

Natural Resources Council of Maine
Gift Acceptance Policy
Revised May 2024

The Natural Resources Council of Maine (NRCM) is a 501(C)(3) nonprofit membership organization whose mission is to protect, restore, and conserve Maine’s environment, now and for future generations.

We appreciate a donor’s desire to make any gift to NRCM and it is our desire and intention to accept all the gifts we can. The Gift Acceptance Policy (the “Policy”), describes the circumstances under which NRCM can accept present and future interest gifts. General considerations affecting gifts of all kinds are described in Part One of the Policy. The different sorts of property that NRCM can accept are described in Part Two of the Policy. The various means by which gifts may be made are described in Part Three.

NRCM’s board of directors (the board) is charged with maximizing the organization’s ability to perform its mission. Toward that end, the board has a fiduciary duty to assure that NRCM’s assets are employed efficiently and protected from potential liabilities and diversion to purposes other than those that will further NRCM’s goals. In an effort to discharge that fiduciary duty, the board of directors has approved this Gift Acceptance Policy which is intended both to keep NRCM financially secure and to assure donors that their contributions are used in accordance with their wishes and NRCM’s mission. We hope this explicit statement of the Policy can serve as a guide to the responsibilities of both donors and NRCM in planning and accepting charitable gifts.

NRCM would be happy to provide a copy of this Gift Acceptance Policy to any legal or financial professional with whom a donor consults and to answer any questions concerning this Gift Acceptance Policy. For further information, please contact NRCM’s Senior Director of Philanthropy or another authorized organization representative at (207) 622-3101 for assistance.

NRCM Contact Information

Philanthropy Department
support@nrcm.org
(207) 622-3101

General NRCM Information
nrcm@nrcm.org
(207) 622-3101
www.nrcm.org

NRCM Account Information

Tax ID:
01-0270690

Stock transfer information:
Charles Schwab & Co., DTC#0164
Account: Natural Resources Council of Maine, #8519-4666

Part One

General Policies Relevant to All Gifts

1. Employment of Counsel

In some circumstances, it is prudent for NRCM to work with legal counsel in structuring significant gifts. When those circumstances arise, NRCM employs, at its own expense, counsel who is independent of the donor. The instances in which NRCM expects to work with counsel are identified below. We encourage donors to consult their own legal and tax counsel as their needs may require, and we ask that all potential contributors to NRCM understand that counsel working with NRCM to structure a gift cannot also work with or represent the person making the gift. NRCM and its employees and agents are prohibited from advising donors about the tax consequences of their donations, so donors should seek advice on the tax ramifications of any gift to NRCM from independent legal or tax advisors.

2. Acceptance Process

Some gifts to NRCM are more complex than others. In the case of certain gifts, NRCM requires that the organization's acceptance of the gift be approved by the board of directors. Gifts that can only be accepted with the approval of the board are identified below. Gifts that do not need to be accepted by the board may be accepted by the Chief Executive Officer (CEO) or their designate on the organization's behalf.

3. Membership

NRCM is a 501 (c)3 nonprofit organization whose supporters are comprised of members, donors, and institutions. Membership dues are recommended by the Philanthropy team and are approved by the board of directors. At any time, under circumstances set by the Philanthropy Department, a membership may be elected to be set as complimentary for a minimum of a one-year period.

4. Unrestricted Gifts

Like all charitable organizations, NRCM seeks gifts for general support of our goals; unless otherwise specified by the donor, membership gifts fall into this category. Unrestricted support allows us to be responsive to Maine's environment.

5. Restricted Grants and Gifts

NRCM welcomes restricted grants and gifts in support of priorities consistent with NRCM's purpose and mission.

For current priority programs and ongoing work

Examples of these programs include but are not limited to Forests & Wildlife, Climate & Clean Energy, Healthy Waters, Federal Work, Sustainability, and Enhanced Outreach. Restricted funds allocated to these programs are used to directly support work in these areas.

