping with the mission of the organization. Therefore, in some instances these policies may require that the merits of a particular gift be considered by a gift acceptance committee, and a final decision be made only by the Board of Directors.

b. General Policy Statement

FOPBC encourages, by or on behalf of the Board of Directors, the solicitation and acceptance of gifts that will help to further and fulfill the organization's mission. The following provisions govern acceptance of gifts made to the FOPBC or for the benefit of any of its activities or programs. The Board of Directors may make exceptions to this policy if conditions warrant, by a formal motion and action recorded on the Board of Directors meeting minutes.

It is essential that FOPBC maintain its integrity and credibility and never compromise these aspects by the acceptance of any gift which creates a conflict of interest or even any appearance of such a conflict. This does not preclude any gifts from commercial or

corporate organizations, but does require clarity of purpose and no undue conditions for a gift, along with transparency and appropriate use of such donations.

FOPBC seeks to inform, serve, guide and otherwise assist donors who wish to support its activities, but never under any circumstances to pressure or unduly persuade a donor to complete a gift. No gift acceptance or management of gifts or donors shall occur except within the limitations and specifications of this policy.

C. Process

a. Communications

No formal gift solicitation, acceptance or management of gifts or donors on behalf of the FOPBC shall occur except by the board or its designees, and within the limitations and specifications of this policy.

b. Compatibility of Gifts with FOPBC Mission

The determination and judgments about gift compatibility with the mission of the FOPBC is the duty and responsibility of the FOPBC Board of Directors. Only the Board of Directors may commit to accept any gift, except for unrestricted cash donations of $500 or less, and membership fees, both of which require no formal decision prior to acceptance.

c. Confidentiality

All information concerning donors and prospective donors shall be held in strict confidence by FOPBC, subject to legally authorized and enforceable requests for information by government agencies and courts. FOPBC will not disclose the amount of any gift through any publication or other public document without the permission of the donor, unless the disclosure is required by law.

d. Conflict of Interest

FOPBC adheres to a Conflict of Interest Policy. Thus FOPBC encourages prospective donors to seek the assistance of personal legal and financial advisors (and where appropriate, family members) in matters relating to their gifts and the resulting tax and estate planning consequence so that the donor is fully aware of the financial, tax and other impacts that a donation will have on the donor and the donor's estate. The FOPBC organization is not able to give legal or financial advice to donors.

e. Restrictions on Gifts

The FOPBC welcomes gifts in many forms, and encourages donors to make unrestricted gifts so that the Board of Directors may direct funds where they are most beneficial to supporting the mission and conservation projects.

However, donors who so wish, may designate their gift for a specific purpose, a project, or a program that is consistent with FOPBC’s mission, purposes, and priorities such as Restoration and Management, Education, Monitoring, Watershed Management, or Archeology, or a current project or program such as the Bock Forest.. FOPBC Board members are available to discuss these options with donors.

FOPBC will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. FOPBC will not accept gifts 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 FOPBC, as determined by the Board of Directors. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board of Directors.

D. Types of Gifts

The following gifts are acceptable:

- **a.** Cash
- **b.** Tangible Personal Property
- **c.** Securities
- **d.** Real Estate
- **e.** Remainder Interests in Property
- **f.** Life Insurance Policies
- **g.** Annuities and Trust Arrangements
- **h.** Retirement Plan Beneficiary Designations
- **i.** Bequests
- **j.** Life Insurance Beneficiary Designations
- **k.** In-kind gifts
- **l.** Other property

E. Acceptance Criteria

In reviewing potential gifts, the Board of Directors will consider the charitable intent and ultimate benefit of the gift, the nature of any restrictions, the permanency of the gift asset, the projected costs of managing the gift asset, and any revenues that may accrue to FOPBC for administering/managing the gift.

These following criteria govern the acceptance of each gift form:

a. Cash

FOPBC will accept cash donations and other gifts in those cases and under those conditions which further the organization's mission and are consistent with the bylaws and other policies, and in a manner consistent with the donor's intent. Cash is acceptable in any form. Checks shall be made payable to "The Friends of Pheasant Branch Conservancy" and shall be delivered to the FOPBC mailbox or hand-delivered to the Treasurer. No donation checks should be made payable to an employee, agent, or volunteer for the credit of FOPBC.

