

California Native Plant Society
Gift Acceptance Policy
Adopted by the Board of Directors Sept 10, 2021

I. Introduction

California Native Plant Society (CNPS) is a non-profit corporation organized under the laws of the state of California. CNPS encourages the solicitation and acceptance of gifts for purposes that help the organization further and fulfill its mission. The CNPS Board of Directors, employees, and volunteers solicit outright and deferred gifts from individuals, foundations, and corporations to secure the future growth of CNPS. All employees and volunteers soliciting on behalf of CNPS are expected to comply with this policy. Responsibility for the preservation and enhancement of philanthropy shall be retained by the Board of Directors and carried out as herein defined.

The purpose of this gift acceptance policy is to uniformly treat donors with full disclosure and provide guidelines for the acceptance and stewardship of gifts. The provisions of this policy apply to all gifts received by CNPS for any of its programs, chapters, or projects.

II. Ethical and Legal Considerations

- A. Donors and prospective donors will be urged to seek the assistance and advice of independent professional advisors, including, but not limited to, tax or legal counsel and financial advisors, where appropriate, prior to and in matters relating to making a gift.
- B. CNPS reserves the right to consult with and/or seek the advice of legal counsel in any and all matters relating to the acceptance of gifts.
- C. CNPS shall administer all gifts properly, shall comply with all applicable laws and regulations, including those governing reporting and document retention, and shall provide formal acknowledgement for gifts. CNPS shall not furnish property appraisals or gift valuations to donors for tax purposes. CNPS acknowledgment letters may acknowledge the value of a gift in the case of cash, check, or other monetary donation or if required by applicable law. Otherwise, the donor is solely responsible for determining gift valuations for his or her own tax purposes.
- D. CNPS does not pay fees to any person as consideration for directing a gift to CNPS. CNPS does not pay commissions or percentages associated with negotiation and acceptance of any form of gift.
- E. In accordance with the Association of Fundraising Professionals' *Code of Ethical Standards*, no fundraiser is compensated based on a percentage of funds raised or on a contingent basis. Non-exempt fundraisers in the employ of CNPS are compensated based on the number of hours worked. Independent contractors and consultants are compensated on a project or hourly basis.

F. Conflicts of Interest

- a. At all times, CNPS employees and members of the Board of Directors (Board Members) are to avoid conflicts of interest and the appearance of conflicts of interest. CNPS employees, Board Members, and volunteers are asked to disclose any conflicts of interest they may have. Persons with potential conflicts should refrain from participating in decisions that may affect their interests. These guidelines apply to relationships with donors or prospective donors.
- b. To avoid any incidence or appearance of impropriety, CNPS employees and Board Members are discouraged from serving as personal representatives or executors of a donor's estate, unless the donor is a relative of the employee or Board Member. CNPS employees and Board Members are discouraged from serving as the executor, administrator, or trustee of any will or trust in which CNPS is named as a beneficiary, unless the donor is a relative of the employee or Board Member.
- c. CNPS employees and Board Members are discouraged from accepting personal gifts from donors or prospective donors.

III. Policy Administration

A. Authority to Solicit Gifts

- a. CNPS program staff, Board Members, and chapter volunteers are encouraged to identify and assist in soliciting gifts from prospective donors. Before making such a solicitation or accepting a gift on behalf of CNPS, the individual or the program must bring the proposed effort to the specific attention of the Development Director so appropriate coordination is assured. The Development Director is directed to evaluate solicitations for consistency with this policy.

B. Gift Acceptance Review Process

- a. Determinations to accept routine gifts may be made by the Executive Director, as well as the Development Director, in consultation with the Finance Director, where appropriate.
- b. All non-routine gifts and any gifts designated in this Policy for review by the Development Committee (gifts described in Sections IV and V below) should be directed to the Development Committee, which committee will be responsible for rendering the final decision as to whether a particular gift should be accepted. Non-routine gifts include gifts that are not regularly encountered in the course of business. They include gifts that may not align with the mission of CNPS, unique or unusual gifts, and gifts accompanied by a potential administrative, financial, or other burden on CNPS.

