



Monhegan Associates Gift Acceptance Policy

Feb 18, 2023

Revision 1.0

(7-0 vote by attending trustees)

This policy supersedes all prior policies or statements related to Monhegan Associates' gift policies, with the exception of any that may be contained in the Monhegan Associates Bylaws.

Monhegan Associates, Inc ("MAI") is a private non-profit land trust that owns and manages over 350 acres and approximately nine miles of trails that make up the wild-lands of Monhegan Island, Maine. MAI is dedicated to the ongoing preservation of the natural wild beauty and biotic communicates of its lands, and to which it welcomes visitors. MAI encourages the solicitation and acceptance of gifts that will preserve for posterity the wild-lands of Monhegan Island while fostering collaboration with the Island communities.

The MAI Board of Trustees ("Board") has adopted the following policies and guidelines to govern acceptance of gifts for the benefit of any of its programs. While MAI offers no legal or financial advice to its donors, these policies and guidelines are intended to provide guidance to prospective donors and their advisors, plus to assist MAI in complying with applicable IRS regulations.

Standards and Compliance: MAI is recognized nationally as a 501(c)(3) organization since 2005 and a Maine nonprofit since its 1954 inception. MAI's tax identification number is 01-6013556, and it operates in compliance with all standards set forth by the IRS. MAI also supports the *Model Standards of Practice for the Charitable Gift Planner* promulgated by the National Committee on Planned Giving (see Appendix A) and the Donor Bill of Rights (see <https://afpglobal.org/donor-bill-rights>).

Authority: MAI is governed by a Board which is charged with maximizing MAI's ability to fulfill its mission. The Board is responsible for ensuring responsible and effective use of MAI's assets and must approve any changes to this Gift Acceptance Policy. As outlined in this Gift Acceptance Policy, some potential gifts may require the Board to decide as to whether MAI will accept such gift. In any Board action requiring approval, an affirmative vote by the majority of the Board will be required.

The Philanthropy Committee will act as MAI's gift acceptance body. Should it be uncertain whether a particular gift should be accepted, the Committee will recommend a final course of action by the Board as appropriate. The Committee will include MAI's President, Treasurer, Finance Chair, Membership Chair, and two Trustees not then holding one of the other positions referenced. The President also may select additional At Large Committee members as appropriate.

I. General Policies Applicable to All Gifts

A. *Gift Acceptance Process:* The President, Membership Chair, or any Philanthropy Committee member will notify the full Philanthropy Committee of potential gifts requiring review. For pledges, multi-year gifts, and restricted gifts, the Committee may request that donors and an authorized representative of MAI sign an agreement documenting the value, delivery date(s), and nature and duration of any restrictions. All gifts accepted and received by MAI will be acknowledged by written receipt (digital or print) in accordance with IRS requirements, noting as best ascertainable the gift value (see part B below), date of receipt by MAI, any goods or services given in exchange for the gift, and the fair market value of those goods and services, if applicable.

B. *Determining the Value of Donated Property:* MAI shall act in compliance with IRS Publication 561, "Determining the Value of Donated Assets," available at www.irs.gov.

C. *Tax Compliance:* When MAI sells donated assets with a fair market value of certain amounts as required by IRS, it will report the sale date, value and other relevant details to the IRS on Form 8282 as soon as possible after the sale and send the donor a copy of the report.

D. *Restricted Gifts:* MAI encourages donors to make unrestricted gifts in support of its overall mission and programs, thereby helping the organization to respond effectively to priority needs. Donors who wish to designate their gift to a particular program or purpose should contact MAI's Philanthropy Committee to discuss the feasibility and potential impact of their intended gift. Donations supporting established priority needs will be automatically accepted as per the annual budget. This is especially important for planned gifts, which may not be realized until many years later, or after the MAI's programs and needs may have shifted. Should the restriction be approved, terms should be signed by the donors and an officer or Trustee of MAI.

E. *Employment of Counsel:* MAI may elect to work with counsel on the receipt or structuring of particular gifts. In these instances, counsel retained by MAI cannot also work with or represent the donor's interests.

F. *Advice to donors:* MAI staff, trustees, officers, Committee members and Agents (if applicable) are prohibited from advising donors on tax consequences, and thus MAI encourages all donors to consult an independent legal, estate, or tax advisor to meet their needs.

G. *Right to Reject Gifts:* MAI, by the collective judgment of its Board, President, and Philanthropy Committee, reserves the right to decline any gift whose acceptance would impose undue challenge or expense, jeopardize MAI's corporate standing or tax-exempt status, or create a perception of impropriety or conflict with its mission. MAI also reserves the right to decline any gifts designated for purposes outside the MAI's stated mission, programs, and Board-approved budget, or that otherwise fail to meet the standards established by the MAI Gift Acceptance Policy.

II. Accepted Gift Types

A. *Cash:* MAI accepts gifts by cash, credit card, or check made payable to the "Monhegan Associates." Contributions shall not be accepted by any check made payable to an individual

representing MAI. Funds may be given by mail, through the MAI website, by messaging , or by wire. Wiring instructions are noted on the MAI website.

B. *Matching Gifts:* MAI encourages donors eligible for corporate or other matching gift programs to enroll, thereby increasing the total contribution. Unless instructed otherwise by the donor, MAI will recognize both the initiating donor and the matching gift program sponsor for matching gifts.