To expand or add to program and priority work

NRCM may be presented with an opportunity to undertake work, that is outside of the current work plan, which will help advance our mission. Typically, the opportunity arises when a foundation or individual donor recognizes that NRCM is uniquely positioned to address a major threat to the environment and offers to support our efforts to meet this challenge. Before accepting a restricted gift or grant to launch a new initiative or to expand a program, approval

must be granted by the CEO or their designate. Restricted gifts to expand work that are over \$500,000 must receive board approval.

Permanently endowed funds

Gifts to create permanent endowment funds are subject to review and approval by the board. The minimum threshold to create an endowed fund is \$1,000,000. Existing endowment funds will accept additional donations to be used in accordance with the purpose of the existing endowment fund, these gifts will be considered and accepted in line with the other requirements of this policy. Endowment funds are an opportunity to support the organization in perpetuity. Endowment funds are invested in line with Maine UPMIFA regulations, with an eye towards perpetuity. Spending from endowment funds is calculated in line with the NRCM spending policy, whereby an annual draw from total return is calculated using 4.5% of the 12quarter average.

Fiscal sponsorship

NRCM may serve as the fiscal sponsor for a community group working on an environmental issue that does not conflict with NRCM's advocacy positions and carries minimal risk to NRCM's finances or reputation. Donations passed through to a community group are subject to the same standards of review and handling of gifts received for NRCM's own use. Organizations requesting fiscal sponsorship should send, either directly or through an NRCM staff member, a letter of inquiry or a proposal to be reviewed by the CEO or their designate. The reviewer may, at their discretion, bring requests for fiscal sponsorship to the board's Finance Committee for further consideration.

Other types of restricted gifts

NRCM may undertake a campaign or initiative to raise gifts over a defined period of time for specific priorities, either in support of the organization's mission or to achieve an environmental goal in collaboration with other institutions (e.g., the Penobscot River Restoration Trust). NRCM will develop a separate "Gift Counting Policy" for each campaign, for review and approval by the board.

NRCM reserves the right to deny a restricted gift

Restricted gifts that are counter to or beyond the scope of NRCM's mission and purpose may be turned down.

Board Directed Fund

NRCM may accept donations to the Board Directed Fund. The Board Directed Fund is an investment fund overseen by the board of directors and managed by an external investment company. It is funded by bequests and other planned gifts, capital or major gift campaign contributions, and excess unrestricted funds from NRCM's operating cash account. NRCM can draw up to 4.5% from a trailing 12-quarter average annually. Additional draw is allowable, subject to board approval.

6. Avoiding Unacceptable Contributions

Donations from business and corporations

NRCM will avoid accepting donations from entities if such gifts create an actual or perceived conflict of interest. NRCM will not knowingly accept donations from any business whose product

or reputation could undermine the integrity and independence of NRCM. More specifically, NRCM will not solicit or accept donations from business that: (a) are known substantial polluters of the environment; (b) have a significant and potentially controversial permitting or licensing matter under consideration by state or federal agencies; (c) have an unresolved environmental regulation enforcement matter pending before state or federal regulators; or (d) have a mission, values, or objectives that are contrary to NRCM's mission and values.

Donations from individuals and foundations

If the donor themselves made their wealth in an industry that meets any of the above criteria, NRCM has the right to deny the donation.

Applies to business, individual, and foundation donors

The fact that a potential contributor has permits from environmental agencies or may in the course of its business affect the environment does not *per se* disqualify it as a donor.

The board of directors may also establish a ceiling above which the CEO must obtain board approval before declining a gift. The current ceiling is \$25,000.

NRCM reserves the right to refuse any gift, and maintains absolute control over if, how, and when its name or logo can be used by any donor. Businesses may not use NRCM's name or logo as part of any corporate message or to further the commercial interest of a business, and the NRCM name and logo may not be used in any publication without prior written permission. Any publicity should, if possible, be determined before the donation is accepted. Please see internal processes for additional information and detail.