C. Development Committee

- a. The Development Committee has the authority to accept or reject gifts offered to CNPS. The Development Committee consists of the following individuals:
 - Board President
 - Board Vice President
 - Board Treasurer
- b. The Board President has the discretion to select additional members to join the Committee and to select replacement Committee members.
- c. The Development Committee is charged with the responsibility of reviewing all non-routine gifts made to CNPS and choosing to accept or decline those gifts.
- d. The Development Committee will meet as needed, virtually or in-person. Votes of committee members may be accepted by email.
- e. CNPS employees, such as the Executive Director, Development Director, and Finance Director, may serve as non-voting advisors to the Development Committee.

IV. Types of Gifts

- A. The Development Committee reserves the right to consider any and all gifts to CNPS. Any gifts not specifically mentioned in this Section IV. Types of Gifts, nor specifically prohibited in Section V.D. Declining Gifts, may be accepted pending the review and approval of the Development Committee.
- B. Cash
 - a. Gifts to CNPS may be made via cash, check, credit card, electronic funds transfer, or other cash equivalents. CNPS welcomes gifts made from Donor Advised Funds and Qualified Charitable Distributions from retirement accounts.
 - b. Checks shall be made payable to California Native Plant Society. Checks shall not be made payable to individuals who represent CNPS.
- C. Securities
 - a. Publicly traded and marketable securities, including those traded on any recognized stock exchange, can be accepted by CNPS. Such marketable securities may be transferred to an account maintained at a brokerage firm or physically delivered with the signature of the transferor or stock power attached.

- b. Marketable securities that are not Restricted Stock (as defined in the following paragraph) shall be sold upon receipt by CNPS or its authorized representative.
- c. Gifts to CNPS of publicly traded securities that are restricted by applicable securities laws, which typically bear a legend on the certificate (“Restricted Stock”), shall be referred to the Development Committee to determine whether the gift should be accepted.
- d. Gifts to CNPS of closely held securities (securities that are not publicly traded and shall include, but shall not be limited to, debt and equity interests in non-publicly traded or closely held entities, as well as interests in LLPs and LLCs) shall be referred to the Development Committee to determine whether the gifts should be accepted. However, gifts must be reviewed prior to acceptance to determine that:
 - There are no restrictions on the security that would prevent CNPS from ultimately converting those assets to cash;
 - The security is marketable; and,
 - The security will not generate any undesirable tax consequences for CNPS.
- e. If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be obtained before making a final decision on acceptance of the gift. The Development Committee and legal counsel shall make the final determination on the acceptance of the closely held securities where necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

D. Cryptocurrency

- a. All cryptocurrency gifts shall be subject to the review and approval of the Development Committee.

E. Corporate Donations

- a. The Development Committee will review donations or sponsorships from corporations or entities with a primary business in the industries of tobacco, alcohol, cannabis, and/or industries that lead to land conversion; gifts will be accepted pending Committee approval.
- b. Donations from corporations that match the gifts of employees of the corporation will be accepted without review.

F. Tangible Personal Property

- a. Gifts of tangible personal property shall be subject to the approval of the Development Committee unless the estimated value is \$500 or less and the property is:
 - Received in connection with an auction or raffle organized and conducted by CNPS; or,

- Given to a CNPS office or chapter for the office or chapter's use, and meets a stated need of the office or chapter.
- b. The Development Committee may consider other factors in rendering a determination as to whether the gift should be accepted, including, but not limited to, another party's possession of any type of lien or interest in the property, the marketability of the property, any carrying costs for the property and the presence of any restrictions on the use, display or sale of the property.
- c. The Development Committee shall have the discretion to seek an appraisal of the property from a qualified, independent appraiser. The donor shall be responsible for the costs of such an appraisal.