Gifts in the form of cash and checks shall be accepted regardless of amount unless, as in the case of all gifts, there is a question as to real or perceived conflict of interest, or whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds as a gift to FOPBC.

b. Tangible Personal Property

All other gifts of tangible personal property shall be examined in light of the following criteria:

i. Does the property fulfill the mission of FOPBC?
ii. Is the property marketable?
iii. Are there any undue restrictions on the use, display, or sale of the property?
iv. Are there any carrying costs for the property?

Jewelry, artwork, collections and other personal property shall be considered for acceptance on a case-by-case basis. Where applicable, it may only be accepted after

receipt and review of an appraisal qualified under terms of the internal revenue code governing gifts of property of this type.

No personal property shall be accepted by FOPBC unless there is reason to believe the property can be quickly liquidated, or can be used directly by the organization in its duties. No personal property shall be accepted that obligates FOPBC to ownership of its use in perpetuity. No perishable property, or property which will require special facilities or security to properly safeguard, will be accepted without prior approval of the Board of Directors.

Only the Board of Directors or persons authorized by it may represent to a donor that property will or will not be held by FOPBC for a requisite period of time or for purposes related to its tax exempt status. Donors shall be notified at the time of receipt of a gift that FOPBC will, as a matter of policy, cooperate fully in all matters related to any legal investigations of non-cash charitable gifts.

c. Securities

The FOPBC can accept both publicly traded securities and closely held securities and may choose to arrange acceptance through the Madison Community Foundation.

i. Publicly Traded Securities: Publicly Traded Securities which are traded on the New York or American Stock Exchange in the U.S., or Canadian Stock exchange in Canada, shall be accepted by FOPBC. It may be anticipated that such securities will be immediately sold by FOPBC. In no event shall an employee or volunteer working on behalf of FOPBC commit to a donor that a particular security will be held by FOPBC unless authorized to do so by the Board of Directors. Marketable 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 Finance Committee. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Board of Directors of the FOPBC.

ii. Closely Held Securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Board. However, gifts must be reviewed prior to acceptance to determine that:
    1. there are no restrictions on the security that would prevent the FOPBC from ultimately converting those assets to cash,
    2. the security is marketable, and
    3. the security will not generate any undesirable tax consequences for the FOPBC.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities is by the Board of Directors after review by the Finance Committee, legal counsel and/or or accounting professionals when requested by the Board. Upon acceptance of a gift of non-marketable securities, the Board shall determine when and whether non-marketable securities shall be held or sold.

d. Real Estate

Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, except in cases where the Board has determined little likelihood of environmental risk (e.g., in the bequest of residential real property with limited underlying land), the FOPBC shall require an initial environmental review of the property to help assess whether the real estate poses environmental risks to the FOPBC.

No gift of real estate shall be accepted without first being professionally appraised by a third party chosen by FOPBC, and which party shall have no business or other relationship to the donor.

When appropriate, a title binder shall be obtained by the FOPBC prior to the acceptance of the real property gift.

Gifts of real estate will typically be sold by the FOPBC, unless the Board of Directors finds that retention of the real estate furthers the organizational goals and mission.

Upon a finding that the real property may be accepted by the FOPBC, prior to acceptance of the real property, the gift shall be approved by the Board, and if directed by such Board, FOPBC's designated legal counsel and/or accountants, which may reject such gift upon any ground that has an adverse impact on the FOPBC. The Board 's consideration of such gift may include such issues as the following, including without limitation:

i. Whether the property is useful for the purposes of the FOPBC
ii. Whether the property is marketable
iii. Whether there exist any associated restrictions, reservations, easements, or other limitations
iv. Whether there are associated carrying costs, which may include insurance, property taxes, mortgages, or notes, etc.
v. Whether an environmental review reflects that the property poses environmental risks to FOPBC

