



Gift Acceptance Policy

I. Policy

The Natural Resources Foundation of Wisconsin, Inc. (“NRF”) is a 501(c)(3) publicly supported philanthropic institution governed by a board of private citizens representing the public interests of the State of Wisconsin and its natural resources. NRF encourages the solicitation and acceptance of all gifts for purposes that will help it further and fulfill its mission. The following policies and guidelines govern acceptance of such gifts made to NRF for the benefit of any of its programs.

The Board of Directors and staff of NRF solicit current and deferred gifts from individuals, corporations, and foundations to secure its future growth and accomplish its mission. These policies and guidelines govern the acceptance of gifts by NRF and provide guidance to prospective donors and their advisors when making gifts. The provisions of these policies shall apply to all gifts received by NRF for any of its programs or services. These policies are policies of the Board of Directors of NRF and must be created and amended by majority vote of that Board.

The Executive Committee is charged with the responsibility of reviewing all proposed gifts to NRF, properly screening and accepting those gifts, and making recommendations to the Board of Directors on gift acceptance issues when appropriate. It is the purpose of this instrument to provide guidelines to the Executive Committee, so that all decisions regarding these policies and the enforcement of these policies will be vested in the Executive Committee. The Executive Committee, together with NRF legal counsel, and with appropriate NRF staff as may be pertinent, shall also adopt standard forms for agreements with donors and will annually review Acceptance Guidelines for all gifts, consistent with policies and guidelines established and approved by the Board of Directors of NRF.

II. General Policy

- a. The general policy of NRF is to inform, serve, guide or 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.
- b. Persons acting on behalf of NRF shall encourage the donor to discuss a proposed gift with legal and/or tax advisor(s) of the donor’s choice and at the donor’s expense. This is to ensure that the donor receives a full, accurate and independent explanation of all aspects of the proposed charitable gift.
- c. Persons acting on behalf of NRF shall advise the donor that it is the donor’s responsibility to obtain any necessary appraisals, file appropriate personal tax returns and defend against any challenges to claims for tax benefits.
- d. The Chairman of NRF, Vice-Chairman, Executive Director, Financial Officer, Development Director (when pertinent) and consultants retained by NRF for the purpose of the financial advancement of NRF, if any, are authorized to negotiate planned giving agreements with prospective donors, following guidelines outlined in this policy statement.

- e. Planned giving agreements requiring signed approval by NRF shall first be reviewed and approved by NRF's Legal Counsel. However, each agreement executed with a donor need not be reviewed provided it is based on a prototype agreement that has previously been reviewed and approved.
- f. NRF will accept charitable gift annuities only under conditions described below. NRF may appoint or employ agents and advisors to facilitate the solicitation and investment of such annuities.
- g. NRF may serve as trustee for irrevocable charitable remainder trusts under circumstances outlined below. Expenses related to investments and administrative services shall be charged to the respective trusts. However, NRF will not serve as trustee or co-trustee for any revocable trusts or for other trusts that are not qualified charitable remainder trusts.
- h. NRF shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by Legal Counsel is recommended for:
 - i. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
 - ii. Documents naming NRF as Trustee.
 - iii. Gifts involving contracts, such as bargain sales or other documents requiring NRF to assume an obligation.
 - iv. Transactions with potential conflict of interest that may invoke IRS sanctions.
 - v. Other instances in which use of counsel is deemed appropriate by the Executive Committee.
- i. To assure that each donor has a complete and independent explanation of their charitable gift and to avoid any potential conflicts of interest that might arise in the explanation of a gift to a potential donor, NRF will urge all prospective donors to seek independent counsel through their own personal legal and financial advisors. NRF will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

III. Procedure for Review of Gifts

- a. NRF will accept unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are consistent with its stated mission, purposes, and priorities. NRF will not accept gifts that are excessively restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter of NRF, gifts that are too difficult to administer, or gifts that are for purposes entirely outside the mission of NRF. All final decisions on the restrictive nature of a gift and its acceptance or refusal shall be made by the Executive Committee, as authorized by these guidelines as they may be modified from time to time by the Board of Directors of NRF. The Board of Directors reserves the right to make final determinations and decisions regarding acceptance of any gifts offered to the Foundation.
- b. In reviewing gifts to NRF, the Executive Committee and/or staff will consider the following: the charitable intent and ultimate benefit of the gift, the nature of any restrictions, the permanency of the fund, the projected costs of managing the gift asset, and the fee revenues that may accrue

to NRF for administering the gift.

