For information about making a charitable gift to ABA, contact us at info@aba.org or 800-850-2473 or visit https://www.aba.org/ways-to-give/

AMERICAN BIRDING ASSOCIATION
Gift Acceptance Policy
Adopted December 5, 2024

American Birding Association (ABA) solicits and accepts gifts to help ABA further and fulfill its mission to inspire all people to enjoy and protect wild birds.

This Gift Acceptance Policy (Policy)

- Governs the acceptance of gifts made to ABA;
- Provides guidance for ABA's Board of Directors (Board), officers, and staff with respect to their responsibilities concerning gifts to ABA; and
- Provides guidance to prospective donors about opportunities for financial support for ABA's mission and programs.

This Policy applies to all gifts received by ABA. Notwithstanding the foregoing, ABA reserves the right to revise or revoke this Policy at any time, and to make exceptions to the Policy.

ABA bylaws (revised 2023) allow the Executive Committee of the Board to implement the responsibilities and authority of the Board (including as referenced in this Policy) on an interim basis between meetings of the Board. When requested by the Executive Director of ABA (Executive Director), the Board Chair, at their discretion, may refer matters related to this Policy to either the Executive Committee or to the full Board.

ABA is recognized by the Internal Revenue Service of the United States (IRS) as a qualified tax-exempt IRC § 501(c)(3) not-for-profit. ABA's tax identification number is 74-2347314 and the current IRS exemption letter is dated 2006. All charitable gifts to ABA are tax-deductible to the extent allowed by law.

ABA does not provide legal, financial, or other professional advice to donors or prospective donors. *Donors and prospective donors are strongly urged to seek the assistance of their own professional advisors in matters relating to gifts and the resulting tax and estate planning consequences.*

General Principles of Gift Acceptance by ABA

A primary consideration of gift solicitation or acceptance is the impact of the gift on ABA. When considering whether to solicit or accept gifts, ABA will evaluate the following factors:

- Compatibility between the intent of the donor and ABA's use of the gift in support of ABA's mission and goals.
- Public Relationships – whether acceptance of the gift could damage the reputation of ABA.
- Primary Benefit – whether the primary benefit is to ABA or to the donor.
- Consistency with prior ABA practices.
- Form of Gift – whether the gift is offered in a form that ABA can accept and use without difficulty or incurring substantial expense.
- Effect on Future Giving – whether the gift will encourage or discourage future gifts.

ABA shall record gifts received at their valuation on the date of gift, except that when a gift is irrevocable, but is not due until a future date, the gift may be recorded at the valuation at the time the gift becomes irrevocable in accordance with generally accepted accounting principles of the United States.

Where required by this Policy or by the IRS, it will be the responsibility of the donor to secure a qualified appraisal. The Executive Director shall promptly, upon request from the donor, complete and sign Part IV, Donee Acknowledgement, of IRS Form 8283 for donated property (except publicly traded securities) with a value over $5,000.

To the extent applicable, ABA shall file IRS Form 8282 upon the sale or disposition of any charitable deduction property sold within three years of receipt by ABA.

ABA will not accept gifts that

- Violate federal, state, or local law, statute, or ordinance.
- Contain unreasonable conditions or partial interest in property;
- Could expose ABA to liability or potential conflict of interest;
- Would result in ABA's violating its corporate charter;
- Would result in ABA's losing its status as an IRC § 501(c)(3) not-for-profit organization;
- Are too difficult or too expensive to administer in relation to their value; or
- Are for purposes outside ABA's mission.

Legal Counsel

ABA may seek the advice of legal counsel in matters relating to acceptance of gifts. Review by legal counsel is recommended for:

- Gifts of securities that are subject to restrictions, buy-sell agreements, or are not traded regularly on public markets.
- Documents naming ABA as trustee or requiring ABA to act in any fiduciary capacity.
- Gifts requiring ABA to assume financial or other obligations.
- Gifts of property which may be subject to environmental or other regulatory restrictions.
- Transactions with potential conflicts of interest, including the use of Board members as sales agents in transactions, leases of gift property to staff or Board, etc.
- Gifts of patents or intellectual property.

Gifts Generally Acceptable Without Prior Legal or ABA Board Review

<u>Cash gifts</u> are acceptable in any form, including by check, money order, credit card, or on-line. Donors wishing to make a gift by credit card must provide the card type (e.g. Visa, MasterCard, American Express), card number, expiration date, and name of the card holder as it appears on the credit card.

<u>Marketable securities</u> (publicly traded stocks, bonds, mutual funds) may be transferred electronically to an account maintained by ABA at one or more brokerage firms in the United States or, alternatively, delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. Donors should contact the Director of Development of ABA (Director of Development) in advance for transmittal instructions or if the donors wish to donate a physical stock or bond certificate. ABA should be notified in advance about the securities being transferred, the number of shares, the intended gift date, and the designation (if any) of the gift.

All marketable securities will be sold promptly upon receipt unless otherwise directed by the Executive Committee. In some cases, marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Executive Committee or Board.

