

# **Groundswell Conservancy Policy**

**Name:** **Gift Acceptance**

**Approval:** Approved by Development Committee 3/23/2021  
Approved by Executive Committee 5/12/2021

Groundswell Conservancy encourages the solicitation and acceptance of gifts for purposes that further its mission to protect special places forever. This policy governs the acceptance of gifts and provides guidance to donors, advisors to donors, and Groundswell staff.

Gifts that are liquid in nature, such as cash contributions and readily marketable securities, are encouraged and accepted. Gifts that are not liquid will be evaluated on a case-by-case basis.

Donors are encouraged to make unrestricted gifts, so that the Board of Directors may direct funds where they are most beneficial to Groundswell Conservancy's mission. Donors may wish to direct their gifts to specific purposes, such as a current project, a protected property, or an endowment fund. To ensure that a restriction is acceptable and may be honored, potential donors should discuss options with Groundswell Conservancy staff. If in the future a situation arises that makes it difficult or impossible to honor a gift's restriction, Groundswell Conservancy would secure approval from the donor for any change to the restriction or for return of the gift.

The Executive Director may decline a potential gift that is not practicable to liquidate, is too restrictive to accept, is too difficult to administer, does not reflect current priorities, would violate land trust principles, and/or is for purposes outside Groundswell Conservancy's mission. The Executive Director may choose to involve the Board of Directors or its Executive Committee before declining a gift.

Donors are encouraged 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/estate planning consequences. Groundswell Conservancy does not give legal or financial advice to donors.

## **Gifts Generally Accepted Without Review by the Board of Directors**

### Cash

Cash gifts are acceptable in any form, including by check, credit/debit card, online donation, electronic funds transfer, money order, or cash. Checks should be payable to Groundswell Conservancy.

### Bequests

Unrestricted gifts through a donor's will or trust are acceptable. Suggested language for a bequest is as follows:

*I give \_\_\_\_\_ to Groundswell Conservancy, Inc., a Wisconsin nonprofit, nonstock corporation that is recognized as exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986 (as amended) with principal offices located in Madison, Wisconsin (or successor organization), to be used for its general charitable purposes.*

Bequest language may vary from state to state, so it is advisable to use an attorney who understands local estate laws. With that in mind, we suggest that you provide the following information to your attorney:

Official name: Groundswell Conservancy, Inc.

Federal ID: 39-1452825

Principal place of business: 303 S Paterson St, Suite 6, Madison, WI 53703

Restricted bequests are subject to review before acceptance.

#### Marketable Securities

Publicly traded securities may be transferred to our account at Charles Schwab:

Charles Schwab & Co.

Groundswell Conservancy Account Number: 6191-0433

Groundswell Conservancy DTC #0164 Code 40

Donors are encouraged to notify Groundswell Conservancy staff of a stock transfer, since the transfer may not include the donor's name. Notification enables staff to track the transfer of the stock and acknowledge the gift promptly.

As a general rule, Groundswell Conservancy will have marketable securities sold upon receipt.

#### IRA Qualified Charitable Distribution

Donors who are 72 (or turned 70-1/2 years of age or older in 2019 or earlier) may satisfy their Required Minimum Distribution in whole or in part by directing distribution to Groundswell Conservancy. The gift may be in various forms including cash or stock in any amount up to \$100,000.

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#### Retirement Plan Beneficiary Designation

Donors may name Groundswell Conservancy as beneficiary or contingent beneficiary of their qualified retirement plans and/or Individual Retirement Accounts (IRAs). Designation may be for a percentage or the entire amount.

#### Life Insurance Beneficiary

Donors may name Groundswell Conservancy as beneficiary or contingent beneficiary of their life insurance policies.

### Charitable Gift Annuity

Groundswell Conservancy has partnered with the Madison Community Foundation (MCF) to offer supporters the ability to benefit Groundswell Conservancy by entering into a charitable gift annuity with MCF. This type of gift allows the donor and his/her successor to receive income during their lifetimes, with the remainder benefitting Groundswell Conservancy. Policies governing such gifts are those of MCF, which would administer the annuity.

### Charitable Remainder Trust

Groundswell Conservancy will accept designation as remainder beneficiary of a charitable remainder trust. However, Groundswell Conservancy is not able to accept appointment as trustee.

### Charitable Lead Trust

Groundswell Conservancy will accept designation as income beneficiary of a charitable lead trust. However, Groundswell Conservancy is not able to accept appointment as trustee.

### Tangible Personal Property That is Mission-Related

When tangible personal property would support Groundswell Conservancy's mission, it may be accepted. Examples are office furniture and land management tools/equipment.

### In-Kind Gift That is Mission-Related

A donated product or service that would support Groundswell Conservancy's mission may be accepted.

### Corporate Contributions

Corporate gifts and grants of general unrestricted support and/or restricted project support may be accepted when in accordance with Groundswell Conservancy's separate policy titled Corporate Contributions. Such gifts include outright gifts of cash, employee-driven events, donations of goods/services, sponsorships or partnerships, and company matching gifts. Per the Corporate Contributions policy, some corporate gifts require approval by the Board of Directors.

