



**Nature  
Collective**

CONNECT. EXPERIENCE. PROTECT.

## **Gift Acceptance and Administration Policy**

**Nature Collective**

APPROVED 09.15.2020

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PO Box 230634 Encinitas, CA 92023-0634 | T 760.436.3944 | [thenaturecollective.org](https://thenaturecollective.org)

501(c)(3) Tax ID: 33-0358660 | Printed on recycled paper.

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## **1. INTRODUCTION**

Nature Collective is a nonprofit public benefit corporation organized under the laws of the State of California that encourages the solicitation and acceptance of gifts for purposes that will help to further and fulfill its mission.

### **a. Mission | Vision**

We exist to drive a passion for nature, for all. We believe that if we help people discover a passion for nature, they will want to protect it and value everything it has to offer. We envision a world where everyone experiences, connects with, and protects nature.

### **b. Purpose of Gift Acceptance and Administration Policy**

This policy and these procedures govern the solicitation, acceptance, and administration of gifts by the Nature Collective and provide guidance to prospective donors and their advisors when making gifts. The provisions of this policy shall apply to all gifts received by the Nature Collective for any of its programs or services.

### **c. Administrative Responsibility**

The Board of Directors of Nature Collective (Board) empowers the executive director to ensure appropriate compliance with this policy by all staff, consultants, and volunteers.

### **d. Ethical Standards**

#### **i. NCPG & AFP Guidelines**

Every employee or person interacting with donors in the gift planning process on behalf of the Nature Collective shall adhere to the "Model Standards of Practice of the Charitable Gift Planner" set forth by the National Committee on Planned Giving (NCPG) in Attachment "A", and the "Donor Bill of Rights" in Attachment "B", developed by the American Association of Fundraising Counsel (AAFRC), Association for Health Care Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and Association of Financial Professionals (AFP).

#### **ii. Independent Counsel**

Donors are advised to secure the advice of independent counsel with regard to



the legal, estate, and tax consequences resulting from gifts to the Nature Collective. It is the policy of the Nature Collective that the donor's attorney may not also represent the Nature Collective on a specific gift. Additionally, donor advisors that serve on a governing or advisory board for the Nature Collective must disclose any conflicts of interest and refrain from voting on gifts in which they serve as counsel to the donor.

**iii. Confidentiality and Donor Disclosures**

All information concerning donors or prospective donors, including name, names of beneficiaries, gift amounts, and other personal information shall be kept confidential unless permission is obtained from the donor to release such information. The role and relationship of all parties involved in the gift planning process shall be fully disclosed to donors, including how and by who each is compensated, if applicable. Donors receiving advice, recommendations, and/or illustrations for deferred and other major gift arrangements from the Nature Collective in contemplation of a gift transaction must sign the "Donor Disclosure" in Attachment "C" that acknowledges that neither the Nature Collective nor any employee or agent is in the business of rendering legal or tax advice and that the donor has been advised to seek independent counsel on these matters.

**iv. Public Disclosure**

Nature Collective will comply with the regulation contained in Section 6104 (d) of the Internal Revenue Code that became effective June 8, 1999, with regard to documents that must be made available for public inspection. These documents include application for tax exemption and annual information returns for the past three years including all schedules and attachments filed with the IRS except for parts of the return that identify names and addresses of donors. These documents will be available for public inspection at the Nature Collective's principal office during normal business hours. Written requests will be honored within 30 days from the date the request is received.

**e. Policy Review and Revision**

This policy is subject to periodic review and revision by Nature Collective's Board of Directors. Potential donors are advised to request the most current policy document.

## 2. GIFT ACCEPTANCE

### a. Types of Gifts

The policy of Nature Collective shall be to encourage gifts of any type and description that are consistent with its mission. Nature Collective reserves the right to abstain from accepting any and all gifts that are not consistent with its mission for any reason. Gifts that will be considered for acceptance include:

Cash and Cash Equivalents	Bargain Sales	Retirement Plan Designations
Tangible Personal Property	Life Insurance	Bequests
Securities and Closely Held Securities, etc.	Charitable Gift Annuities	Pooled Income Funds
Real Estate	Charitable Remainder Trusts	Ownership Interests
Remainder Interests in Property	Charitable Lead Trusts	Other Beneficiary Designations
Oil, Gas, & Mineral Rights	Patents/Royalties	Retained Life Estates

### b. Authority

The executive director or his or her designee may accept any and all gifts, except for those listed in paragraph c. below that requires board approval.