G. Real Estate

- a. Gifts of real estate may include improved property, unimproved property, or gifts subject to a retained life estate. All gifts of real estate shall be subject to the review and approval of the Development Committee.
- b. Proposed gifts of real or personal property must be evaluated to determine whether the costs to CNPS associated with receiving the gift can prudently be accommodated using other CNPS resources. For example, accepting real property may require payment of closing costs, payoff of debt secured by the property, and physical changes to the property necessary to assure safety or control environmental hazards. Occasionally, associated costs may weigh against acceptance of the gift.
- c. Prior to consideration by the Development Committee, CNPS may require an environmental review of the property. If the environmental inspection reveals what the Development Committee deems to be a potential problem, the Development Committee shall arrange for the retention of a qualified environmental inspection firm to conduct an environmental audit of the property, at the sole expense of the donor.
- d. The Development Committee shall arrange for an appraisal of the property and will obtain a title binder for the property where it deems it to be appropriate. Expenses for the appraisal and title binder shall be paid by the donor.
- e. The Development Committee is charged with considering the following factors as part of its review of the gift: the fair market value of the property, the projected financial benefit to CNPS, whether the property is useful for CNPS's purposes and mission, the marketability of the property, the presence of any restrictions, obligations, easements or limitations associated with the property, any carrying costs, administrative costs and/or professional expenses associated with acquiring and selling or maintaining the property and the results of the environmental review and any environmental audits.
- f. Depending on a variety of factors, including the value and desirability of the gift, ease of administration of the gift, the donor's connection with CNPS, the donor's past giving record and the donor's contributions to the organization, the donor may be asked to pay

for all or a portion of the following additional expenses: maintenance expenses, real estate taxes, insurance expenses, the real estate broker's and/or auctioneer's commission, any other costs of the sale of the property and any additional legal and/or other expenses relating to the administration of the gift or the sale of the property.

H. Remainder Interests in Property

- a. CNPS will accept a remainder interest in a personal residence, farm, or vacation home subject to the provisions of Section IV.G. on real estate, including review and approval by the Development Committee. 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, CNPS may use the property or reduce it to cash. Where CNPS receives a gift of the remainder interest, expenses for maintenance, real estate taxes and any property indebtedness are to be paid by the donor or primary beneficiary.

I. Beneficiary Designations

- a. Donors and supporters of CNPS shall be encouraged to name CNPS as beneficiary or contingent beneficiary of their life insurance policies or retirement plans. Such designations shall not be recorded as gifts until such time as the gift is irrevocable.

J. Bequests

- a. Donors and supporters of CNPS shall be encouraged to make bequests to CNPS under their wills and trusts. Such bequests shall not be recorded as gifts to CNPS until such time as the gift is irrevocable. Donors may make bequest provisions that name CNPS as any of the following:
 - Sole beneficiary;
 - Beneficiary of a portion (or percentage) of the estate;
 - Beneficiary of the remainder of an estate or a portion of the remainder of an estate;
 - Beneficiary of a specific dollar amount; or
 - Contingent beneficiary.

K. Charitable Remainder Trusts

- a. CNPS may accept designation as remainder beneficiary of the charitable remainder trust with the approval of the Development Committee. CNPS will not accept appointment as trustee of a charitable remainder trust.

L. Charitable Lead Trusts

- a. CNPS may accept a designation as income beneficiary of a charitable lead trust. CNPS will not accept an appointment as trustee of a charitable lead trust.

V. General Gift Acceptance Principles

A. Accepting Gifts with Restrictions

- a. CNPS will accept unrestricted gifts, and gifts restricted to specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. Gifts restricted to a purpose not consistent with the CNPS Strategic Plan require the review and approval of the Development Committee.
- b. CNPS chapters are not independent legal entities. Therefore, any gifts made to a CNPS chapter shall be treated as a donation to CNPS that is restricted to the purpose of the chapter. Donations received for a chapter that is defunct at the time of the gift shall be reviewed by the Development Committee for designation to a purpose that honors the donor's intent.

B. Documentation of Donor Intent

- a. CNPS strives to understand and honor the intentions of its donors. As such, CNPS encourages donors to provide written documentation with their donation that states any restrictions to a program or purpose. CNPS also encourages donors to document in writing any commitments for future donations (pledges). CNPS will not obligate funds without written confirmation of a pledge. In the absence of documentation from the donor about their intent, CNPS employees must document any verbal discussion with the donor and communicate back to the donor in writing (email or mail) to confirm their intent.