## **Gifts Accepted With Approval by the Board of Directors**

The Board of Directors or its Executive Committee may elect to seek legal, financial or other counsel before accepting any of the following gifts. In some cases a potential donor may be asked to submit relevant documentation, such as a qualified appraisal or evidence of marketability. A potential donor may also be asked to fund transaction costs.

### Real Estate

#### *Conservation Land*

A potential gift of real estate could involve either donating ownership of land or donating the property's development rights via a conservation easement. A real estate gift will first be evaluated in terms of its potential conservation value. If the property is judged to further Groundswell Conservancy's mission of land protection, its acquisition will follow the

organization's established land acquisition standards and practices. Such land acquisition must be reviewed by the Stewardship Committee before consideration by the Board of Directors. A financial contribution to Groundswell Conservancy's Easement Enforcement Endowment Fund is required for a land transaction involving a conservation easement, although in some cases another source for that contribution may be possible (e.g., fundraising).

Should a land transaction involve a pass-through entity of unrelated parties, Groundswell Conservancy will require a copy of the appraisal prior to closing. Groundswell Conservancy will decline to participate in the transaction if the appraisal indicates an increase in value of more than 2.5 times the basis in the property and is within 36 months of the pass-through entity's acquisition of the property, the value of the donation is \$1 million or greater, and the terms of the transaction do not satisfy the Land Trust Alliance Tax Shelter Advisory.

#### *Trade Land*

If a potential gift of real estate lacks conservation value, it will be considered an offer of trade land. When trade land is accepted, the objective is to sell the land to raise funds for other mission-related purposes. Acquisition follows relevant Groundswell Conservancy land acquisition standards and practices, including such items as appraisal, title commitment and environmental review. Criteria for acceptance will include consideration of the property's marketability. Groundswell Conservancy will obtain a written acknowledgement from the donor of the land trust's intent to sell before accepting the property.

#### *Bargain Sale*

A bargain sale is partially a gift, since the property interest is transferred at less than fair market value. A potential bargain sale will be evaluated using Groundswell Conservancy's established land acquisition standards and practices. See above sections about gifts of real estate.

#### *Remainder Interest in Property*

Groundswell Conservancy may accept a remainder interest in a personal residence, farm, or other property. The donor or other vested occupant may continue to occupy the real property until the expiration of their right to occupy it (e.g., death of the donor). Until expiration of occupancy, the donor or primary beneficiary(ies) must pay the expenses for maintenance, real estate taxes, and any property indebtedness. See above sections about gifts of real estate.

#### Life Insurance

Groundswell may accept the irrevocable transfer (ownership) of whole life insurance policies where it is named as beneficiary of 100% of the policy. Term life insurance and life insurance encumbered by loans are not acceptable.

A donor may elect to contribute funds to cover future premium payments or sign a pledge form to do so. If the donor elects not to pay future premiums, Groundswell Conservancy may elect to continue to pay the premiums if judged to be a good investment, convert the policy to a paid-up policy, surrender the policy for its cash value, or sell the policy to a viatical company for more than its cash surrender value.

### Closely Held Securities

Closely held securities may be accepted provided that there are no restrictions on the securities that would prevent converting them to cash, that the securities are marketable, that the securities will not generate any undesirable tax consequences for the organization, and that the securities will not impose significant management duties.

### Tangible Personal Property That is Not Mission-Related

Tangible personal property includes art, equipment, collections, furniture, jewelry, and any other personal property owned by a donor. If such property is not useful for Groundswell Conservancy's land protection work, it may be accepted with the understanding that it will be converted to cash. Consideration will be given to the marketability of the property, costs associated with selling the property, and carrying costs.

### Intangible Personal Property

Intangible personal property includes intellectual property, royalties, contracts and promissory notes. Such gifts may be accepted when there is clear evidence of marketability or assurance of an income stream.

### Other Type of Gift

At its discretion, the Board of Directors may consider some other type of gift, such as the offer of oil or gas rights.

## **Other Provisions**

If Groundswell Conservancy accepts a gift, it will provide the donor with appropriate acknowledgement and recognition.

Groundswell Conservancy will record a gift, with the exception of an in-kind gift, at its current market value on the date of the gift or the date it becomes irrevocable.

In accordance with provisions of the *Internal Revenue Code* and related regulations, proper records will be kept and required tax returns filed by Groundswell Conservancy. This includes signing and returning IRS Form 8283 when submitted by a donor along with a qualified appraisal. Groundswell Conservancy will also file IRS Form 8282 upon the sale of such asset within three years of its donation, when such asset is valued at more than \$5,000.

Groundswell Conservancy will not participate in a transaction in which the value of the gift is inflated to obtain a tax advantage for the donor.

Groundswell Conservancy is accredited by the Land Trust Accreditation Commission. Policies may be updated to reflect changing accreditation standards and practices, as well as changing local organizational needs.