



*ELCR advances the conservation of land for horse-related activity.*

# Gift Acceptance Policy

---

## **Overview:**

The Equine Land Conservation Resource (ELCR) is a 501(c)(3) philanthropic organization that relies upon donations from individuals, foundations, corporations, organizations and governments to support our work keeping land open and available for horses and horse-related uses. We are governed by a board of private citizens charged with representing the public interest represented in our philanthropic mission and with governance and oversight of our work. ELCR encourages the solicitation and acceptance of all gifts that will help further and fulfill our mission. The following policies and guidelines govern the acceptance of such gifts made to ELCR.

## **Purpose of Policy and Guidelines:**

The Board of Directors and staff of ELCR solicit current and deferred gifts from individuals, foundations, corporations, organizations and governments in support of our mission. These policies and guidelines govern the acceptance of gifts by ELCR and provide guidance to prospective donors and their advisors when making gifts. The provisions of these policies shall apply to all gifts received by ELCR. These are policies of the Board of Directors of ELCR and must be created and amended by majority vote of the Board.

The Chief Executive Officer, has the responsibility of reviewing all gifts made to ELCR and properly screening and accepting those gifts. The Chief Executive Officer will brief and make recommendations on gift acceptance issues to the Executive Committee when appropriate and when exceptional situations arise. This document provides guidelines to the Executive Committee in assessing and deciding upon exceptional gift acceptance issues.

## **General Policy:**

The general policy of ELCR is to inform, serve, guide or otherwise assist donors who wish to support our activities, but to never unduly pressure or persuade a donor to complete a gift. Persons acting on behalf of ELCR shall encourage the prospective donor to discuss a proposed gift with the legal and tax advisors of the donor's choice and at the donor's expense. This is intended to ensure that the donor receives a full, accurate and independent explanation of all aspects of their proposed charitable gift.

- Persons acting on ELCR's behalf shall advise the donor that it is the donor's responsibility to obtain any necessary appraisals, file appropriate personal tax returns, and defend against any challenges to claims for tax benefits.
- The Board of Directors and Chief Executive Officer of ELCR are authorized to negotiate giving agreements with prospective donors following the guidelines outlined in this policy statement.
- Giving agreements requiring performance of specific activities by ELCR shall first be reviewed by ELCR's Executive Committee. However, each agreement executed with a donor need not be

reviewed provided it is based on a prototype agreement that has been previously reviewed and approved.

ELCR will not accept charitable gift annuities or irrevocable charitable remainder trusts without the review and agreement of the Executive Committee. Expenses related to the creation, management, and administration of any such gift shall be charged to the respective trusts. ELCR will not serve as trustee or co-trustee for any revocable trusts or other trusts that are not qualified charitable remainder trusts or charitable lead trusts.

### **Use of Legal Counsel:**

ELCR will seek the advice of legal counsel in matters relating to the acceptance and administration of gifts when appropriate. Review by legal counsel will be sought for the following types of gifts:

- Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- Documents naming ELCR as a trustee.
- Contracts that could place ELCR in debt or under an obligation to a third party.
- Transactions with a conflict of interest that may invoke IRS sanction.
- Other instances in which use of counsel is deemed appropriate by the Executive Committee.

### **Conflict of Interest:**

ELCR will encourage all prospective donors to seek assistance of personal legal and financial advisors in matters relating to the tax and estate planning consequences of their gifts. ELCR will endeavor to comply with the Model Standards of Practice for the Charitable Gift Planner, promulgated by the National Committee for Planned Giving and the Code of Ethics of the Association of Fundraising Professionals.

### **Restricted Gifts:**

ELCR will accept unrestricted gifts as well as gifts restricted to specific programs and purposes, provided that such gifts are consistent with the stated mission, purposes and priorities of ELCR. ELCR will not accept gifts that are unduly restrictive. Gifts that are too restrictive include those which violate the terms of ELCR's strategic plan, too difficult to administer, outside the purpose of the mission, or those which are deemed by the Executive Committee as too restrictive. Restrictions placed on the use of the funds contributed to ELCR may be rendered illegal, unreasonable or unable to be fulfilled due to circumstances, including but not limited to: the termination of a program; a surplus of funds available from other sources to fulfill the designated purpose; the insufficiency of the restricted funds to fulfill the designated purpose where no funds from other sources are available to supplement the restricted funds; or the designated purpose is no longer consistent with the mission of ELCR.

If a restricted gift cannot be used for the designated purpose, ELCR will immediately contact the donor to agree upon a new use for the funding or to determine a process for refunding or reallocating the gift

according to the donor's direction. If the donor is unavailable to alter the restriction, ELCR, if reasonably practicable, will consult with the donor's representative or close family members to restructure the gift. In the absence of agreement, ELCR may seek approval of a court with jurisdiction to remove or modify restrictions. If termination of the restriction is obtained, ELCR will use funds for a purpose deemed appropriate to our mission.

