



## NATURAL LAND INSTITUTE

### PLANNED GIVING POLICY

Adopted November 10, 2009

Revised August 7, 2012

The Natural Land Institute Board of Trustees has included Planned Giving as a part of the fund-raising and development program for the organization. The focus of the planned giving program is to encourage planned gifts from the donors estate assets. These gifts often have a significant impact on income, gift, and estate taxes, which normally will require the assistance of financial and legal professionals on the part of the donor and which will require the creation of a legal document.

The Board of Trustees provides the authorization through the Resource Development Committee to assign staff members to engage in planned giving program activities. These policies and procedures have been established and approved by the Natural Land Institute Board of Trustees and are reviewed periodically.

#### Policy Statement

The Natural Land Institute encourages planned gifts to benefit the long-term financial stability of the Institute that are consistent with the mission of the organization.

#### Gift Plans

The Natural Land Institute will accept planned gifts in the following forms:

1. Gifts of cash, securities or personal property by last will and testament.
2. Gifts of benefits from a life insurance policy or annuity.
3. Gifts of undivided interest in property including residences or farms.
4. Gifts of houses or farms with the donor retaining the privilege of residence and income for life (life estate).
5. Gifts of a conservation easement on property with conservation values.
6. Gifts of remainder interest in IRAs or other retirement plans.
7. Gifts by Charitable Remainder Trusts or Charitable Lead Trusts.

#### Authorization

The NLI Executive Director and other persons designated by the President or Board of Trustees are authorized to discuss terms of acceptable planned gift agreements with prospective donors. Such discussions shall follow the Gift Acceptance Policies of the Natural Land Institute and are subject to final approval by the Board of Trustees. Any advice offered shall be accompanied by written recommendation that the prospect consult his or her own attorney or tax advisor.

## Supervision

The Natural Land Institute's Resource Development Committee shall monitor the Planned Giving Program and Policy and recommend revisions as appropriate. The Board of Trustees will make all decisions pertaining to the acceptance of planned gifts.

## Gift Administration

The Natural Land Institute's Planned Giving Program shall be executed in an ethical manner. The organization subscribes to the *Code of Ethical Principles and Standards of Professional Practice* as set forth by the Association of Fundraising Professionals and the *Model Standards of Practice* set forth by the National Committee on Planned Giving. Its primary goal is to guide, inform and otherwise assist the donors in fulfilling their philanthropic wishes.

Any Board or staff member employed by the Natural Land Institute to administer and promote planned gifts shall in no way create or accept a personal financial interest in planned gift agreements. They shall also be prohibited from accepting cash or personal gifts from donors.

## Review of Agreements

The Natural Land Institute may seek advice from legal counsel in all matters pertaining to a prospective planned gift and will not execute an agreement, trust or other legal document with any donor without the advice of legal counsel. Donors will always be encouraged to seek their own professional counsel in all aspects of planned gifts.

## Additional Guidelines

1. All expenses connected with a gift must be payable from the gift and not from NLI's annual operating budget, unless otherwise approved by the Board of Trustees.
2. Property received as a gift should be marketable within a reasonable time frame, unless the Board of Trustees agrees to short or long-term management of the property or income.
3. Donors are to be discouraged from placing encumbered assets into trust.
4. Donors will be advised that they or their executor or trustees are responsible for securing an acceptable appraisal of the value of all gifts other than cash and securities of more than \$5,000 to submit to the Internal Revenue Service for any charitable deductions claimed for income or estate taxes.
5. A gift should be discouraged if its benefit to the Natural Land Institute is so remote as to be negligible or is so complicated as to create undue staff time and attention. The Natural Land Institute retains the right to graciously refuse any gift.

## Confidentiality

All information obtained from or about donors or prospects shall be held in strictest confidence by the Natural Land Institute, except in cases where such information must be provided by law to government agencies. Names, amounts, conditions or types of gifts will not be released or published without approval of the donor or the donor's fiduciary. Information about donations and donors is shared with the Board of Trustees and members of the Resource Development Committee of the Natural Land Institute.

