



# NEW YORK - NEW JERSEY TRAIL CONFERENCE

## GIFT ACCEPTANCE POLICY

Approved by the Board on January 28<sup>th</sup>, 2020

### 1 INTENT AND OVERVIEW OF THE POLICY

The New York-New Jersey Trail Conference (Trail Conference) is a tax-exempt organization as defined in Section 501(c)(3) of the Internal Revenue Code of 1986. Its federal tax identification number is 22-6042838. As a tax-exempt organization, the Trail Conference actively solicits gifts. This document sets forth a gift acceptance policy which is intended to guide Trail Conference staff and volunteers when discussing current and deferred gifts with individual donors, their advisors and organizations, and to provide guidelines for acceptance or non-acceptance of proposed gifts.

### 2 STATEMENT OF POLICY

Gifts to the Trail Conference may be made by individuals, corporations, public governmental bodies, public charities, private foundations, clubs and other organizations. Gifts shall not be accepted unless their acceptance would be consistent with the mission statement of the Trail Conference.

Gifts to the Trail Conference, of whatever kind, that are not restricted by the donor to be used for a particular purpose will be assumed to “support the purposes of the Trail Conference” and will be considered to be unrestricted gifts for purposes of the Statement of Financial Accounting Standards No. 117 and placed in the Unrestricted Fund. Monies from any source that are restricted for a specific fund or a purpose corresponding to an existing fund will be allocated to that fund.

Should a donor specify a purpose for a gift that is not in keeping with or supportive of the policies of the Trail Conference, the gift will not be accepted. If the staff believes there is a question as to whether a particular gift should be accepted, it shall present the matter to the Board.

#### 2.1 Gift Types

##### *Cash Gifts*

##### **Cash**

Gifts in currency, by check, or by charge card (MasterCard, Visa or American Express) are considered to be cash gifts. If payable in United States funds, such gifts will be accepted and acknowledged, as required, in accordance with current Internal Revenue Service regulations.

##### **Bequests and Estate Settlements**

Bequests will be allocated according to the policy set forth in this gift policy. Remainder and residuum from charitable remainder trusts will be considered as bequests and allocated accordingly. The Trail Conference reserves the right to disclaim a bequest if its terms are contrary to its needs or policies.

##### **Retirement Plans**

Gifts from retirement plans can be accepted and will become a completed gift (for IRS purposes) as long as the beneficiary form from the plan administrator properly identifies the Trail Conference as a beneficiary (specific

sum, contingent or residual). Such gifts will be treated in the same manner as bequests and allocated according to the Cash and Bequest and Estate Settlement policies.

### Life Insurance

Gifts of life insurance will be accepted, subject to the above policy. An existing policy may be given to the Trail Conference or a new policy created on the life of the donor. (If the donor names the Trail Conference as the owner as well as the beneficiary, the donor may receive a charitable deduction for the donation of the policy, as well as for subsequent premium payments.) Proceeds from the policy will be treated in the same manner as bequests and allocated according to the policy.

### Charitable Gift Funds

Gifts may be accepted from charitable gift funds (e.g. Fidelity, Vanguard). Acknowledgements of such gifts should be transmitted to the donor (advisor) and not to the fund. Acknowledgements will be compatible with the donor's wishes, the Fund's policies and procedures, Trail Conference policy and IRS regulations.

### Non-Cash Gifts

#### Securities

Publicly-traded stocks, bonds and mutual funds will be accepted. Such gifts may be accepted by the Development Director, with the consent of the Executive Director. Gifts of these assets will be liquidated as soon as it is feasible and prudent. Proceeds will be allocated to the Trail Conference's Unrestricted Fund, unless the donor specifies that the gift is restricted to a particular fund.

Generally, in consideration of the transaction costs of liquidating securities and required staff time, the Trail Conference will only accept gifts of publicly-traded securities. However, in special cases, negotiable securities for which a readily available secondary market does not exist and closely-held stocks may be accepted with the approval of the Investment Committee, upon the recommendation of the development director and Executive Director.

General partnership interests or other investments exposing the Trail Conference to potential liability will not be accepted.