### c. Gifts Requiring Board Approval

The following gifts require review by the Finance Committee with recommendations to the board for action.

- i. **Tangible Personal Property Gifts of this type** require board approval if the gift requires ongoing costs to maintain; entails restrictions on the use, display, or sale; or is not readily marketable.
- ii. **Closely Held Securities and interests in LLP's and LLC's or other Ownership Forms** All gifts of these types shall be submitted to the Board for approval. The board will consider restrictions that would prevent or hamper liquidation, marketability issues, potential unrelated business income tax consequences, etc.
- iii. **Real Estate** All gifts of real estate require board approval. The board will

consider an evaluation of the usefulness of the property for the organization's purposes, including the marketability, physical condition, zoning restrictions, appraised value, appreciation potential, management responsibilities, related expenses, environmental issues, and risk.

Donors contemplating a current gift of real estate must provide the following:

1. Qualified appraisal.
2. Phase I Environmental Audit as part of the "due diligence" to protect against liability exposure under Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). This requirement may be waived for residential properties used exclusively for residential purposes for a period of 30 years with no known indication of environmental contamination.
3. Disclosure of all restrictions, reservations, easements, mechanic liens and encumbrances.
4. Disclosure of carrying costs, including but not limited to, taxes, insurance, maintenance, association dues, membership fees, and other expenses.
5. Phase II Environmental Impact Study and/or an "Agreement to Indemnify" if requested by the Board.

**iv. Retained Life Estates** All retained life estates in residential property require board approval. The board will consider the donor's life expectancy, age and condition of the property, appreciation potential, and area property information. Donors must enter into a "Life Estate Agreement" with Nature Collective that fully outlines the responsibilities of both parties.

**v. Bargain Sales** All bargain sales (real estate, tangible personal property, inventory, artwork, etc.) require board approval. The board will consider use of the property, marketability, debt, holding period costs, and other facts deemed of relevance. Donors will be required to obtain a qualified appraisal prior to consideration for acceptance, and provide information required by sections 2 through 5 in paragraph iii, for a bargain sale of real property. Generally, Nature Collective will obtain an independent appraisal substantiating the value of the property and will not enter into bargain sales in which the debt ratio exceeds 50% of the appraised market value.



**vi. Life Insurance** Nature Collective must be named as both beneficiary and irrevocable owner of an insurance policy before it can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. (Beneficiary designations do not require board approval).

1. **Paid-up Policies:** Although paid-up policies may be accepted without board approval, the board shall determine if the policy will be held, surrendered for cash value, or exchanged for another policy.
2. **Other than paid-up policies:** Insurance policies that are not paid-up require board approval. If accepted the donor must provide a statement that Nature Collective did not select the policy donated and that Nature Collective has no liability and gives no guarantees as to the financial performance of the policy or underlying insurer. If the donor contributes future premium payments, Nature Collective 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 board shall determine whether it will continue to pay the premiums, convert or exchange the policy, or surrender the policy for cash value.

**vii. Oil, Gas, and Mineral Interests** Oil, gas, and mineral interests require board approval. Working interests are generally not acceptable. Surface rights must be free of extended liabilities, valued at \$20,000 or more, and generate at least \$3,000 per year in royalties. Donors will be required to provide a qualified appraisal and environmental impact reports as requested.