### **Review of Gifts:**

In reviewing gifts, ELCR will consider the following:

- The charitable intent and ultimate benefit of the gift
- The nature of any restrictions
- The permanency of the funding
- The projected costs of managing the gift asset
- The fee revenues that may accrue to ELCR as a result of the administration of the gift

### **Types of Gifts:**

ELCR will accept the following types of gifts:

- Cash
- Securities or qualified appreciated stock
- Bequests
- Retirement plan beneficiary designations
- Life insurance and life insurance beneficiary designations
- Charitable gift annuities
- Charitable remainder trusts
- Charitable lead trusts

The following types of gifts will not be accepted without the specific review, consideration and approval of the Executive Committee:

- Named funds
- Restricted Funds
- Real estate
- Remainder interests in property
- Tangible personal property
- Royalties and distribution rights
- Oil, gas and mineral interests
- Bargain sales
- Interests in limited liability companies

## **Gift Handling:**

All gifts to ELCR may be sent to ELCR's office at 4037 Iron Works Parkway, Suite 120, Lexington KY, 40507 and electronic transfer of gifts can be made by calling 859-455-8383. ELCR will accept pledges as well as immediately transmitted gifts.

All gifts and pledges will be acknowledged with a written letter including all required tax language within five business days from receipt.

Specific gift transactions will be handled as follows:

1. **Gifts of Cash and Cash Equivalents:** Unrestricted gifts of cash will be used to fund current operations, including overhead, administrative and program expenses, or to maintain reserves. Unrestricted bequests are designated at the discretion of the Board of Directors. Gifts restricted for operations are recorded and deposited into the current operating account or into an Operating Reserve. Gifts restricted for Programs are recorded and deposited into a fund to be used for current or future programs as specified by the donors. Gifts restricted for Endowment are put into an endowment fund, the structure of which is agreed upon between ELCR and the donor(s).
2. **Pledges.** Pledges are promises to contribute specific amounts over a defined period of time. Pledges may include cash, cash equivalents, in-kind contributions and other types of gifts. Annual fund pledges are payable in the year they are pledged and are thus not reflected in the financial statements. Multi-year pledges or annual fund pledges made in one year for a commitment in a later year will be reflected in the financial statements under generally accepted accounting principles.
3. **Matching Gifts.** Matching gifts are treated as unrestricted unless specifically specified for restriction by the donor whose gift is being matched. Any restriction on the donor's primary gift will not apply to the matching gift unless specified by the donor.
4. **Publicly Traded Securities.** The Chief Executive Officer or designee will place securities with a recognized broker for sale within five business days of receipt. The value of the securities at sale will be credited to the donor's record and will be used to value the gift for purposes of acknowledging the gift.
5. **Credit Cards.** ELCR accepts all major credit cards. Gifts made by credit card are recognized as gifted on the date the charge is accepted for processing by ELCR. Gifts made by credit card online are credited on the date that the transaction is completed through the secure server.
6. **In-Kind Contributions.** In-kind contributions are gifts of goods or services, such as advertising, legal services, or equipment. ELCR does not issue receipts showing the cash value of in-kind gifts but ELCR will acknowledge the receipt of the goods and services, including acknowledging the quantity of the services or goods provided. ELCR will also sign Form 8283 for donors contributing in-kind gifts with a value in excess of \$5,000. In-kind gifts may be used to fulfill a pledge when they prevent ELCR from incurring an expense that would otherwise require a cash outlay by the organization.
7. **Gifts of Real Estate or Real Property:** ELCR will not accept gifts of real estate or real property that incur a financial burden, potential liability, or other obligations unless otherwise determined by the Board of Directors. All gifts of real estate will require a Phase One Environmental Study, conducted at the

owner's expense, prior to acceptance. ELCR must have a reasonable belief that the property can be liquidated in a reasonable amount of time before accepting a gift of real estate.

8. **Life Insurance:** Gifts of life insurance are credited at face value as pledges receivable unless otherwise specified by the donor. ELCR accepts only fully paid policies in which ELCR is designated as the irrevocable beneficiary.
9. **Closely Held Securities:** Gifts of closely held securities must receive prior approval by the Executive Committee. The donor is responsible for obtaining an independent valuation of these securities. Gifts of closely held securities must be legally marketable in order to be gifted to ELCR. ELCR will liquidate the securities within a reasonable amount of time, in accordance with negotiations with the donor.
10. **Planned Gifts:** ELCR welcomes charitable remainder trusts, charitable remainder unitrusts, charitable lead trusts, and bequests. ELCR accepts gift annuities but does not administer an independent gift annuity program.
11. **Named Funds:** Donors may establish Named Funds with ELCR with a minimum gift of \$50,000. Any agreement to establish a named fund must be signed by the donor, Chief Executive Officer and Board President. The gifting document must name the fund, name the donors, specify the amount of the fund and state the purpose of the fund. All agreements establishing funds will be reviewed and approved by the executive committee.

### **Cancellation and Refunds of Gifts:**

All gifts to ELCR are used to help preserve our horse lands and the American equestrian heritage. ELCR understands that donors occasionally experience a change in circumstances or philosophy that prevents them from continuing to support a program as planned. If a donor supporting a specific program wishes to cancel a gift, ELCR will refund any remaining funding not committed to a current or pending expenditure. Refunds will be made in accordance with IRS Publication 526 and will be accompanied by an amended notification of tax deductibility as the refunded amount may be taxable if a prior tax benefit accrued from the gift.

For unrestricted gifts, ELCR will allow donors to cancel gifts within seven days of the transaction if they believe they made an error in making the donation. In the event that a credit card gift is cancelled and refunded, ELCR will withhold a five percent fee to cover the merchant costs of the transaction.

### **Updates to the Gift Acceptance Policy:**

ELCR's Governance Committee shall review and update the Gift Acceptance Policy regularly or at the request of the Chief Executive Officer, the Executive Committee or the Development Committee.