C. Gifts Requiring Review of the Development Committee

- a. Pledges for restricted donations with a payment schedule spanning more than three years shall be reviewed and approved by the Development Committee prior to accepting the pledge.
- b. Gifts intended to establish a permanent endowment shall be reviewed and approved by the Development Committee prior to accepting the gift.
- c. Gifts intended to establish a named fund, project, program, or similar, whether permanent or temporary, shall be reviewed and approved by the Development Committee prior to accepting the gift.
- d. Any gift requiring a present or future financial commitment from CNPS greater than \$5,000, such as gifts requiring matching funds to be raised, shall be reviewed and approved by the Development Committee prior to accepting the gift. Any gift that obligates CNPS to a financial commitment that is longer than the period of the donation or greater than the amount of the donation shall be reviewed and approved by the Development Committee prior to accepting the gift.

D. Declining Gifts

- a. Gifts may have to be declined under certain conditions including, but not limited to, the following:
 - CNPS will not accept gifts that are too restrictive in purpose, too difficult or costly to administer, or gifts that are for purposes outside the organization's mission. The Development Committee shall make all final decisions on the restrictive nature of a gift, and its acceptance or refusal.
 - CNPS will not accept a gift from a donor, be they an individual, organization, corporation, or trust, that injures the reputation or standing of CNPS or creates controversy as to substantially frustrate and defeat the purpose to be served.
 - CNPS will not accept a gift that requires or implies endorsement of a person, product, or service.
 - CNPS will not accept a gift where the donor influences or attempts to influence CNPS programs or program activities. CNPS will not accept a gift where the donor influences or attempts to influence the selection or retention of leadership, employees, contractors, or award recipients.
 - CNPS will not accept gifts of oil, gas, or mineral rights, or interests in a timeshare.
- b. Once charitable gifts are received by CNPS, they will not be returned to the donor. However, CNPS may decide to return gifts, if necessary, to preserve the integrity of the organization and its mission.

E. Valuation, Acknowledgement and Recognition of Gifts

- a. CNPS shall record a gift received at its valuation for gift purposes on the date of gift.
- b. Acknowledgement of all gifts made to CNPS and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Development Director.
- c. CNPS will, from time to time, publicly recognize donors. This recognition will be appropriate and applied consistently across donors of similar type and donation amount. CNPS will not accept gifts from donors whose requests for public recognition are incompatible with our philosophy of appreciation.

F. Ownership of Gifts

- a. Title to property donated to CNPS is held by the organization, not by a program or chapter.

VI. Miscellaneous Provisions

A. Appraisals and Required IRS Forms

- a. Legal and ethical requirements designed to protect both the donor and CNPS prohibit CNPS, as an interested party, from appraising gifts. Such appraisals, if required by law or particular circumstances, are conducted by “qualified appraisers” as defined under IRS regulations. The cost of such an appraisal is the donor’s responsibility.
- b. The IRS requires that non-cash gifts, including marketable securities, with a fair market value of over \$500 be documented by the filing of Form 8283 with the donor’s federal income tax return. For gifts with a total value of \$5,000 or more, an appraisal from a qualified appraiser must be attached to Form 8283. The Director of Finance and Executive Director are authorized to sign the Form 8283 to acknowledge CNPS’s receipt of the gift. CNPS employees may not attest to the value the donor places on the item.
- c. The Finance Director is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt where the charitable deduction value of the item was \$5,000 or greater. CNPS must file this form within 125 days of the date of sale or disposition of the asset.

B. Donor Privacy

- a. All information concerning donors or prospective donors, including their names, the names of their beneficiaries, the exact amount of the gift, size of the estate, or any other information for which there is a reasonable expectation of privacy and/or confidentiality is kept strictly confidential by CNPS, its Board of Directors, volunteers, and employees, unless permission is obtained from the donor to release such information.
- b. Donors who wish to remain anonymous and not be included in published lists of donors must state so at the time of the gift. Completion of the donation remittance envelope or mention of name on any correspondence accompanying the donation is deemed written permission to be included in published lists of donors.