If a property is deemed to have significant value to the mission of FOPBC, the Board shall determine whether to:

i. retain ownership
ii. convey ownership to another non-profit or governmental entity that will manage the property; or
iii. sell the property

Remainder Interests In Property: FOPBC may accept a remainder interest in a personal residence, farm, or other property subject to the provisions of paragraph above (Real Estate). The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, the FOPBC may use the property or reduce it to cash. Where the FOPBC receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

e. Life Insurance Policies

The FOPBC 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, FOPBC 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, the FOPBC may:

i. continue to pay the premiums,
ii. convert the policy to paid up insurance, or
iii. surrender the policy for its current cash value.

f. Annuities and Trust Arrangements including Charitable Gift Annuities, Charitable Remainder Trusts, and Charitable Lead Trusts

RESERVED for now, despite earlier drafts of this document. This section is reserved for future use when these forms of donation may be imminent.

g. Retirement Plan Beneficiary

Designations Donors and supporters of the FOPBC may be encouraged to name FOPBC as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the FOPBC until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

h. Bequests

Donors and supporters of the FOPBC may be encouraged to make bequests to the FOPBC under their wills and trusts. Such bequests will not be recorded as gifts to the FOPBC until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

In the event of inquiry by a prospective legator, representations as to the future acceptability of property proposed to be left to FOPBC in a will or other deferred gift shall only be made in accordance with the terms and provisions of this policy document.

Gifts from the estates of deceased donors consisting of property which is not acceptable shall be rejected only by action of the Board of Directors. The Board of Directors of FOPBC or its retained attorney shall expeditiously communicate the decision to the legal representative of the estate. If there is any indication that the representatives of the estate or any family member of the deceased is dissatisfied with the decision of the Board of Directors, this fact shall be communicated to the Board of Directors as quickly as possible.

Attempts shall be made to discover bequest expectancies wherever possible in order to reveal situations which might lead to adverse donor relations.

Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the Board of Directors and every attempt be made to encourage the donor involved to understand and to align with FOPBC policy.

i. Life Insurance Beneficiary Designations

Donors and supporters of the FOPBC may be encouraged to name the FOPBC as beneficiary or contingent beneficiary of their life insurance policies. Such designations

shall not be recorded as gifts to FOPBC 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 may be recorded at the time the gift becomes irrevocable.

j. In-kind Gifts

A gift in kind is an item or service such as equipment, software, product, or activity that a donor voluntarily transfers to FOPBC without charge or other consideration. Once such a gift has been accepted, the donation becomes the property of FOPBC, which retains the right to dispose of the gift as FOPBC sees fit.

k. Other Property

Other property of any description including mortgages, notes, copyrights, royalties, easements, whether real or personal, shall only be accepted by action of the Board of Directors.

l. Corporate Gifts

The FOPBC recognizes the unique role that corporate entities play in public life and wishes to ensure that FOPBC provides corporate donors with respect and professionalism.

FOPBC is pleased to accept gifts from corporations that support our organization's goals and mission. This includes:

i. outright gifts of cash
ii. employee-driven internal events
iii. external events driven by corporate management
iv. donations of goods and services
v. sponsorships or partnerships
vi. company matching gifts and
vii. recognition gifts.

FOPBC will not accept contributions from corporations/industries and their respective corporate foundations whose activities limit in any way the FOPBC ability to pursue or promote its programs and mission.

FOPBC may offer appropriate marketing and promotional consideration to corporations that request it, but the use of the FOPBC name or logo by a corporate partner must be restricted to appropriate uses only. In some cases, "letters of agreement" between FOPBC and corporate donors may be required to ensure that FOPBC's name and reputation are not harmed or diluted by excessive or inappropriate promotion. As with individual donors, FOPBC reserves the right to refuse donations from any corporate entity.

F. Uses of gifts

a. General Gifts

Gifts valued at less than $1,000 will be directed to the unrestricted donations fund/account, unless otherwise requested by the donor.

b. Unusual Gifts

In cases of unusual circumstances/conditions/limitations, including those for gifts valued at amounts greater than $1,000, the Board of Directors or its representative will confer with the donor or the donor representative to determine the most suitable uses and designations for the gift.

c. Endowment Gifts

Two endowment funds have been established to support Friends of Pheasant Branch Conservancy. They are the Glen C. Pulver Education Endowment and the Restoration and Management Endowment, both of which are held and managed by Madison Community Foundation.