#### Personal property

Gifts of personal property will be accepted only with the approval of the development director and Executive Director. Such gifts will be accepted only if the Trail Conference has some use for the property or if the property is determined to be readily marketable. Unless the Trail Conference has a use for the property, such gifts will not be accepted unless the value of the property substantially exceeds the costs (including staff time) of arranging for its sale. If sold, the net proceeds from the sale of the property will be treated as a cash gift. Gifts of personal property valued at \$5,000 or less which can be directly used by the Trail Conference to further its mission may be accepted at the discretion of the development director.

#### Real property

Gifts of real property which constitute trail lands (*i.e.*, lands which are traversed by a Trail Conference trail, on which the Conference proposes to construct a trail, or which are adjacent to a trail and serve to protect the trail or the viewshed from a trail), and all other gifts of real property which can directly be utilized by the Trail Conference to further its mission, will be accepted without regard to their value. Other gifts of real property will be accepted only if the property is determined to be marketable, and if the value of the property is estimated to

substantially exceed the costs (including staff time) of arranging for its sale. Ordinarily, such other gifts of real property should not be accepted unless they have a value of at least \$15,000.

All gifts of real property will be accepted only with the approval of the Board of Directors, upon the recommendation of the Conservation Committee and Executive Director. Before making his/her recommendation, the Conservation Committee must obtain determinations of marketability (if the property cannot be directly utilized by the Trail Conference) and estimates of value (not formal appraisals) from at least three independent real estate brokers in the area in which the property is located.

A Phase 1 Environmental Assessment must be conducted for all proposed gifts of real estate, and the gift will not be accepted unless the environmental assessment report is satisfactory. The donor will ordinarily be requested to pay for the cost of such an assessment, but if the donor will not agree to pay, the Trail Conference may agree to pay for the cost of the assessment. A representative of the Trail Conference must conduct a personal site inspection of the proposed real estate donation.

Proceeds from the sale of land which does not constitute "trail lands" and which cannot directly be utilized by the Trail Conference to further its mission will ordinarily be allocated to the Trail Conference's Unrestricted Fund, unless the donor otherwise specifies or the Board otherwise directs.

### **Gifts with a Retained Life Estate**

The Trail Conference may accept gifts of a farm or a principal residence with a retained life estate only after assessing the length of the life tenancy and after examining all relevant factors.

### **Bargain Sale Gifts of Securities and Real Property**

The Trail Conference may accept gifts of securities or real estate made as bargain sales – *i.e.*, where the property is sold to the Trail Conference at less than its fair market value, with the difference between the fair market value of the property and the amount paid by the Trail Conference constituting a gift by the donor to the Trail Conference. The development director and Executive Director will work with the donor to structure the transaction in an appropriate manner, as set forth in the discussion of Real Property above, to benefit the donor, and all such transactions must be approved by the Executive Director (and, if real property is involved, by the Board).

### **Deferred and Life Income Gifts**

The Trail Conference will adhere to the maximum annuity rates recommended by the American Council on Gift Annuities. Prior to the acceptance of any such gift, the potential donor will be encouraged to consult his or her own tax and legal counsel. The Trail Conference will administer its gift annuity program in accordance with applicable accounting requirements, state laws, and provisions of the Internal Revenue Code.

### **Charitable Remainder Trusts**

Donors may name the Trail Conference as the charitable beneficiary of charitable remainder trusts. The Trail Conference may serve as trustee of charitable remainder unitrusts and charitable remainder annuity trusts (which may include cash, publicly traded securities or real estate), provided that:

- The Trail Conference is irrevocably named as trustee.
- The Trail Conference is the irrevocable remainder beneficiary for more than one-half of the remainder interest.
- The trust instrument authorizes the payment of investment management fees, tax-return preparation fees, and other trustee expenses from the trust assets.

- The minimum value of the assets funding the trust, at the time of contribution, is at least \$100,000. Lower amounts will be considered in special circumstances upon approval by the development director.

The Trail Conference will administer such trusts in accordance with applicable accounting requirements, state laws, and provisions of the Internal Revenue Code. Prior to accepting such gifts, the Trail Conference will encourage the potential donor to consult his or her own tax and legal counsel. Upon maturation of the trust, the remaining principal will be treated as a bequest.

## Corporate Gifts

### Non-Cause-Related Cash or In-Kind Gifts

Gifts from businesses, corporations or corporate foundations will be allocated to the Trail Conference's Unrestricted Fund, unless otherwise restricted by the donor. Such gifts may be cash or in-kind gifts of professional services or equipment. Gifts of equipment will be treated in the same manner as individual gifts of personal property.