**viii. Patents**-All gifts of patents and royalties require board approval.

**d. Deferred and Split-Interest Gifts**-Deferred and split-interest gifts not listed above may include the following and do not require board approval:

<b>Bequests</b>	<b>Charitable Remainder Trusts</b>	<b>Pooled Income Funds</b>
<b>Beneficiary Designations</b>	<b>Charitable Lead Trusts</b>	<b>Charitable Gift Annuities</b>



- i. **Bequests, beneficiary designations, & charitable trusts** Nature Collective may or may not be informed of its status as a beneficiary or remainder- man with regard to bequests, beneficiary designations, or charitable trusts. If informed, Nature Collective will provide guidance and appropriate language to the donor and/or donor's counsel to assist in ensuring that the donor's intentions are fulfilled. At gift maturity, all acceptance guidelines listed in paragraph II(b) and II(c) shall apply.
  - ii. **Pooled Income Funds** Nature Collective provides a Pooled Income Fund option to donors through The San Diego Foundation:
    - \* Name of Fund: The San Diego Foundation Pooled Income Fund IV (Remainder after donor's death supports the Nature Collective Endowment.)
    - \* Minimum initial contribution: \$25,000
    - \* Minimum additional contribution: \$1,000
    - \* Minimum Age to Participate: 65
  - iii. **Charitable Gift Annuities** Nature Collective is not licensed as a grants and annuities society but offers charitable gift annuities as a planned giving option through The San Diego Foundation.
    - \* Minimum Age to Receive Income: 65 for current contract
    - \* Minimum Contribution: \$25,000 (Remainder after donor's death supports the Nature Collective Endowment.)
    - \* Acceptable Assets: Cash and publicly traded securities
    - \* Types of Contracts Offered: Immediate
    - \* Maximum Rates Offered: As established by the American Council on Gift Annuities
- e. **Restricted Gifts**
- Restricted gifts must be consistent with Nature Collective's mission. Donors considering making a restricted gift to Nature Collective are invited to discuss their interests with the Nature Collective's executive director or development director. Restricted gifts in excess of \$50,000 are subject to board approval. The following guidelines apply:

- i. **Temporarily Restricted Gifts** Temporarily restricted gifts shall be used for a Nature Collective project or program as specified by the donor.
- ii. **Permanently Restricted Gifts (Endowments)**
  - 1. Permanently restricted gifts shall be used for a Nature Collective project, program or endowment as specified by the donor.
  - 2. Gifts of any size are acceptable for addition to existing endowments funds.
  - 3. Gifts for new endowments require the following minimum amounts:
    - \*\$10,000 for new Nature Collective endowments to be managed by the Rancho Santa Fe Foundation.
    - \*\$50,000 for new Nature Collective endowments to be managed by The San Diego Foundation.
    - \*Nature Collective endowments not established through either of the above foundations will be evaluated on a case-by-case basis.
- iii. **Donor Disclosure Waiver** Donors may be requested to sign the Donor Disclosure Waiver (included in Attachment C) allowing alternate use of a restricted gift in such case that it becomes impractical to administer the fund or the purpose for which the fund was established no longer exists.
- iv. **Operating Reserve Fund** Nature Collective maintains the operating reserve fund as a board managed fund. Donors who might designate their gifts for this special fund are advised that its purpose is to provide funds which might be needed to augment Nature Collective 's operating account from time to time, and that board action would result in expenditures from the corpus of this fund.
- f. **Cash, Cash Equivalents, and Publicly Traded Securities**

Unrestricted gifts of cash, cash equivalents, and publicly traded securities with a value of less than \$50,000 do not require board approval.
- g. **Expense Reimbursement**

Donors shall be responsible for all expenses related to making a gift, including but not limited to, attorney and other advisor fees, appraisal fees, and environmental surveys. Exceptions to this policy require board approval.

### 3. GIFT ADMINISTRATION

#### a. Receipts

Gift receipts, as required, will be issued for all gifts within 30 days from the date received. Receipts will state the name of the donor, date received, restrictions if applicable, and a description of the gifted property. If the donor received something of value in exchange for the gift (quid pro quo), the receipt will state the value of the item received; otherwise, the receipt shall state: "No goods or services were received in consideration of his gift". Gift receipts, for gifts of tangible personal property (including securities) shall not include a valuation of the asset, which is the responsibility of the donor.

#### b. Record Keeping

Gift records reflecting the name of the donor and details of the gift will be maintained in an electronic database and a digital copy of all gift receipts filed for reference.

#### c. Recognition

It is Nature Collective's desire to publicly acknowledge gifts whenever it is acceptable to the donor and appropriate. Recognition of gifts will be guided by Nature Collective's current Recognition Program Policies as outlined in Attachment C.

