

The North Lakeland Discovery Center (NLDC) is a 501(c)(3) not-for-profit organization organized under the laws of the State of Wisconsin, whose mission is to promote stewardship of the region's natural and cultural resources. NLDC encourages the solicitation and acceptance of gifts for the purpose that will help NLDC to further and fulfill its mission. The following guidelines govern acceptance of gifts made to NLDC.

I Purpose of Guidelines

The Board of Directors of NLDC and its staff are encouraged to solicit current and deferred gifts from individuals, corporations, and foundations to secure the financial future of NLDC. These guidelines govern the acceptance of gifts by NLDC and provide guidance to prospective donors and their advisors when making gifts. The provisions of these guidelines shall apply to all gifts received by NLDC for any of its programs or services.

These guidelines are intended to address gifts and bequests that are offered to NLDC. The NLDC may accept and use gifts and bequests for any purpose deemed by the Board of Directors to be consistent with NLDC purpose and goals.

These guidelines are not intended to apply to contributions that members make as part of their payment of annual dues, regardless of their choice of membership category.

II Criteria for Accepting Cash Gifts and Bequests

All cash gifts and bequests shall become property of NLDC.

- a. Stocks or securities accepted by NLDC are sold immediately upon receipt.
- b. Other kinds of major assets offered to NLDC, such as real estate, will be handled by the Board of Directors on an individual basis.
- c. Funds raised by groups operating under the auspices of NLDC shall be considered gifts to NLDC.
- d. Gifts to NLDC of more than \$1,000 may be accompanied by a written statement from the donor expressing intent and use. The Board of Directors must approve acceptance of the terms outlined in such a letter of intended purpose. If a written statement is not provided, NLDC will assume there are no restrictions for use of the donation.
- e. The Executive Director or his/her designee may accept gifts of \$1,000 or less.
- f. The gift will place no restrictions on NLDC programs.

The gift will not:

- a. Begin a program that the Board of Directors would be unwilling to take over when the gift or donated funds are eliminated.
- b. Bring undesirable or hidden costs to NLDC.
- c. Be inappropriate or harmful to participants in NLDC programs.
- d. Be in conflict with any provision of NLDC bylaws or public law.
- e. Require endorsement of any business or product that is not compatible with the purpose of NLDC as stated under Article II of NLDC bylaws.

III. Use of Legal Counsel

NLDC will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

NLDC shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- a. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- b. Documents naming NLDC as Trustee.
- c. Gifts involving contracts, such as bargain sales or other documents requiring NLDC to assume an obligation.
- d. Transactions with potential conflict of interest that may invoke IRS sanctions.
- e. Other instances in which use of counsel is deemed appropriate by the NLDC Board.

III. Restrictions on Gifts

NLDC 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. NLDC will not accept gifts that are too restrictive in purpose; such as gifts that violate the terms the organization's bylaws, which may be amended from time to time, gifts that are too difficult to administer, or gifts that are for purposes outside the mission. Gift restriction issues would be referred by the Executive Director—with a recommendation—to the External Affairs Division for ratification. If the Division feels an issue should be discussed further, it would be taken to the full board.

IV. Types of Gifts

A. The following gifts and criteria are acceptable, with limits set by the NLDC Board:

1. **Cash:** Cash is acceptable in any form. Checks shall be made payable to NLDC.
2. **Tangible Personal Property:** All gifts of tangible personal property shall be examined in light of the following criteria:
 - Does the property fulfill the mission of NLDC?
 - Is the property marketable?
 - Are there any undue restrictions on the use, display, or sale of the property?
 - Are there any carrying costs for the property?

The final determination on the acceptance of other tangible property gifts shall be made by the NLDC Board.

3. **Securities:** NLDC will accept both publicly traded securities and closely held securities, abiding by the following criteria:

Publicly Traded Securities: 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 NLDC Board. 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 NLDC Board.

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 NLDC Board. However, gifts must be reviewed prior to acceptance to determine that:

- There are no restrictions on the security that would prevent NLDC from ultimately converting those assets to cash,
- The security is marketable, and
- The security will not generate any undesirable liabilities or undesirable tax consequences for NLDC.

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 shall be made by the NLDC Board and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

4. **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, NLDC shall require an initial environmental review of the property to ensure that the property has no environmental damage.

In the event that the initial inspection reveals a potential problem, NLDC shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title commitment shall be obtained by NLDC prior to the acceptance of the real property gift. The cost of this title commitment shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the Finance Committee, with ratification by the NLDC Board and by NLDC's legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of NLDC?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged and is safe?

5. **Remainder Interests in Property:** NLDC will accept a remainder interest in personal residence, farm, or vacation property subject to the provisions of paragraph 4/Real Estate, above. 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, NLDC may use the property or reduce it to cash. Where NLDC 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.

6. **Life Insurance:** NLDC 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, NLDC 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, NLDC may:

- Continue to pay the premiums,
- Convert the policy to paid up insurance, or
- Surrender the policy for its current cash value.

7. **Charitable Remainder Trusts:** NLDC may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the External Affairs Committee. NLDC will not accept appointment as Trustee of a charitable remainder trust.

8. **Charitable Lead Trusts:** NLDC may accept a designation as income beneficiary of a charitable lead trust. The Board of NLDC will not accept an appointment as Trustee of a charitable lead trust.

9. **Retirement Plan Beneficiary Designations:** Donors and supporters of NLDC will be encouraged to name NLDC as beneficiary of their retirement plans. Such designations will not be recorded as gifts to NLDC until such time as the gift is received.

10. **Bequests:** Donors and supporters of NLDC will be encouraged to make bequests to NLDC under their wills and trusts. Such bequests will not be recorded as gifts to NLDC until such time as the gift is irrevocable.

11. **Life Insurance Beneficiary Designations:** Donors and supporters of NLDC will be encouraged to name NLDC as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to NLDC until such time as the gift is irrevocable.

12. **Any other gifts** deemed acceptable by the NLDC Board will also be accepted.

V. Donations of Materials and Equipment.

A. Examples. Examples of gifts included under this section are boats, canoes, electronics, yard equipment, and furniture. A List of Desired Donations of materials and equipment may be developed, published and maintained with input from administration, staff, and board members. A specific number of each desired item that is needed may be stated in the list.

B. Published List. The list will include items that meet current NLDC needs and storage space. NLDC reserves the right to advise potential materials and equipment donors that the Center is unable to accept items that cannot be immediately and conveniently stored and used. Items that are offered that exceed the number actually needed or that are in unacceptable condition may be politely declined.

C. Disposal. The published list should also reserve the right for NLDC to dispose of donated items as necessary or desired.

VI. *Miscellaneous Provisions*

A. Securing appraisals and legal fees for gifts to NLDC:

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

B. Valuation of gifts for development purposes:

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

C. Responsibility for IRS filings upon sale of gift items:

The Finance Committee is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by NLDC when the charitable deduction value of the item is more than

\$5,000. NLDC must file this form within 125 days of sale or disposition of the asset.

D. Acknowledgement of gifts:

All gifts will be acknowledged and shall be the responsibility of the Board of Directors and carried out by the staff of NLDC in accordance with normal NLDC accounting systems. In the case of material goods, the Executive Director or his/her designee is responsible for placing the item(s) on the NLDC inventory. Receipts issued for donations of material goods SHALL NOT INCLUDE A STATEMENT OF CASH VALUE. Donors shall be responsible to assess a dollar value.

VIII. *Changes to Gift Acceptance Policies*

These guidelines have been reviewed and accepted by the External Affairs Committee of NLDC.