7. Fees and Commissions

NRCM does not pay "finder's fees" or commissions to third parties in connection with gifts to NRCM. No officer, employee, or agent of NRCM is or will be compensated in a manner that is dependent on the size or nature of gifts made to NRCM by any person. When NRCM engages legal counsel, accounting professionals, appraisers, or environmental consultants, their fees and expenses will be determined according to the time they spend engaged on NRCM's work and not by reference to any particular gift in connection with which they are retained. Their fees will be paid by NRCM. Any such professional engaged by NRCM will be clearly identified to the donor or potential donor as working on behalf of NRCM and not on behalf of the donor. The fees and expenses of legal counsel, accounts, or appraisers engaged by donors may be wholly or partly paid by NRCM, at the request and with the consent of the donor, but only with the approval of the board. In any case in which a donor's professional fees are paid in whole or in part by NRCM, representatives of NRCM will inform the donor that the payment constitutes taxable income to the donor.

8. Establishing the Value of Donated Property

It is the policy of NRCM to comply fully with the valuation rules set out in Publication 561 of the Internal Revenue Service and the relevant income, gift and estate tax laws and regulations. Copies of Publication 561 are available at www.irs.gov. Property contributed to NRCM that has a value in excess of \$5,000 must be accompanied by an appraisal unless it consists of (a) cash, (b) marketable securities, (c) closely held securities with a value of \$10,000 or less, (d) a vehicle, the value of which will be determined by its sale, (e) intellectual property such as a copyright or patent, or (f) stock-in-trade, inventory, or other property that would otherwise be held by the

donor for sale to customers in the ordinary course of the donor's business. Appraisals must be done within six months of initiating the gift to NRCM.

The fee for the appraisal may not be based on the value of the appraised property, and the appraiser must be "qualified," as that term is used in IRS Publication 561. A "qualified appraiser" is one who is ordinarily in the business of appraising similar property, has appropriate educational and experiential background, performs appraisals for many different people and purposes (and not primarily either for NRCM or for the donor) and is not employed by NRCM, the donor, any relative of the donor, or any entity controlled by the donor or members of the donor's family. Duplicate originals of each appraisal should be prepared, one for NRCM and one for the donor.

NRCM reserves the right to alter the value of property contributed to it on the books and records of NRCM for accounting, tax-reporting, annual fund record-keeping, or any other purpose if developments after the completion of the gift or information that comes to the attention of NRCM after the gift is completed are determined, in the discretion of board or NRCM's auditors, to merit such an alteration.

9. Tax Compliance

Donors of property other than cash and marketable securities that has a value of \$500 or more are required to file IRS Form 8283 with their individual tax returns for the year in which such a gift is made, if they intend to take an income-tax deduction for the gift. In each instance of NRCM's receiving a gift to which this rule is applicable, NRCM will use all reasonable efforts to inform the donor of the applicability of this rule. The Internal Revenue Code also requires NRCM to report on Form 8282 the sale and amount of proceeds of any property it sells within three years of receiving such property by gift. It is the policy of NRCM to comply fully with this reporting requirement and all other applicable aspects of state and federal tax law.

Part Two:

Types of Property That May be Donated

1. Gifts of Cash

The most frequent, and also the simplest, means of supporting the work of NRCM is to give cash, either by cash, check, or credit card. Checks should be made payable to the "Natural Resources Council of Maine" or NRCM; and checks made payable to any employee, officer, or agent of NRCM cannot be accepted. Funds may also be wired to NRCM's bank account, if a donor desires to do so, and wiring arrangements can be made through NRCM's Philanthropy Department. Funds will be treated as having been received by NRCM on the date of arrival. Gifts received between December 31 and January 30 will be evaluated by date of postmark. Annually the Philanthropy team determines the end date by which gifts will be processed into the prior tax year.