IV. Procedure for Reviewing Corporate Gifts

- a. The following policy guidelines recognize the unique role that corporate entities play in public life and ensure that NRF provides corporate donors with respect and professionalism.
- b. NRF is pleased to accept gifts from corporations that support our program goals and organization's mission. This includes (a) outright gifts of cash, (b) employee driven internal events, (c) external events driven by corporate management, (d) donations of goods and services, (e) sponsorships or partnerships, (f) company matching gifts and (g) recognition gifts.
- c. NRF will not accept contributions from corporations/industries and their respective corporate foundations whose activities limit - in any way - NRF's ability to pursue or promote its programs and mission.
- d. NRF will offer appropriate marketing and promotional consideration to corporations that request it, but the use of the NRF logo by a corporate partner must be restricted to appropriate uses only. In some cases, "letters of agreement" between NRF and corporate donors may be required to ensure that NRF's name and reputation is not harmed or diluted by excessive or inappropriate promotion. (See internal corporate agreement guidance document.)
- e. As with individual donors, NRF reserves the right to refuse donations from any corporate entity.

V. Types of Allowable Gifts

- a. The following types of gifts may be considered for acceptance:
 - Bargain Sales
 - Bequests
 - Cash
 - Charitable Gift Annuities
 - Charitable Lead Trusts.
 - Charitable Remainder Trusts.
 - Life Insurance and Life Insurance Beneficiary Designations
 - Real Estate
 - Remainder Interests in Real Property
 - Retirement Plan Beneficiary Designations
 - Royalties and Distribution Rights
 - Securities or qualified stock
 - Tangible Personal Property
- b. The following criteria govern the acceptance of each gift type:
 - Cash. Cash is acceptable in any form. Checks shall be made payable to "NRF" and shall be delivered to NRF in care of its office (P.O. Box 2317, Madison, WI 53701-2317).
 - Bequests. Donors and supporters of NRF will be encouraged to make bequests to NRF through their wills and trusts. Such bequests will not be recorded as gifts to NRF until such time as the gift is irrevocable and NRF has knowledge of such bequest. 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.

- Retirement Plan Beneficiary Designations. Donors and supporters of NRF will be encouraged to name NRF as beneficiary of their retirement plans. Such designations will not be recorded as gifts to NRF until such time as the gift is irrevocable and NRF has knowledge of such designation. 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.
- Life Insurance. Donors and supporters of NRF will be encouraged to name NRF as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to NRF until such time as the gift is irrevocable and NRF has knowledge of such designation. 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.
- Securities. NRF can accept both publicly traded securities and closely held securities.
 - Publicly Traded Securities. Marketable securities may be transferred to an account maintained at one or more brokerage firms or trust companies, commercial banks or delivered physically with the transferor's stock power attached. As a general rule, all marketable securities will be sold upon receipt unless otherwise directed by the Investment Committee. In some cases applicable securities laws may restrict marketable securities. In such instance the Executive Committee shall make the final determination on the acceptance of the restricted securities.
 - Closely Held Securities. Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies or other ownership forms, can be accepted subject to the approval of the Executive Committee. However, gifts must be reviewed prior to acceptance to determine:
 1. There are no restrictions on the security that would prevent NRF from ultimately converting those assets to cash;
 2. The security is marketable; and
 3. The security will not generate any undesirable tax consequences for NRF.
 - To be accepted, closely held securities must have a qualified appraisal performed by an independent professional appraiser at the expense of the donor. 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. Following advice by legal counsel, the Executive Committee shall make the final determination on the acceptance of closely held securities. Every effort will be made to sell closely held securities as quickly as possible. If not immediately marketable, the stock will be kept in a secure area until such securities can be redeemed.
- Real Estate. Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. The real estate being gifted must be titled to the donor(s). When appropriate, a title binder shall be obtained by NRF prior to the acceptance of the real property gift. The cost of this title binder shall be at the expense of the donor. Prior to acceptance of real estate, donor is requested to advise the Foundation of any environmental issues that may be readily identified using the Environmental Review Form attached as an

appendix to this document. The NRF Board of Directors may, at its own discretion, require or waive an environmental audit of the property. The cost of the environmental audit shall be at the expense of the donor, although NRF may consider covering this cost at the discretion of the Executive Committee. Prior to acceptance of the real property, the gift shall be approved by the Executive Committee of NRF and by NRF's Legal Counsel. The Board of Directors, at its discretion, may refuse any gift of real estate. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of NRF?
- 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, if required, reflect that the property is not damaged?
- Remainder Interests in Property. NRF will accept a remainder interest in a personal residence, farm, or other property subject to the provisions of paragraph 6 above. The donor or other vested occupants may continue to occupy the real property until the expiration of their rights to occupy said property. At the death of the donor, life occupant or tenant, NRF may use, lease or sell the property. Where NRF 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(ies) when that is practical or desirable.
- Tangible Personal Property. All gifts of tangible personal property shall be considered based upon the following criteria:
 - Does the property help fulfill the mission of NRF?
 - Is the property marketable or will it be in the foreseeable future?
 - Are there any undue restrictions on the use or sale of the property?
 - Can the property be sold readily and profitably?
 - Are there undue costs associated with transportation, storage, selling, maintenance or repair of or for the property?

