



Pemaquid Watershed Association

Gift Acceptance Policy

Ratified April 1, 2010

Prospective donors are urged to educate themselves and obtain independent professional counsel before making gifts. PWA is a charitable, 501(c)3 tax-exempt organization. Donations are tax-deductible to the full extent of the law.

GENERAL PROVISIONS

Authority

The PWA Board of Directors is responsible for all matters concerning gift acceptance. The PWA Board of Directors must ratify any restriction of gifts and any changes to this policy, including the authority to execute any annuity contracts and receipts on behalf of the organization.

Receipts

Contemporaneous receipts for gifts of \$250 or more will be prepared in accordance with Internal Revenue Service requirements indicating as is best ascertainable by the organization, the gift date, amount of cash given or description of property received, and for any goods or services given in exchange for the gift, a description and good faith estimate of the fair market value of those goods or services. If no goods or services were received by the donor, the receipt will include a statement to that effect.

For individual gifts or groups of related gifts valued at \$5,000 or more, which are not cash or marketable securities, PWA will sign an acknowledgement of receipt of the gift on the Internal Revenue Services Form 8283. While PWA is not obliged to approve the claimed value, as a charitable 501(c)(3) organization operating for the public benefit, PWA will review valuations of assets and will not sign Forms 8283 for which it has reason to believe that no charitable gift has been made or that a clearly fraudulent value has been claimed. If PWA sells the gift subject to a Form 8283, within 2 years of the receipt, it must file a Form 8282 with IRS to report the sale price and any other relevant information.

Gifts Accepted

PWA accepts gifts of cash and marketable securities and, at the discretion of the Directors, remainder and lead interests in trusts, real estate, closely held securities, tangible items, retirement plans through bequests or beneficiary designation and life insurance. Legal counsel may be employed when needed for advice on any proposed gift or to review any proposed transaction for possible conflicts of interest.

As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the PWA Board of Directors.

Tangible items offered to PWA may be accepted if they can be readily sold or if they are of “related use” (of use to help meet the organization’s mission). Donors should be aware that donated tangible items that qualify as having “related use” to an organization’s mission are valued for possible income tax charitable deduction at fair market value, unless they are produced by the donor, in which case they are valued at the donor’s cost basis.

Costs of Gift Acceptance

PWA will clarify with the donor under what circumstances, if any, PWA will pay for legal fees or professional fees with respect to completing a gift. PWA may also choose to pay for appraisals for its own purposes. If PWA pays for a gift cost that is the legal obligation of the donor, the value of the gift will be reduced by the cost to PWA for the services, or alternatively, the gift may be treated as a bargain sale with the cost to PWA as the compensation to the donor. Formal PWA Board approval is needed for all expenditures associated with gift acceptance. While PWA, as gift recipient, is not legally responsible for determining the fair market value of gifts for tax deductibility determination, as a charitable 501(c)(3) organization operating for the public benefit, PWA will review valuations of assets and will not accept gifts which it determines have questionable valuations. PWA will be particularly vigilant in assuring that gifts from ‘insiders’ and substantial cash donors have been fairly valued.

Confidential Gift Information

PWA shall keep confidential all information obtained about prospective donors and specific gift arrangements regardless of whether or not a gift is made. PWA may use selected information for purposes of referral, testimonial or example if a donor grants permission.

Declining Gifts

PWA’s Board of Directors may decline any gift that in its collective judgment creates unacceptable challenges, undue expense, or a perception of impropriety or conflict with the organization’s mission.

Responsibility for Policy Review

PWA’s Board of Directors has the responsibility for implementing these policies and reviewing them biennially or as needed.

GIFT DESIGNATION

The donor has the right to designate a gift for specific purposes, and he or she should discuss the feasibility and practicality of intended restrictions with the PWA President. Particularly as planned gifts may not mature for many years, it is important for PWA to be aware of and document a donor’s intentions for future implementation. The Board of Directors must either expressly approve any donor restrictions or decline to accept the gift. Undesignated planned gifts below shall be used at the discretion of the PWA Board of Directors.

GIFTS OF REAL ESTATE

PWA's mission is to conserve the natural resources of the Pemaquid peninsula through land and water stewardship and education. If a gift of real estate is offered to PWA, the PWA Lands Stewardship Committee will first determine the property's suitability for PWA's conservation purposes in accordance with conservation acceptance practices and policies, recorded elsewhere.

If a proposed gift has conservation value, the PWA Lands Stewardship Committee will recommend acceptance of the gift to the PWA Board of Directors. If the PWA Board approves the gift, the PWA Lands Stewardship Committee will develop a plan, including ownership and/or disposition recommendations, for protection of that conservation value based on the land's characteristics, community needs and perception, and the landowner's intentions for the gift property.

Gifts of real property not meeting conservation criteria may be accepted for sale as soon as practical, with proceeds to be used to support PWA's conservation mission. Such properties may be unimproved, such as a subdivided house lot or land zoned for commercial use, or improved, such as an apartment building, summer cottage or primary residence. Real estate gifts of a non-conservation nature may take a number of forms, including outright gifts, bequests, bargain sales, gifts of remainder interests, gifts funding a charitable remainder trust, and gifts funding deferred payment gift annuities.

In assessing whether it is in PWA's best interests to accept a gift of real estate for other than conservation purposes, the organization will consider the property's title, value, marketability, location, encumbrances, liabilities, costs and income, present and future perceptions which may arise out of PWA's acceptance and/or resale of the property and any other issues distinct to that property that might create unacceptable challenges, undue expense, or a perception of impropriety or conflict with the organization's mission. Where possible, PWA will document the donor's intent in making the gift with the intention of resale by PWA.

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