2. Publicly Traded Securities

Any unrestricted stocks or American Depository Receipts that are traded on any recognized domestic stock exchange, and corporate and government bonds for which there is an established market ("marketable securities"), are welcome as contributions to NRCM and may be accepted by Philanthropy staff. Securities accompanied by appropriate transfer instructions

may be delivered to NRCM's office or wired to an investment account maintained by NRCM and will be treated as having been delivered when NRCM or its investment agent has received all the documentation necessary to complete the transfer of ownership without any further involvement on the part of the donor. Securities traded exclusively in markets outside the United States can only be accepted with the approval of the board. Marketable securities will be sold by NRCM promptly upon receipt.

3. Closely Held and Restricted Securities

Corporate stock for which there is no established market that is readily accessible to NRCM, including the stock of "Subchapter S Corporations," which is subject to trading restrictions, partnership interests in general or limited partnerships or in limited liability partnerships, and memberships in limited liability companies that are not traded on an established domestic securities exchange ("closely held securities") can be accepted by NRCM only with the approval of the board. NRCM is willing to consider any proposed gift of closely held securities; each gift will be carefully examined on a case-by-case basis. NRCM will ordinarily expect to retain legal counsel, at NRCM's expense, to advise it in connection with any proposed gift of closely held securities, especially those where unrelated business taxable income (UBTI) may be incurred. Because of the complexity involved in NRCM's accepting gifts of closely held securities, a prospective donor should allow ample time between the proposal of the gift and its completion. At least three months are necessary to assure that all the ramifications of such a gift for both the donor and NRCM are identified.

Donors are required to file IRS Form 8283 if they contribute closely held securities with a value in excess of \$500, and NRCM is required to file Form 8282 with the IRS if the securities are sold within three years after NRCM receives them.

4. Real Estate

Gifts of real estate to NRCM can only be accepted with the approval of the board. Gifts of real estate may take an extended amount of time, and donors should be prepared to allow at least three months for a proposed gift of real estate to be processed. The Philanthropy team will present a recommendation to the Finance Committee, who can either approve the gift or choose to present to the full board for final approval. NRCM may require a legal opinion as to the state of the donor's title before such a gift can be accepted. In some cases, legal counsel may be consulted for other matters beyond the title pending individual property considerations. Initial legal consult will be at NRCM's expense. Should further legal action or remediation be required, NRCM and the donor will mutually agree upon payment structure.

Donors should be prepared to provide a description of their intended donation alongside an appraisal. Please see section 8: Establishing the Value of Donated Property for appraisal guidelines. Potential real estate donors must provide a general inventory of any items expected to be present on property at the time of the proposed donation.

Proposed real estate gifts will be the subject of at least a Level I Environmental Site Assessment (ESA) — as defined by the American Society for Testing and Materials — to assure the absence of environmental contamination and, if a Level I ESA is considered inadequate or inconclusive by the board, more extensive environmental testing may be required. All necessary environmental testing is conducted at NRCM's expense.

Donors should anticipate that contributed real estate will be sold by NRCM as promptly as market conditions permit after NRCM takes actual possession of the property, except if real estate donated to NRCM is proximate to an existing facility operated by NRCM and appropriate for NRCM's use in the operation of that facility. NRCM is unable to accept gifts of real estate for which there is not likely to be a market. During any period in which donated real estate is retained by NRCM prior to sale, it will be subject to real estate taxes and, depending on the nature of the real estate, other maintenance expenses. Because NRCM does not divert its financial resources to support maintenance of real estate held for sale by NRCM, donors of real estate should also donate sufficient cash to pay the taxes and other expenses associated with the donated property for the period between its donation and its sale. In the absence of sufficient cash to permit the satisfaction of these expenses, NRCM may need to decline the gift.

Donors who wish to make a real estate gift via their estate are subject to the same requirements as above, and once approved, must work with the Senior Director of Philanthropy or a designate to affirm the mutually agreed upon language to be placed in the donor's will or other estate planning document. A copy of the relevant portions of finalized documents will be stored in NRCM's confidential donor files.

