Gift Acceptance Policy
LTA S&P 5A and 6B

The policies set forth below have been adopted by the Board of Trustees (“Board”) of the Natural Land Institute (“NLI”) for the purpose of establishing guidelines and rules applicable to the solicitation and acceptance of donations to the NLI.

1. Definition of Terms:

1.1. **Unrestricted Funds** are funds that have been donated without any restriction by the donor as to their use.

1.2. **Restricted Funds** are funds that have been donated with one or more restrictions by the donor as to their use. Restrictions may be applicable, in whole or part, to principal or income or both. Generally, restricted funds can be classified as follows:

   1.2.1. **Endowment Funds** are funds that, under the terms of a gift instrument, are not wholly expendable on a current basis. The principal of such funds is to be maintained indefinitely or for a specified or described period of time, and all or some of the income may be unrestricted or restricted for specific use as provided by the donor.

   1.2.2. **Temporarily Restricted Funds** are gifts directed towards a specific project or purpose already established by the NLI. Each project has a well-defined purpose for its use. The donor or grantor (in the case of grants) specifies the project they would like the gift to go to, but the project fund guidelines have already been established.

   1.2.3. **Specific Purpose Funds** are funds of which all or any portion of the principal or income or both are restricted for a specific purpose by the donor. This purpose may lie outside the parameters of the already established funds defined above.

1.3 **Designated Funds** are unrestricted funds that have been designated by the Board for a designated purpose or project. Any such designation is nonbinding and may be changed by the Board from time to time by a two-thirds (2/3rds) super-majority vote of all actively serving Board Trustees.

2. Policy on Restricted Gifts

2.1 **Acceptance of a gift** to an already established fund of the NLI (Section 1.2.1 and 1.2.2 under the Restricted Funds description), whether it be an Endowment Fund or a Temporarily Restricted Fund, may be accepted under the restrictions set up in the purpose or project fund description.
2.2 **Acceptance of a restricted gift** where the restrictions have been imposed by the donor (Section 1.2.3 described under the restricted Specific Purpose Funds gifts description) imposes an obligation to comply with the terms established by the donor, so the nature and extent of the obligation must be clearly understood. For this reason, the terms of each restricted gift must be set forth in writing and will be reviewed with special care to ensure that they will not impair the usefulness and desirability of the gift. If a gift is deemed unacceptable because of restrictions on its use, the donor may be requested to remove or modify the restrictions. Gifts will be declined or returned when a restriction cannot be removed or modified, is or becomes inappropriate or not conducive to the best interest of NLI, or would obligate NLI to undertake responsibilities, financial or otherwise, that it may not be capable of meeting for the period required by the terms of the gift.

2.3 **Any document governing a restricted gift** should empower the Board to reallocate the funds to purposes as near as possible to the original intent of the donor if the purpose for which the funds were originally provided ceases to exist. In the absence of such power, if the donor is unavailable (with no representative or successor), the Board may petition a court of competent jurisdiction to establish a different use for the funds.

3. **Policy on Types of Gifts**

3.1 An **Operating Gift** is a gift made to support the ongoing operations of NLI. This gift shall be considered available for expenditure in the current or, in the case of an operating surplus, some future year as budgeted by the Board.

3.2 A **Project Gift** is a donation to a specific project or purpose of NLI and is considered temporarily restricted until its purpose is met. These Project gifts are used for the specific project designated and not for general support.

4. **Policy on Approval of Gifts**

4.1 **Dual Responsibility**

NLI recognizes a dual responsibility in soliciting and accepting gifts. First, it must be aware of its continuing obligation towards the NLI. Second, it must be concerned with its obligation toward accomplishing the wishes of donors.

4.1.1 NLI reserves the **right to refuse** to accept any gift, or enter into any planned gift agreement, which the NLI concludes would not be in its best interest.

4.1.2 NLI may **hire counsel** to review and comment on a donor’s planning documents, where deemed appropriate.
4.1.3 NLI staff members shall conduct all activities undertaken on behalf of the NLI in accordance with **accepted professional standards** of accuracy, truth, integrity and good faith.

### 4.2 Gift Acceptance

NLI’s President will be advised of any request by a prospective donor to receive special recognition in respect to a gift, and the gift shall not be accepted without the President’s approval of such special recognition.

### 5. Policy on Confidential Information

All information obtained from or about donors or prospects shall be held in strictest confidence by the NLI, except in cases where such information must be provided by law to government agencies. Names, amounts, conditions or types of gifts will not be released or published without approval of the donor or the donor’s fiduciary. Confidential information about donations and donors is shared with the Board of Trustees and members of the Resource Development Committee of the NLI.

### 6. Policy on Gift Acknowledgement

Written acknowledgement from NLI of an accepted Gift of $250 or more will be made contemporaneously with receipt of the Gift.

### 7. Policy on Gifts of Securities

#### 7.1 Gifts of readily marketable securities may be accepted by the NLI.

- **7.1.1** Generally all readily marketable securities will be sold immediately upon receipt on the open market. However, if the number of shares involved is sufficient to have a depressive impact on the price of the stock in the opinion of the NLI’s Investment Manager, the sale may be extended over a period of time necessary to avoid such negative impact.