The Executive Committee will make the final determination on the acceptance of tangible personal property gifts after consideration of the above and other relevant factors.

- Charitable Gift Annuities. NRF may offer charitable gift annuities. Gift annuity rates will be based on the current gift annuity rates in force as adopted by the American Council on Gift Annuities. The minimum charitable gift annuity is \$10,000. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity. Annuity payments are normally made on

a quarterly schedule, although NRF's Executive Director and Financial Officer may approve exceptions to this payment schedule. NRF will not accept real estate, tangible personal property, or any other non-liquid asset in exchange for current charitable gift annuities. NRF may accept real estate, tangible personal property, or other non-liquid asset— subject to the conditions set forth for these kinds of gifts in these policies -- in exchange for deferred gift annuities so long as there is at least a 5-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Executive Committee approves the gift arrangement. Currently, all gift annuities shall be reinsured through a reputable provider of such services.

- Charitable Remainder Trusts. NRF may accept designation as remainder beneficiary of a charitable remainder trust at any time without the approval of the Executive Committee. It is the stated policy that NRF will accept appointment as trustee of a charitable remainder trust only under the following conditions:
 - NRF must have a 75% beneficial interest as the remainderman of these trusts, with the trust having a minimum value of \$200,000
 - NRF will not accept real estate or interests in limited partnerships as assets for the creation of these trusts; exceptions, however, can be made depending on the nature of the gift/trust.
 - The Executive Committee will accept the trust only after thorough review of the proposed trust agreement by the Legal Counsel of NRF.
 - If NRF accepts the role of trustee, NRF may serve directly as trustee or appoint an agent to serve as trustee. For example, NRF may contract with a trust company as its agent, paying the same fees as it may normally receive as a trustee.
- Charitable Lead Trusts. NRF may accept a designation as income beneficiary of a charitable lead trust at any time. However, the Board of Directors of NRF will not accept an appointment as trustee of a charitable lead trust.
- Royalties and Distribution Rights. NRF may accept gifts of royalties or distribution rights on published works (such as books or films) where there is clear evidence of marketability or assurance of an income stream. The Executive Committee will determine whether such a gift should be accepted after receiving a qualified appraisal, the cost of which shall generally be borne by the donor.
- Bargain Sales. NRF will enter into a bargain sale arrangement in instances only when it furthers the mission and purposes of NRF. All bargain sales must be reviewed and approved by the Executive Committee. Factors used in determining the appropriateness of the transaction include:
 - Obtaining an independent appraisal to substantiate the value of the property.
 - Determining that if NRF assumes debt with the property, the debt ratio is less than 50% of the appraised market value.

- Determining that there is a market for sale of the property, allowing sale within 12 months of receipt.
- Determining the costs to safeguard, insure, and cover other expenses of the property (including property tax, if applicable) during the holding period.

