



Bayou Land Conservancy  
Gift Acceptance Policy & Guidelines  
ADOPTED: June 25, 2019

Bayou Land Conservancy (BLC), a not for profit organization, encourages the solicitation and acceptance of gifts for purposes that further our mission to preserve land along streams for flood control, clean water, and wildlife. The following policies and guidelines govern acceptance of gifts made to BLC for the benefit of any of its programs. BLC encourages current and deferred gifts from individuals, corporations, and foundations to secure mission aligned growth of its programs.

### **Purpose of Policies & Guidelines**

The purpose of these policies and guidelines is to govern the acceptance of gifts by BLC and provide guidance to prospective donors and their advisors when making gifts to BLC. The provisions of these policies shall apply to all gifts received by BLC for any of its programs or services.

### **Restrictions on Gifts**

BLC encourages donors to make unrestricted gifts, so that the Board of Directors (Board) may direct funds where they are most beneficial to supporting BLC's mission and conservation projects. Donors may wish to direct their gift to a specific purpose such as the Operating Endowment, an existing land preserve, or a current project or program. BLC staff is available to discuss these options with donors.

BLC will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with BLC's stated mission, purposes, and priorities. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of BLC. BLC reserves the right to decline any gift. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Executive Director (ED) upon consultation with the Board.

BLC's administrative efforts are executed in the general interest of its lands under conservation and its various outreach programs. As such, BLC would have donors understand that up to 15% of a given donation (even restricted donations) may be applied to administrative costs.

### **Types of Gifts**

The following gifts are acceptable:

1. Cash
2. Securities
3. Real Estate
4. Remainder interests in property
5. Oil, gas and mineral interests

6. Bargain sales
7. Life insurance and life insurance beneficiary designations
8. Annuities and trust arrangements
9. Beneficiary designations and bequests
10. Tangible Personal Property
11. In Kind Gifts

The following criteria govern the acceptance of each gift form:

1. **Cash:** Cash is acceptable in any form. Checks shall be made payable to “Bayou Land Conservancy” and mailed or delivered to our administrative office. Donations of cash may also be made by electronic funds transfer or credit/debit card through BLC’s web site.
  2. **Securities:** BLC can accept both publicly traded and closely held securities.
    - a. **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. In some cases marketable securities may be restricted by applicable securities laws; in such instances the final determination on the acceptance of the restricted securities shall be made by the Board.
    - b. **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 approval of the Board. However, gifts must be reviewed prior to acceptance to determine that:
      - There are no restrictions on the security that would prevent BLC from ultimately converting those assets to cash;
      - The security is marketable;
      - The security will not generate any undesirable tax consequences for BLC
- 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 will be made by the Board, possibly preceded with a review by legal or financial counsel. Upon acceptance of a gift of non-marketable securities, the Board shall direct the ED when and whether the securities shall be sold or held.
3. **Real Estate:** Gifts of real estate may include developed or undeveloped property. Prior to acceptance of real estate, BLC may require an initial environmental review of the property to help the ED assess whether the real estate poses risks to BLC.

When appropriate, a title binder, costs covered by the donor, shall be obtained for BLC prior to the acceptance of the real property gift.

Gifts of real estate may be sold by BLC, unless the Board finds that real estate meets:

- a. Criteria set forth in the BLC Project Selection Criteria & Checklist for Land Acquisition & Conservation Easements, approved by the Board on January 16, 2018.
- b. Such gift is in general accordance with the other needs and considerations of BLC.

Upon finding that the real property may be accepted by BLC, the ED and Board may elect to have outside legal counsel and/or financial consultants review the transaction before approval. The Board may recommend rejection of the donation upon any ground that has an adverse impact on BLC. As part of the Board's consideration the ED will report on any issues, including without limitation:

- Whether the property is useful for the purposes of BLC
- Whether the property is marketable
- Whether there exists any restrictions, reservations, easements, or other limitations associated with the property
- Whether there are carrying costs, which may include insurance, property taxes, mortgage, or notes, etc. associated with the property
- Whether an environmental review reflects that the property poses environmental risks to BLC

If a property is deemed to have significant conservation value when evaluated using the BLC Project Selection Criteria, then the Board shall determine whether it is appropriate: (a) to retain ownership and manage the property to protect its conservation values; or (b) to convey ownership to another non-profit or governmental entity that will manage the property to protect its conservation values; or (c) to sell the property to a private owner subject to a restrictive covenant, such as a conservation easement, which will ensure protection of the property's conservation values.