NRCM ordinarily does not accept real estate that is encumbered by mortgages, other liens, or is considered an asset under dispute. NRCM reserves the right to decline donations of real estate that would require a financial expenditure to prepare for sale unless the donor is willing to cover such expenses.

Donors are required to file IRS form 8232 if they contribute real estate with a value in excess of \$500, and NRCM is required to file Form 8282 with the IRS if the real estate is sold within three years after NRCM receives it.

As an environmental organization, NRCM may be approached by a member or a concerned landowner to accept a gift of property for conservation or a conservation easement. While NRCM is grateful for interest in protecting the property, we believe the landowner's interests would be better served by working with a land trust or a conservation organization. If the lands are part of or adjacent to a conservation project with which we are familiar, we may advise the landowner to contact the organizing group directly. If not, we may advise the landowner to contact a local or state land trust to determine which organization would best serve their needs. For resources on land trusts in Maine, visit Maine Land Trust Network (www.mltn.org).

5. Tangible Personal Property

The term "tangible personal property" applies to any property that is not real estate, cash, or securities and that has an intrinsic utility. Examples include, but are not limited to: artwork, automobiles, boats, farm equipment, stamp or coin collections, furniture, and jewelry.

NRCM gratefully accepts contributions of tangible personal property that can be used in the performance of our work. Such property might include vehicles, books, furniture, and computers, among other things. Gifts of tangibles that will clearly be usable immediately in NRCM's operations may be accepted by the CEO or their designate. When such gifts are accepted, the organization will provide the donor with an appropriate acknowledgment of the gift in which the intention of NRCM to retain the donated property for use in the performance of its charitable functions will be clearly stated.

Gifts of other kinds of tangible personal property that will not be used in NRCM's programs may be subject to Philanthropy staff determination of feasibility and economics of the property, or will otherwise be referred to the board of directors for acceptance. It is to be expected that NRCM will sell any such property as promptly as market conditions permit. In the absence of a letter to the donor from the organization stating that contributed tangible personal property will be retained by NRCM, a donor must assume that the property will be offered for sale. NRCM cannot accept gifts of tangible personal property that are subject to restrictions related to the timing of their sale or for which there is no market to which NRCM has relatively convenient access. If there will be costs associated with the maintenance of a donated item of personal property between the time of its contribution to NRCM and the time when it is likely to be sold, such as transportation costs or rental payments on a storage facility for a vehicle, NRCM may need to decline the gift unless the donor provides the organization with sufficient funds to maintain the property pending sale.

Donors are required to file IRS Form 8283 if they contribute tangible personal property with a value in excess of \$500, and NRCM is required to file Form 8282 with the IRS if the tangibles are sold within three years after the organization receives them.

6. Gifts of Life Insurance

Gifts to NRCM of fully paid whole life insurance, ordinary life insurance, or endowment policies on which no future premium payments are due may be accepted by the CEO or their designate. Gifts of policies having a current cash value but with respect to which future premium payments are possible or are known to be due will be recommended by the Philanthropy team and are approved by the board of directors.

Whether any such policy is accepted will depend on the economics of the transfer.

If the policy can be converted to a paid-up policy of lesser value or if the donor agrees to make future premium payments or if the policy has sufficient value to permit the payment of future premiums out of that value for as long as necessary, then the policy will be accepted by NRCM. In any case in which a policy is accepted, NRCM will work with the insuring company to transfer ownership of the policy from the donor to NRCM and will change the beneficiary designation to permit NRCM to collect the insurance proceeds when the policy matures.

NRCM cannot accept a gift of a term life insurance policy without cash value unless the donor of the policy agrees to maintain the policy in force by remaining responsible for payment of future premiums.

Any gift of a term policy to NRCM must be accepted by the board and, following acceptance, NRCM will take steps to change the ownership of the policy from the donor to NRCM and to assure that NRCM is notified if any future premiums are not paid on a timely basis. The beneficiary designation will also be changed to name NRCM as the beneficiary.