Gifts of marketable securities will be valued as the average of the high and low prices on the day the securities are received into ABA's brokerage account (which may not be the date the donor initiates a transfer.)

<u>Grants from Donor Advised Fund (DAF)</u> - Donors can recommend grants from a DAF to support qualified charities, including ABA. Donors are encouraged to notify ABA when grants are made so that ABA can appropriately recognize donors.

<u>Qualified Charitable Distribution (QCD</u>) - A donor can submit a request to its IRA custodian, who then will make a direct transfer to ABA with an electronic funds transfer or a mailed check. Donors are encouraged to notify ABA when a QCD is initiated so that ABA can appropriately recognize donors.

Charitable Remainder Trusts- ABA will accept designation as a remainder beneficiary of charitable remainder trusts.

Charitable Lead Trusts- ABA will accept designation as an income beneficiary of charitable lead trusts.

Gifts Requiring Legal and ABA Board Review Prior to Acceptance

Review of the following gift types will be initiated by the Executive Director and the Director of Development. If the initial review reveals issues according to this Policy (described above), the Executive Director and Director of Development may present a recommendation to the Executive Committee for acceptance or non-acceptance of a proposed gift. ABA reserves the option, at its sole discretion, to hold or dispose of/sell any non-cash asset.

Closely held stock transfers that are subject to restrictions or buy-sell agreements - Gifts of closely held stock may require an independent appraisal.

Gifts involving contracts such as bargain sales, partnership agreements, or other legal documents requiring ABA to assume an obligation with the exception of grants for which ABA has submitted a proposal authorized by the Executive Director and Director of Development.

Gifts of any amount with unusual restrictions (e.g. gifts requiring ABA to do work it is not already doing and/or gifts requiring ABA to expand work it is already doing.)

Life Insurance. ABA will accept gifts of life insurance where ABA is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy. Alternatively, ABA may, at its sole discretion, terminate the policy and retain the cash value of the insurance policy. ABA does not accept gifts of group or term insurance.

Tangible Personal Property (TPP): ABA operates programs that may actively solicit gifts of appropriate birding-related items (e.g. quality optics, selected books, etc.) that meet ABA's standards for condition and quality. Gifts of TPP that meet current needs of ABA programs generally do not require a review before acceptance.

Other examples of TPP offered as possible gifts to ABA include books, magazines, art, and equipment (including optical equipment). The tax deductibility of gifts of TPP can be complicated and donors must consult with their own professional advisors. Gifts of these types of TPP can fall into two main categories depending on whether ABA chooses to retain and use the property or whether ABA will sell the property and use the proceeds to benefit ABA. ABA may choose to decline TPP gifts based solely on the anticipated dollar value of the property or the expected amount of sale proceeds relative to the effort and expense involved in accepting, shipping, storing, and disposing, etc. of a proposed gift.

- TPP gifts retained for use by ABA. Proposed gifts should be thoroughly evaluated with following considerations:
  - Does the property further ABA's mission?
  - Is the property marketable?
  - Are there any unacceptable restrictions imposed on the property? Are there any carrying costs for the property for which ABA may be responsible?
  - Is the title/provenance of the property clear?
  - Is the donor willing to finance the packing, shipping, insurance, and other costs associated with transferring the gift to ABA?

- TPP gifts accepted with intent to sell (including TPP given for auction or raffle by ABA) shall only be accepted if they are readily marketable and are free and clear of encumbrances. Prior to accepting the gift, ABA should inform the donor that ABA intends to sell the property. The donor must provide proof of ownership and a qualified appraisal performed within sixty days of the gift proposal date.

Intellectual Property/Other Intangible Interests: ABA may consider gifts of intellectual property such as royalties, copyrights, patents, contract rights, and similar intangible interests that are consistent with ABA's mission and program goals. ABA shall consider the appraised value of the intangible property, the administrative costs involved in accepting such a gift, and whether the donor agrees to assign all rights related to the intangible property. Prior to acceptance of the gift, the donor must provide proof or statement of ownership of the intangible property.

In-Kind Gifts of Services: ABA may accept an in-kind gift of services if approved in advance by ABA Executive Director.

Real Estate. All gifts of real estate are subject to review by the Executive Committee or Board. Prior to acceptance of any gift of real estate, ABA shall require an initial environmental review (arranged at the donor's expense) by a qualified environmental firm. Additional criteria for acceptance of gifts of real estate include:

- Is the property useful for ABA's purposes?
- Is the property readily marketable? Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
- Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
- Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

Estate Gifts (Bequests and Beneficiary Designations under Wills, Revocable Trusts, Life Insurance Policies, Commercial Annuities, and Retirement Plans)

ABA encourages donors to make bequests to ABA under their wills, and to name ABA as the beneficiary under trusts, life insurance policies, commercial annuities, and retirement plans. A bequest or designation will not be recorded as a gift until the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the gift will be recorded in accordance with generally accepted accounting principles.