C. *Publicly Traded and Marketable Securities:* MAI may accept unrestricted stocks that are publicly traded on a domestic exchange, or corporate or government bonds with an established market value. The gift date will reflect the date that securities are transferred to an MAI held account with all documentation required to complete the transaction. The gift value will be cited as the value reported on MAI's invested funds, on the date the securities were received by MAI or, if applicable, a firm managing MAI's invested funds. Stock transfer instructions are available from Fidelity.

MAI will sell securities promptly upon receipt. Unless otherwise specified by the donor, proceeds from securities sales will be available for operations. The gift value for the donor is determined by the average of the publicly traded stock's high and low on the date of transfer.

D. *Other Assets:* At its sole discretion, MAI shall review gifts of other assets, such as land and/or real estate, private stock, art, and collectibles with the Committee and determine their acceptance.

III. Accepted Planned Gifts

MAI welcomes planned gifts and recognizes donors who have made gifts or pledges in their bequests in wills, Donor Advised Funds, Qualified Charitable Distributions, Retained Life Estates, Charitable Trusts (both remainder trusts and lead trusts and their variations) and Transfer on Death designations through bank accounts, stock accounts, or whole life insurance policies. Since planned gifts are often realized at an undetermined future date, unrestricted gifts offer the greatest flexibility to serve the organization's future funding needs.

A. *Bequests:* Donors may make gifts to MAI with a will, will codicil (amendment) or trust for a cash amount, a specific asset, a percentage of their estate, or a percentage of the remainder of their estate after specific amounts have been paid to other beneficiaries. Unrestricted gifts from realized bequests may be directed to operations.

Suggested language for an unrestricted gift made by bequest is as follows:

"I/we irrevocably give, devise, and bequeath to Monhegan Associates, Inc, Tax ID #01-6013556, PO Box 97, Monhegan ME04852 the sum of \$___ (or percentage, or a description of a specific asset) to be used for its general charitable purposes."

B. *Designation of Planned Gifts.*

Donors wishing to designate their planned gift for a specific purpose are strongly encouraged to speak with a member of the Philanthropy Committee before gift paperwork is drafted. Restricted gifts are always subject to review; thus, a conversation during the donor's lifetime can help ensure that MAI will be able to accept the gift in a manner that honors the donor's intentions. Donors are also encouraged to consult a professional estate advisor. Anonymity is protected when requested.

IV. Capital Campaigns

Subject to the approval of the Trustees, MAI may conduct fundraising campaigns to raise money for specific purposes which the Board approves appropriate and consistent with the MAI mission. The following are additional policies applicable to governing capital campaigns.

- A. **Planned Gift Donations to Capital Campaigns:** Persons might wish to make a planned gift (e.g., charitable remainder trust, charitable lead trust, retirement plan beneficiary designation, or whole life insurance policies that are fully paid by the donor) to a capital campaign. Provided the gift can be accepted under the policies stated herein, the donation might be offered by the donor as a temporarily restricted contribution to support stewardship of lands conserved by the Land Trust. Only irrevocable planned gifts will be counted toward the campaign goal and recorded in the financial books of the Land Trust.
- B. **Campaign Expenses:** A portion of the donations and grants to a campaign may be allocated to pay for the expenses of conducting the campaign—such as staff, events, brochures, and special services. The Board will determine the percentage of the funds received for a capital campaign that will be allocated to reimbursing such expenses from campaign proceeds.

V. Miscellaneous Provisions

- A. *Other Gift Types and Vehicles:* Proposed gifts not covered by the above may be referred to the Philanthropy Committee for evaluation for acceptance on a case-by-case basis.
- B. *Endowed and Invested Funds:* Accepted gifts designated to MAI's endowed or invested funds will be managed in accordance with the MAI's Investment Policy.
- C. *Fees and Commissions:* MAI shall not pay a "finders fee" or commission to staff, volunteers, or a third party in connection with any gift made to MAI. MAI will not pay fees, or reimburse a donor for expenses, for legal counsel, appraisers, accountants, or environmental consultants retained by donors, unless approved in advance by the Board. MAI will pay fees for professional services to support gift evaluation, negotiation, and acceptance if MAI engages said services to represent its interests.
- D. *Conflict of Interest:* no individual employed by MAI, retained for professional services, or engaged as a volunteer shall derive benefit, financial or otherwise, from gifts made to MAI.

VI. Guidelines for Policy Review

The Philanthropy Committee shall review the Gift Acceptance Policy biennially, or more frequently as deemed necessary and recommend changes to the full Board for approval. A majority of the Board is responsible for approving the Gift Acceptance Policy.

Appendix A

MODEL STANDARDS OF PRACTICE FOR THE CHARITABLE GIFT PLANNER

A code of ethical practice for all professionals who work together to structure gifts that balance the interests of the donor and the purposes of the charitable institution.

PREAMBLE

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent. This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. PRIMACY OF PHILANTHROPIC MOTIVATION

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. EXPLANATION OF TAX IMPLICATIONS

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

Model Standards of Practice for the Charitable Gift Planner

III. FULL DISCLOSURE

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner

shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. COMPENSATION

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. COMPETENCE AND PROFESSIONALISM

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. CONSULTATION WITH INDEPENDENT ADVISORS

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors of the donor's choice.

VII. CONSULTATION WITH CHARITIES

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planners, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. DESCRIPTION AND REPRESENTATION OF GIFT

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. FULL COMPLIANCE

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. PUBLIC TRUST

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Model Standards of Practice for the Charitable Gift Planner

Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999