VI. Classification of Donations

- a. A donor can establish any of the following types of funds within NRF. The Board of Directors, however, exercises ultimate discretion as to the establishment of new funds. Exceptions to these Types of Funds can be made only through the consent of the Executive Committee:
 - Unrestricted Funds – These funds are broadly discretionary to NRF and are available to meet operating and program needs as determined by the Board of Directors.
 - Field of Interest Endowed Funds – These are funds which can support a priority conservation program, including State Natural Area management, wildlife conservation, or conservation education, at the request of the donor, or established as part of NRF’s general endowment. A minimum gift of \$10,000 is required for the establishment of field of interest funds.
 - Agency Endowed Funds – These are funds for an endowment created by a qualified tax-exempt organization to support the organization’s operations and programs. A minimum gift of \$15,000 is required for the establishment of agency funds.
 - Designated Endowed Funds – These are funds created by an individual(s) or an organization to support a specific conservation purpose designated by the donor. A minimum gift of \$20,000 is required for the establishment of designated funds.
 - Donor Advised Funds – These are funds which are created and accepted according to the discretion of the Board of Directors of NRF, but the input and advice from their donors is sought in the distribution of funds from the Fund. In many cases, NRF will provide suggestions to donors on specific needs in the conservation community. All suggestions from donors for disbursements will be considered. NRF will adhere to all procedures developed by the Internal Revenue Service in regard to the administration of donor advised funds. A minimum gift of \$40,000 is required for establishing a donor-advised fund.
 - Special Project Funds -- These may include funds accepted for broad general purposes that enhance or support conservation efforts in some manner. Groups requesting the creation of Special Project Funds may not previously have had a formal affiliation with NRF. The Executive Committee must approve all proposed Special Project Funds. If the Committee approves such funds, they must operate strictly as component funds of NRF. Thus, all fundraising conducted for such funds must be under the direct control of NRF. For example, in advance of any fundraising, all proposals for events or efforts to raise money for such funds must be put in writing and approved by the Executive Director of NRF. NRF names must be clearly prominent in all funds as the sponsor of the effort so that proper State and Federal solicitation guidelines can be clearly maintained. All invoices, payments for expenses and receipts must be directed to NRF. Raffles and rummages are not permitted in any form. Auctions will be reviewed by Legal Counsel for NRF on a case-by-case basis to determine their appropriateness and tax-deductibility.

- Restricted Funds – These funds have a donor-placed restriction as to the purpose or timing of the use of the funds. All restricted funds will be reviewed and approved by the Board of Directors before they can be activated.
- b. Funds may be created while donor(s) is/are alive, or through language in a will or estate plan. It is strongly advised that donors confer with the Foundation before any special purpose funds are created through estate plans and wills. The Foundation will provide donors with appropriate language for including a gift to NRF in wills and estate plans. NRF strongly encourages the development of donor agreements if the donors wish to create special funds through their wills or estate plans.

VII. Minimum Requirements to Create a New Fund

- a. While all contributions may be accepted by NRF, the Board of Directors of NRF has designated the following amounts as minimums needed to create a Fund through NRF:
- Named Endowed Fund -- \$10,000
 - Donor-Advised Endowed Fund -- \$20,000
 - Special Project Fund – Minimums will be determined by the Executive Committee when such a fund is considered for approval.

VIII. Donor Acknowledgment

- a. All gifts to NRF will be acknowledged regardless of the amount of the gift. An ongoing master list of gifts will be maintained by NRF.

IX. Confidentiality of Gifts

- a. All information concerning donors and prospective donors shall be held in strict confidence by NRF, subject to legally authorized and enforceable requests for information by government agencies and courts. NRF 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.

X. Periodic Reporting to Fund Donors

- a. For donors establishing a Fund, NRF will provide a financial statement to all donors if required by them or fund advisors on a quarterly or less frequent basis, as requested by the donor.

XI. Miscellaneous Provisions

- a. Securing appraisals and legal fees for gifts. Costs for appraisals and/or legal fees will be borne by the donor, although in exceptional situations and with the consent of the Executive Committee, such costs may be borne by NRF.
- b. Valuation of gifts. NRF will record a gift received by NRF at its current market valuation for gift purposes on the date of gift.

- c. Responsibility for IRS Filings upon sale of gift items. The Financial Officer of NRF is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by NRF when the charitable deduction value of the item is more than \$5,000. The form must be filed within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies. Acknowledgement of all gifts made to NRF and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Board of Directors of NRF. IRS Publication 561 Determining the Value of Donated Property and IRS Publication 526 Charitable Contributions are currently (4/06) the most appropriate documents and are attached.
- d. NRF agrees to sign IRS Form 8283 upon the request of the donor, provided however the appraiser of donated assets has completed and signed the pertinent section of the form, if applicable.

XII. Changes to Gift Acceptance Policies

- a. The Board of Directors must approve any changes to, or deviations from, these policies at its regular Board meetings or during a special session called by the Chair.

XIII. Related Documents

- Documents to Obtain When Accepting a Gift of Real Estate
- Environmental Review Forms
- IRS Form 8282 and Instructions
- IRS Publication 561 Determining the Value of Donated Property
- IRS Publication 526 Charitable Contributions
- Model Standards of Practice of the Charitable Gift Planner

XIV. Document History

8/25/03 – Approved by the Executive Committee, Natural Resources Foundation of Wisconsin
4/18/2006 – Approved by the Board of Directors, Natural Resources Foundation of Wisconsin
10/21/2008 – Amended by the Board of Directors, Natural Resources Foundation of Wisconsin
10/25/2012 – Amended by the Board of Directors, Natural Resources Foundation of Wisconsin