ABA encourages donors to disclose their bequest and beneficiary designation intentions to the Executive Director or the Director of Development in writing to ensure that ABA is able to carry out the donor's wishes and that the gifts conform to the principles in this Policy. Gifts from estates of deceased donors that do not conform to this Policy may be accepted or rejected by the Board, and such decisions communicated to the legal representative of the grantor donor's estate. If possible, a mutually agreeable plan should be negotiated between ABA and the legal representative to make the gift acceptable.

Use of Gifts and Acceptance of Restricted Gifts

ABA may accept gifts for specific programs and purposes provided that such gifts are consistent with ABA's stated mission and purposes. ABA reserves the right to review, accept, or reject any conditions or obligations proposed by a donor prior to acceptance of a gift. If necessary, the Executive Director may present a recommendation to the Executive Committee for formal acceptance or non-acceptance of a proposed restricted gift. Unless otherwise specifically stated in written solicitation materials or ABA/Donor Gift Agreements, all gifts are considered as unrestricted and without donor-imposed restriction.

Gifts that are designated by a donor as a permanent endowment must be approved in advance by the Executive Director and will be managed in accordance with investment and spending policies as established from time to time by the Executive Committee.

The Executive Committee may, in its sole discretion, designate certain gifts as Board-designated endowments. For example, gifts of $25,000+ received without restrictions should be evaluated by the Executive Committee for use as either Board-designated endowment or set-aside as long-term reserve funds.

In the event the original purpose of a gift becomes impractical or not in the best interests of ABA, the Executive Committee reserves the right to modify the use of the gift.

Additional Provisions

<u>Gift Agreements:</u> Where appropriate, ABA shall enter into a written gift agreement with the donor, specifying the terms of any restricted gift, which may include provisions regarding donor recognition.

Pledge Agreements: A pledge is an unconditional written promise to contribute a stated amount on a specified schedule. Pledges are considered a binding obligation of the donor and are recorded on the Foundation's financial statements. ABA will accept pledges as follows:

- The minimum pledge amount is $5,000.
- A pledge should generally be payable in equal annual installments over no more than five years.
- Gifts made before the signed pledge agreement is submitted to ABA will not be applied to the pledge.
- The person or entity who will make the gifts must sign the pledge agreement. If a family business or family foundation will be making the contributions, the pledge should be signed on behalf of the business or foundation.

A pledge is considered active upon the receipt of the first scheduled pledge contribution. At that time, ABA will recognize the donor for the full amount of the pledge. Due to IRS rules, contributions from donor advised funds may not be applied to a pledge. Pledges are reviewed annually and may be written off if it does not appear that the donor will make the contributions according to the pledge terms. In that case, the donor's recognition level will be reset to reflect their actual giving total.

Potential Conflicts of Interest: To avoid potential conflicts of interest, Board members who own, directly or indirectly, e.g., through family members, trusts or otherwise, a greater than ten percent interest in a business, corporation, or other proposed gift asset shall recuse themselves from any Board vote to accept such gift. Ownership of stock through a diversified mutual fund will not require recusal.

Gift of Proceeds of Crowdfunding or Social Media Fundraising: ABA accepts gifts generated by crowdfunding or by social media platforms such as Facebook, Instagram, etc. ABA will issue an acknowledgement letter and gift credit to the person or entity that transfers funds directly to ABA. Donors are advised to consult with their tax advisors regarding the income tax treatment of donations made through social media platforms.

Fees: ABA will not accept a gift unless the donor is responsible for (1) the fees of independent legal counsel retained by donor for completing the gift; (2) appraisal fees; (3) environmental audits and title binders (in the case of real property); and (4) all other third-party fees associated with the transfer of the gift to ABA.

Donations of Honoraria: ABA may accept gifts of honoraria in lieu of payment for services performed by the donor for ABA. Donors are advised to consult with their tax advisors regarding the income tax treatment of donations of honoraria

Trips and Special Events: When trips or special events involve a charitable contribution, the fair market value and the charitable contribution amount for each participant will be stated specifically in the promotional literature and donor acknowledgment letter. Donations given to offset the costs of a special event are recorded as gift income.

Donor Privacy and Recognition

ABA holds all communications with donors and information concerning donors and prospective donors in strict confidence, subject to legally authorized and enforceable requests for information by government agencies and courts. All other requests for or releases of information concerning a donor or a prospective donor will be granted only if permission is first obtained from the donor.

All gifts made to ABA will receive a prompt written and/or electronically transmitted acknowledgment including a formal tax receipt for monetary donations. ABA is not responsible for maintaining records for proof of charitable contributions beyond providing receipts in compliance with IRS requirements.

ABA may periodically recognize all donors of an annual cumulative amount of $300 or more in various written or online media. Donors will be recognized by first and last name and in a general dollar amount category (not actual dollar totals.) Donors are offered an opportunity in gift solicitation materials to remain anonymous from public recognition.

The above policies and guidelines have been reviewed and approved by ABA Board of Directors. The ABA Board of Directors must approve any changes or amendments to this policy.

Adopted on December 5, 2024

Chris Sloan, Chair
American Birding Association Board of Directors

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