Before a donation of real estate will be accepted by BLC, a written appraisal by a reputable appraiser shall be provided by the donor. BLC may opt to have an independent appraisal done if there is a question of the original appraisal's validity.

4. **Remainder Interests in Property:** BLC may accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of Section 3. 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, BLC may use the property or reduce it to cash. Where BLC 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 non-BLC beneficiaries, during the life of the donor.
5. **Oil, Gas, and Mineral Interests:** BLC may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest, the gift may be reviewed by legal or financial counsel before approval by the Board. Criteria for acceptance of the property shall include:
  - Gifts of surface rights should have a value of \$20,000 or greater

- Gifts of oil, gas and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
  - The property should not have extended liabilities or other considerations that make receipt of gift inappropriate.
  - The property should undergo an environmental review to ensure that BLC has no current or potential exposure to environmental liability.
6. **Bargain Sales:** BLC may enter into a bargain sale arrangement in instances in which the bargain sale furthers its mission and purposes. All bargain sales must be reviewed and approved by the Board and may be reviewed by legal and/or financial counsel. Factors used in determining the appropriateness of the transaction include:
- BLC must obtain an independent appraisal substantiating the value of the property.
  - If BLC assumes debt of the property, the debt ratio for the property must be less than 50% of the appraised market value.
  - BLC will endeavor to determine that it will use the property, or that there is a market for the property allowing sale within 12 months of receipt.
  - In assessing acceptance, BLC will calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.
7. **Life Insurance:** BLC must be named both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be accepted as a gift. The gift is valued at its cash surrender value, upon receipt. If the donor contributes to future premium payments, BLC 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, BLC may:
- Continue to pay the premiums
  - Convert the policy to paid up insurance, or
  - Surrender the policy for its current cash value
8. **Annuities & Trust Arrangements:** Upon the approval of the Board, BLC may enter into the following arrangements: charitable gift annuities, charitable remainder trusts, and charitable lead trusts. All donations of these types will be evaluated by an outside expert, hired by BLC, to determine the benefits of the gifts to BLC. This evaluation will be utilized by the Board in determining gift acceptance.
9. **Beneficiary Designations & Bequests:** Donors and supporters of BLC may elect to name BLC as beneficiary of a retirement plan, life insurance or make a bequest under a will or trust. BLC encourages donors to notify the ED when they have made the designation so that they may be recognized as part of BLC's Legacy Club.

10. **Tangible Personal Property:** All gifts of tangible personal property shall be examined in the light of the following criteria:

- Does the property fulfill the mission of BLC?
- 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?
- Has a written appraisal of the property, made by a reputable, knowledgeable appraiser, been provided to BLC?

11. **In Kind Gifts:** In kind gifts include donated product or services and will be reviewed by BLC to see if they meet the same criteria as tangible personal property donations.

### **Naming Rights**

BLC may occasionally accept gifts with the provision that an endowment, fund, building, or other property be named in honor of the donor, a member of the donor's family, an honored friend of the organization, or another entity. The Board will set and approve the appropriate gift level for these naming opportunities. Such naming opportunities will be reviewed for approval by the Board prior to gift acceptance.

### **Use of Legal or Financial Counsel**

BLC may, at its option, seek the advice of 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 BLC as Trustee;
- c. Gifts involving contracts, such as bargain sales or other documents requiring BLC to assume an obligation;
- d. Transactions with potential conflicts of interest or which raise legal or administrative risks for BLC;
- e. Other instances in which use of counsel is deemed appropriate by the ED or Board

### **Conflict of Interest**

BLC encourages prospective donors to seek the assistance of personal legal and financial advisors (and where appropriate, family members) in matters relating to their gifts and the resulting tax and estate planning consequences so that the donor is fully aware of the financial, tax and other impacts that a donation will have on the donor and the donor's estate. BLC is not able to give legal or financial advice to donors.

### **Miscellaneous Provisions**

- A. Securing appraisals and legal fees for gift to BLC: It will typically be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to BLC.

- B. Valuation of gifts: BLC will record, if allowed under U.S. GAAP, and value a gift on the date of the gift.
- C. Responsibility for IRS filings upon sale of gift items: The ED will be responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within three years of receipt by BLC, when the charitable deduction value of the item is more than \$5,000. BLC must file this form within the time frame specified by applicable taxing authorities.
- D. Acknowledgment of all gifts made to BLC, and compliance with the current IRS requirements, shall be the responsibility of the ED in accordance with existing applicable law.

**Changes to Gift Acceptance Policies**

These policies and guidelines have been reviewed and approved by the Board of BLC. The Board must approve any changes to or deviations from these policies.