## Gift Crediting Procedures

Planned gifts that are made to fulfill a pledge for a capital campaign or endowment campaign shall be credited according to the standards set by the Federal Accounting Standards (FAST) and the Internal Revenue Service:

- *Charitable remainder trusts and gift annuities should generally be credited at fair market value, i.e., the full amount of the assets given. Charitable lead trusts will record only the income received during the period of the campaign.*
- *Insurance gifts must name the Natural Land Institute as both beneficiary and irrevocable owner of the policy. When a new or existing policy is given, NLI should report the cash value of the policy rather than its face value, as the amount of the gift. If the donor is paying further premiums on the policy, NLI would add this amount to the donor's gift totals.*
- *Credit will be given for all outright (no contingencies) bequests, using a percentage formula equal to the donor's age. For example, a 55-year-old donor receives credit for 55 percent of his bequest provision. However, all donors over the age of 70 will receive full credit.*
- *Credit will be granted for both new and previously existing bequests to the extent they have not been counted in previous fund-raising efforts. In order to be included in the Planned Giving campaign total, the dollar amount of the bequest needs to be stated, even though it may have to be conservatively estimated. For credit to be given for bequest intentions, NLI must be provided with written documentation of the intent.*
- *Only irrevocable bequest intentions can receive Planned Giving campaign credit. Bequests realized during the Planned Giving campaign will be given credit, provided they are unrestricted or designated for campaign purposes and have not been counted in previous fund-raising efforts.*
- *Non-cash gifts with a value of less than \$5,000 will be counted in the planned giving campaign totals at the appraised value provided by the donor. If the gift is valued at \$5,000 or more, a qualified appraisal will be required. Acceptance of non-cash gifts valued at \$5,000 or more will be contingent upon the approval of the Board of Trustees.*
- *Acknowledgments for non-cash contributions valued at \$250 or more will describe the donation. The amount of specific detail increases with the value of*

*the gift. If NLI disposes of property valued at \$500 or more within two years of donation, NLI must file IRS Form 8282 and give the donor a copy of the form.*

These Gift Crediting Procedures are established only to describe how the Natural Land Institute will credit a planned gift and not for determining the value of a charitable tax deduction of the gift.

## **Planned Gift Acceptance Guidelines**

### Gifts Made Through Bequests

Bequests of cash, securities, real estate, conservation easements or other gifts of any amount may be accepted by the Natural Land Institute, if it is in the best interest of NLI to do so. If it is determined that a bequest is not in the best interest of NLI, it may be declined. Possible reason for declining may include, but are not limited to:

1. Real estate with a potential for environmental problems.
2. Assets that have little or no marketability.
3. Bequests that create a potential liability to NLI.
4. Land with little or no conservation value.

### Gifts of Life Insurance and Annuities

Gifts of death benefits from life insurance policies and annuities are accepted by the Natural Land Institute. The types of life insurance gifts accepted by the Natural Land Institute may include:

1. Gifts of all or a percentage of the death benefit of a policy.
2. Gifts of a paid-up policy where ownership is transferred to the Natural Land Institute.
3. A gift of a policy where the donor retains responsibility for premium payments, and the Natural Land Institute is named as the beneficiary.
4. A gift of beneficiary interest in an annuity.

Donors will be encouraged to select their own agent or life insurance company. The Natural Land Institute staff will not endorse or recommend any agent or insurance company. The Natural Land Institute does not issue gift annuities.

### Gift of Real Estate with a Life Estate Agreement

Gifts of a residence, farm or vacation home subject to a life estate will be accepted subject to NLI's Gift Acceptance Policy for gifts of real estate. The donor can continue to live on the property for life or for a specified term of years, while continuing to be responsible for all taxes and upkeep. The property passes to NLI when the donor's life estate ends.

1. The gift must be an irrevocable remainder interest in a farm or personal residence.
2. Acceptance of property subject to indebtedness is discouraged.
3. Life Estate Agreements should be limited to the lives of two beneficiaries.

4. The donor is responsible for property maintenance during his or her lifetime, including real estate tax payments, unless otherwise approved by the Board of Trustees.
5. Any Life Estate Agreement is funded with an entire or undivided interest in a property, unless otherwise approved by the Board of Trustees.
6. Any Life Estate Agreement established by the Natural Land Institute may be reviewed by professional counsel, such as an attorney and/or CPA.

#### Gifts of a Conservation Easement

The Natural Land Institute will accept a gift of a conservation easement only if the property has significant conservation values, and the gift adheres to NLI's Land Protection Policies and Procedures. Post-mortem gifts of a conservation easement may be declined if the donor has not discussed the potential gift with the Natural Land Institute prior to their death.

#### Gifts from a Charitable Remainder Trust

The Natural Land Institute will accept gifts of cash, securities or other appreciated property that has been transferred into a Charitable Remainder Trust. The Natural Land Institute will not act as trustee for a Charitable Remainder Trust. Donors should seek professional council to establish and administer a Charitable Remainder Trust.

#### Gifts from a Charitable Lead Trust

The Natural Land Institute will accept gifts from a Charitable Lead Trust. The Natural Land Institute will not serve as trustee for a Charitable Lead Trust. Donors should seek professional council to establish and administer a Charitable Lead Trust.

#### Gifts of Other Planned Giving Vehicles

Other planned giving options may be discussed with the Natural Land Institute.

11/10/2009

07/11/2012 revised

08/07/12 revised