These gifts will be allocated to the Trail Conference Unrestricted Fund unless otherwise restricted by the donor. Gifts of equipment will be treated in the same manner as individual gifts of personal property. Any recognition of a corporate donation (other than acknowledgement in the *Trail Walker* or other Trail Conference publication) shall be approved by development director.

### Cause-Related Marketing Gifts

Gifts that are a result of cause-related marketing (often referred to as commercial cooperative ventures and product tie-ins) are considered consumer product-related activities that benefit both the Trail Conference in its fund-raising and outreach activities and a corporate contributor in advancing its public relations and marketing objectives. Such cause-related marketing gifts require the approval of the Board of Directors, upon recommendation of the development director, and will be approved only upon a determination that the corporate activity will:

- Advance the Trail Conference's mission
- Relate to products of high quality and good reputation
- Offer the potential for high income or high visibility, or promote educational messages that advance the Trail Conference's mission.
- Not adversely impact trails, trail corridors or the hiking experience.
- Be in compliance with the policies for use of Trail Conference registered trademarks, service marks, and copyrights.
- Be codified in a written agreement that is subject to review by the Trail Conference's legal counsel.
- Not require, include or suggest an endorsement by the Trail Conference of any product, service or company.
- Not be likely to adversely affect public perception of the work of the Trail Conference.
- Not replace recognition of contributions made by volunteers, trail clubs, agency partners or the Trail Conference for that activity.
- Not endorse or promote any product, service or company that is inconsistent with the mission of the Trail Conference

### Corporate Matching Gifts

Gifts donated by a company to match an individual employee's donations will be accepted and allocated to the Trail Conference's Unrestricted Fund, unless otherwise specified by the donor.

## 2.2 Naming

### Campaign/Project naming opportunities

It is up to the discretion of the development director to designate tasteful and appropriate naming opportunities and corresponding gift levels for specific projects, campaigns or other initiatives, so long as the naming opportunity is in accordance to the Trail Conference Property Naming Policy.

## 2.3 Naming of Funds/Endowments

An endowment fund may be contributed and named for an individual or organization benefactor, or a specified honoree, to provide a permanent source of funding for restricted or unrestricted purposes as specified by the donor. General guidelines for named endowment categories and minimum funding requirements are:

- Program endowments (e.g., volunteer recognition, trail building equipment, and building funds) may be established by gifts at a recommended minimum level of \$25,000. Unrestricted endowments (e.g., unrestricted operating funds) may be established by gifts at a recommended minimum level of \$50,000.
- Endowment gift requirements to name a prominent program or department will be determined on an individual basis.
- The Trail Conference may receive/manage endowed funds for the benefit of the organization and the specified purpose of the fund.
- An endowment fund may be established within a reasonable period (usually two to five years) agreed upon by the donor and the Trail Conference. A gift or pledge to establish an endowed fund shall be accompanied by a formal, signed document detailing the endowment agreement.
- Minimum funding requirements for named endowments will be reviewed periodically to ensure that the endowment amount provides an annual distribution consistent with Trail Conference program requirements and economic conditions.
- In the event that the flow of funds constituting an endowment ceases before the agreed time, the Trail Conference may recommend that the use of the benefactor's name be discontinued.

## 2.4 Ethics

### Donor Relations

The Trail Conference considers the donor's intent and circumstances to be of the utmost importance. Every effort will be made to ensure that each gift is beneficial to, and in the best interest of, both the Trail Conference and the donor. Factors considered in this assessment include the donor's charitable intent and financial position, the effect of the gift on the donor's individual estate, potential heir disputes, and the donor's mental state.

### Legal Representation

Whenever counsel for the Trail Conference acts as an adviser to the donor, the development director will notify the donor of a potential conflict of interest. Activity that might be seen as a conflict of interest includes the drafting of wills and trust agreements.

### Culture

The Trail Conference intends to create a culture of donor service to the extent made possible by the law. The Trail Conference ordinarily expects that donors are trying to help the Trail Conference and to advance its

mission. It is in that context that these guidelines have been developed.

### **3 EFFECTIVE DATE AND PRIOR POLICIES REPLACED**

This policy is effective upon Board approval.

This document replaces the Gift Acceptance Policy approved by the Board of Directors on February 26, 2008.