#### d. Valuation Standards and Gift Counting Policies

The following valuation standards and gift counting policies govern gifts to the Nature Collective:

- i. **Publicly Traded Securities** Average of the high and low value (or bid and ask) on the date received into the Charity's brokerage account.
- ii. **Closely Held Securities** If \$10,000 or less-the value of the per-share purchase price of the most recent transaction; if over \$10,000-the certified appraisal value.
- iii. **Life Insurance** Policies are valued at interpolated terminal reserve value, or cash surrender value, upon receipt. Death benefits are credited to the donor's record less any previously reported cash surrender values.
- iv. **Pledges** Pledge payments are deemed as gifts on the date received.
- v. **Real Property** Certified appraisal value
- vi. **Tangible Personal Property** (other than securities) Values of \$5,000 or less-



use an estimate of value provided by the donor or other expertise; Values of over \$5,000-use certified appraisal value.

**vii. Vehicles, Boats and Airplanes** Gift credit will be equal to sale proceeds received by Nature Collective if vehicle is valued at over \$500, unless an approved IRS exception applies. Nature Collective will generally utilize a professional car brokerage service company to collect and liquidate all donated vehicles. Nature Collective will issue a 1098-C, required by the IRS, to all vehicle donors following the end of the year in which the gift was made.

**viii. Deferred Gifts** No credit to the donor's record will be made unless the interest of Nature Collective is irrevocable. If Nature Collective's interest is irrevocable and Nature Collective is apprised of the gift, the gift will be credited at the net-present value, based on life expectancy tables and discount values chosen by Nature Collective's Accountant.

**ix. Donations** including membership payments, may or may not be deductible as gifts depending on the level of the donations and the benefits provided to the donor. The non-deductible portion will be indicated on the acknowledgment receipt.

**e. Allocation of Gift Resources**

The following policies will govern the allocation of gift resources:

**i. Endowments/Reserve Fund** It is the intent of Nature Collective to encourage and support the growth of Endowments and the Reserve Fund for the long-term financial stability of Nature Collective by allocating all unrestricted realized Planned Gifts (simple bequests in a will or trust or within an estate plan, charitable gift annuities, charitable remainder trusts, charitable lead trusts, non-cash assets and assets transferred using pay-on-death or transfer-on-death documents.) toward this objective. The following policies govern the allocation of such gifts to Nature Collective Endowments and Reserve Fund.

1. All unrestricted Planned Gifts up to \$50,000 will be placed in the Operating Endowment at the Rancho Santa Fe Foundation or The San Diego Foundation.
2. All unrestricted Planned Gifts over \$50,000 will be allocated to Nature Collective's

Reserve Fund at Morgan Stanley (or other investment firm approved for use by the Board) and/or General Operating Endowment at the Rancho Santa Fe Foundation or The San Diego Foundation at the Board's discretion.

3. During the annual budget review and approval, the Board may determine a percentage or amount of the unrestricted balance of Nature Collective's General Operating account to be transferred to Nature Collective Endowments or Reserve Fund.
4. There may be times when occasions arise where unrestricted Legacy Circle Planned Gifts should be handled differently to ensure organizational goals are met, especially in times of unprecedented events (e.g. earthquakes, flooding, global health concerns), intense market volatility or in times of great organizational need (e.g. organization financial survival, retention of key employees, essential operating expenses (payroll, rent, utilities and health insurance)). Should this occasion arise a unanimous vote from the Board to redirect these funds other than stated is allowable.

## **ii. Operating Account**

All unrestricted gifts other than unrestricted realized deferred gifts shall be first allocated to the Nature Collective operating account. The board at its discretion may elect to redirect funds from the Nature Collective operating account to any Nature Collective project, special fund, or endowment.

## **iii. Cash Reserves Fund**

It is the policy of Nature Collective to maintain an operating reserve fund equal to a minimum of 6 months of operating costs.