- **7.1.2** Stock controlled under Securities and Exchange Commission Rule 144 (restricted stock that must be held for a certain time period before it can be sold) will be held until the restriction on sale expires and then will be immediately sold in the same manner as described in "1" above.

#### 7.2 Gifts of securities which are not readily marketable will be evaluated in a case-by-case basis to determine if the securities will be accepted.
8. Policy on Gifts of Personal Property

Gifts of personal property (other than cash or publicly traded securities) valued in the excess of $5,000 are required to meet certain criteria.

8.1 The donor must provide an appraisal by an unrelated qualified appraiser.

8.2 NLI must acknowledge the donor’s appraisal or appraisal summary in writing, which is to be attached to the donor’s tax return.

8.3 NLI is required to notify the IRS of the sale price of any gift of personal property sold within 2 years of the date of the gift.

9. Policy on Gifts of Works of Art

Gifts of works of art will be accepted by the NLI only if they can be easily sold. However:

9.1 The decision whether or not the art is displayed in the NLI office will rest with the NLI Executive Director.

9.2 No commitment will be made to keep the art. If it is not suitable for use by the Institute, it will be sold.

9.3 The gift will be placed on the NLI’s books at $10 unless a valid independent appraisal is supplied by the donor.

9.4 The donor of a work of art should be advised that they may not be entitled to the full charitable deduction for a gift of the art work to the NLI as they would be for a gift of the art work to an art museum.

10. Policy on Gifts of Furniture

10.1 Gifts of furniture may be accepted through NLI if the furniture either:

10.1.1 Is usable and appropriate for use by the NLI; or

10.1.2 Can be sold.

10.2 Donors are responsible for establishing the amount of their own tax deduction.
11. Policy on Gifts of Automobiles and Other Vehicles

11.1 Automobiles and other vehicles may be accepted by the NLI at wholesale “Blue Book” price less any necessary repairs.

11.2 Vehicles will be booked by the NLI at wholesale “Blue Book” price less any necessary repairs.

11.3. Vehicles unsuitable for use by the NLI will be sold.

12. Policy on Gifts of Tools and Equipment

12.1 New or used tools or equipment will be accepted when the tools or equipment is usable by the NLI, or sold if the appropriate market exists.

12.2. Such tools or equipment will be carried on the Institute’s books at estimated value at the time of contribution.

13. Policy on Gifts of Other Personal Property

13.1. Other items of property will be accepted if:

13.1.1 They will be useful to the NLI; or

13.1.2 They can easily be sold.

13.2 Following IRS regulations, establishment of value is always the responsibility of the donor.

13.3 Other matters that will be taken into consideration by the NLI before deciding on acceptance of gifts of personal property will be:

- Maintenance and repair costs
- Sales costs
- Storage costs
- Transportation costs
- Staff time
- Insurance costs

14. Policy on Gifts of Real Property

Unless otherwise directed by the board, before acceptance, all offered gifts of real property, or other interests in real property will be appraised by a qualified appraisal firm at the expense of the donor and furnished to NLI. Any related
environmental studies and transactional costs are to be allocated upon agreement by the parties.

The appraisal will be acknowledged by the NLI in writing.

The property will be listed with a broker or brokers (unless the property will be used or preserved by the NLI) and will be listed at least at the appraised value.

If, because of high real estate taxes, a sizable mortgage or required maintenance expense or supervision of the property, the Natural Land Institute is unwilling to hold the property for a normal contract listing period and will be forced to cash out as quickly as possible, the donor will be so informed. Acceptance of real estate encumbered by debt or high taxes or maintenance costs will be decided on a case by case basis.

NLI is required by law to notify the IRS of the resale price if the property is sold within two years of the contribution.

Gifts of commercial real estate and businesses will be evaluated not only on the basis of property tax and mortgage liabilities, but also taking into consideration that:

a. NLI may have to pay income tax on unrelated business taxable income, off-set by all deductions available to a tax-paying entity.
b. NLI as a non-profit corporation receives no tax benefit from depreciation.

15. Policy on Property Accepted

The following guidelines will apply to determine the types of property that will generally be acceptable by the NLI:

15.1 Gifts of real property or interests in property that has conservation values and furthers the goals of the NLI’s strategic conservation plan, or land that will provide revenue to support the programs of the organization.

15.2 Gifts should not be funded with interests in property which may lead to and accompany unrelated business income (UBI) as defined in the Internal Revenue Code and Treasury Regulations.

15.3 NLI should not act as Trustee in any case.

15.4 NLI will not pay finders’ or broker’s fees for gifts of land.
16. Policy on Bequests and Planned Gifts

Gifts to the NLI made through bequests, insurance policies or annuities, charitable remainder trusts and charitable lead trusts, or other planned gifts are subject to the NLI's Planned Giving Policy and Guidelines (as revised 10/11/12).

APPROVED:

NLI Board of Trustees

Signature

[Signature]

Date

[Date]

Name (Print)

Mark Mattei

Title

President