G. Acknowledgement, Appreciation and Recognition

All gifts to FOPBC will be acknowledged regardless of the amount of the gift. In the case of gifts with an estimated or likely value greater than $750, the person recording the gift will notify the board president at once for purposes of informing the other Board members so they can be aware of and consider appropriate acknowledgement measures. An ongoing master list of gifts will be maintained by FOPBC. Acknowledgement, Appreciation and Recognition for all gifts made to the FOPBC shall be the responsibility of the Development and Marketing Committee. FOPBC's compliance with the current IRS requirements in accordance with applicable law shall be the responsibility of the Finance Committee

H. Miscellaneous Provisions

a. Payment of fees related to gifts

FOPBC does not pay finder's fees or percentage payments of any kind to stimulate gift-giving. The organization may however pay professional fees, where appropriate, for defined tasks of service for fund-raising advice or campaigns conducted by fund-raising advisors arranged through duly- contracted and fully transparent Board transactions, duly recorded in Board Meeting Minutes.

b. Legal Advice

FOPBC may, at the option of the Board of Directors, seek advice of legal counsel in matters relating to acceptance of gifts when appropriate.

c. Securing appraisals and legal fees for gifts to the FOPBC

It will typically be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the FOPBC.

d. Gift-Asset Holdings and Management

The FOPBC Board of Directors will determine the most appropriate mechanism and organization to hold and manage a donated asset on a case-by-case basis. The Madison Community Foundation will often be the designated agent for supporting FOPBC in this role. In the case of endowment donations held by the MCF, FOPBC is the preferred named recipient of the gift rather than MCF, in order to assure that FOPBC is fully aware of, and manages properly the donor relationship.

e. Valuation of gifts for development purposes

The FOPBC will record a gift received by the FOPBC at its valuation for gift purposes on the date of gift.

f. Responsibility for IRS Filings upon sale of gift items

The FOPBC Board of Directors will be responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within three years of receipt by FOPBC when the charitable deduction value of the item is more than $5,000. The FOPBC must file this form within the time frames specified by applicable tax authorities.

g. Allocation and Disbursal Processes for Using Funds

For unrestricted funds, this will be governed by FOPBC planning and budgeting procedures for capital and operating projects. For restricted funds, the restrictions will be honored and coordinated with other resources through the FOPBC planning and budgeting process.

With the exception of gifts made directly to established endowed funds, for all cash gifts a percentage of the gift shall be used to cover administrative costs associated with accepting and managing the gift. The administrative fee will be set annually through the FOPBCC planning and budgeting process and shall not exceed ten percent of the gift.

h. Administrative Fees

Board approved the following at the August 2020 Board meeting:

i. 10% is a reasonable administrative fee for contributions. The calculation includes an average of the Administrative Assistant's time to process a donation, any credit card fees, postage, supplies, etc.
ii. Maximum fee would be $100 on contributions of $1,000 or more.

This fee will not be applied to grants, membership fees or donations to the general funds. The dispersal and process for using the funds, less any administrative fee will be governed by the FOPBCC planning and budgeting procedures for capital and operating projects. For restricted funds, less any administrative fee, the restrictions will be honored and coordinated with other resources or agencies through the FOPBCC planning and budgeting process.

Administrative Fees will be disclosed on the Annual Report

I. Definitions (Reserved/To be added as needed)

a. Reviews

The Board of Directors will review this policy at least once every three years.

b. Attachments and/or related documents

i. FOPBC Policy to Govern Spending of Endowment Funds - Originally adopted by Board May 21, 2014.

Version History:

- Adopted and approved by Board of Directors on July 13, 2015
- Revised and approved by Board of Directors on November 9, 2015 – added the need to provide information to board members when donation is over $750
- Revised and approved by Board of Directors on December 21, 2020
- Revised and approved by Board of Directors on August 18, 2025 – formatting updates