## **iv. Fund Management**

1. **Endowment and Board Managed Funds Held by Nature Collective** Nature Collective maintains a written investment policy which provides guidance to the professional money managers that make investment decisions for Nature Collective endowments and funds. The board shall review the investment policy annually. In order to ensure appropriate fiduciary conduct, these policies will be in conformance with the standards of the Uniform Management of Institutional Funds Act and the Uniform Prudent Investor Act and the process of managing these assets will include:

- ï Documentation of the process used to derive investment decisions.
  - ï Diversification of portfolio assets with regard to specific risk/return objectives of the beneficiaries.
  - ï The use of professional money managers and consultants (prudent experts) to assist with the investment decision process.
  - ï Control and accounting for all investment expenses.
  - ï Monitoring of all money manager and service provider activities.
  - ï Avoidance of conflicts of interest.
2. Nature Collective Endowments Held at the Rancho Santa Fe Foundation and The San Diego Foundation the Rancho Santa Fe Foundation (RSFF) and The San Diego Foundation (TSDF) are responsible for maintaining investment and disbursement policies with regard to Nature Collective endowments held at their respective foundations.
- a. RSFF maintains four endowments: the Alan B. Thum Land Stewardship Endowment; the Nature Collective-AP Agricultural Program Endowment; the Nature Collective Operating Endowment; and the Conservation Education Endowment.
  - b. TSDF maintains The Nature Collective Endowment (Fund#4366). If a donor wants to exclusively support Nature Collective and their gift (current or planned) is \$25,000.00 or greater, TSDF can set up an endowment fund that carries their name in perpetuity.
3. The San Elijo Lagoon Tidal Circulation Program Trust and the San Elijo Lagoon Subsidiary Fund Nature Collective maintains two separate funds specifically established to support the maintenance, monitoring, and restoration of the tidal inlet and wetlands habitat of the San Elijo Lagoon. Fund management, investment strategy, disbursement schedule, and reporting requirements of the San Elijo Lagoon Tidal Circulation Program Trust and the San Elijo Lagoon Subsidiary Fund are subject to the terms and



conditions of the Revised Trust Agreement between the California Coastal Conservancy and Nature Collective dated 04.19.05.

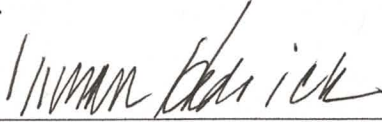
4. **Cash Reserves and Short-Term Pools** The executive director, subject to the review and guidance of the board finance committee, shall be responsible for decisions with regard to the investment of cash reserves and short-term assets.

#### **v. Special Procedures**

1. **Appraisals and Donor Reporting Requirements** Donors are required to file IRS form 8283 for gifts of tangible personal property if the aggregate reported value of the property exceeds \$5,000 (or in the case of non-publicly traded stock \$10,000) and obtain qualified appraisals as may be required. The executive director will be responsible for signing on behalf of Nature Collective on IRS form 8283 when presented for signature by the donor.
2. **Nature Collective Reporting Requirements** The executive director will be responsible for filing IRS Form 8282 within 125 days from the date of sale of any asset sold within two years of receipt by the Nature Collective when the charitable deduction value of the item is more than \$5,000.
3. **Security Liquidation** It is the fiduciary policy of the Nature Collective to liquidate publicly traded securities as soon as possible after receipt to avoid unnecessary market fluctuation. Realized gains or losses on security sales shall be reported as such and do not have an effect on the amount credited to the donor's gift record.
4. **Serving as Trustee** To avoid potential conflicts of interest, Nature Collective will not generally serve in a trustee capacity on trusts established by donors, in which Nature Collective has a beneficial or remainder interest. Staff of the Nature Collective are prohibited from serving in any fiduciary capacity for donors, other than for members of their immediate family.
5. **Accounting and Reporting Standards** the Board of Directors is responsible for oversight of Nature Collective's financial reporting. Management is responsible for the preparation and fair presentation of Nature Collective

financial statements in accordance with accounting principles generally  
accepted in the United States of America.

THIS POLICY WAS APPROVED BY NATURE COLLECTIVE BOARD OF DIRECTORS ON  
SEPTEMBER 15, 2020 AT A REGULAR BOARD MEETING HELD IN ACCORDANCE WITH ITS  
BYLAWS.



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Susan Hedrick  
Secretary, Board of Directors



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Date