Gifts of life insurance policies otherwise meeting the criteria above naming multiple beneficiaries will be referred to the board for its consideration before acceptance.

NRCM will not accept gifts of cash or property from a donor if the use of the gift is restricted to the purchase of a life insurance policy on the donor or any other person.

Donors are required to file IRS Form 8283 if they contribute an insurance policy with a value in excess of \$500, and NRCM is required to file Form 8282 with the IRS if the policy is sold within three years after NRCM receives it.

7. Retirement Plan Assets

For more information on retirement plan assets, please visit the IRS resource page here: irs.gov/retirement-plans/plan-participant-employee/retirement-topics-plan-assets

NRCM will accept retirement plan or fund gifts as either a partial or full death beneficiary of such funds when named in the applicable death beneficiary designation. Donors interested in creating such gifts, avoiding both income and estate taxes otherwise payable, should contact the administrator of their retirement fund to provide for a death beneficiary designation of NRCM. NRCM's tax ID is 01-0270690.

8. Miscellaneous Property Interests

NRCM will entertain conversations of gift vehicles not covered in this document, with approval of the board. Please contact the Philanthropy Department.

**Part Three:
Types of Gifts**

1. Outright Gifts

Outright gifts are transfers directly to NRCM for its immediate use. Such gifts maximize the value of the donation to NRCM and are generally similar and quicker to conclude than other kinds of donations. Whether an outright gift is to be accepted by the organization or by the board depends on the nature of the property being donated. Examples of outright gifts include: cash, stock, donor advised funds, personal foundations etc.

2. Bequests

Donors may make transfers to take effect at death through their wills or trust documents. Donors and or advisors please consult the Philanthropy Department on recommended language.

NRCM appreciates being advised by members that they have remembered the organization in their estate plans, whether the remembrance is in the form of a restricted gift or an unrestricted one.

Gifts made to NRCM under a will or trust will be credited to NRCM's Board Directed Fund unless the donors note otherwise. If the donor restricts the bequest, the board must review the terms of the gift and determine whether to accept it. Wherever possible, NRCM will seek to discuss the bequest with the donor at the time the relevant document is drafted to avoid misunderstandings later.

In the event that NRCM must decline a gift made in a donor's will or trust after the donor's death; 1.) the decision to renounce the gift, and a renunciation document in a form acceptable to both NRCM and the representative of the estate or trust from which the transfer was to be

made will be delivered to the representative after NRCM is informed of the gift, 2.) and every effort will be made to assure that the renunciation document is delivered to the estate or trust representative after the decedent's death. In any case in which renunciation of a gift under a will or trust is contemplated, NRCM will consult legal counsel at the expense of NRCM.

3. Charitable Remainder and/or Lead Trusts

It is the policy of NRCM not to serve as trustee of charitable remainder annuity trusts or charitable remainder unitrusts of which it is a beneficiary. This policy is intended to assure that such trusts receive the full-time investment management that they deserve and to eliminate any possibility of a conflict of interest in investment choices or any other subject between the current annuity or unitrust beneficiaries of such trusts and NRCM as remainder beneficiary. Representatives of NRCM are, however, available to cooperate with any potential donor to a charitable remainder trust in tailoring the provisions of those trusts to the donor's particular situation.

NRCM reserves the right to decline remainders under trust instruments where the nature of the property or the conditions on its use are not consistent with the best interests and other activities of NRCM. Decisions on whether to accept or decline these gifts are recommended by the Philanthropy Department and approved by the board of directors.

Unless otherwise agreed upon by the donor and NRCM, the annual distributions from these charitable lead trusts will be used to support NRCM's general operating fund.

4. Pooled Income Fund

NRCM does not maintain a pooled income fund. Donors have a variety of pooled income options to choose from. Some of NRCM's partners include: Schwab Charitable, EP Wealth Advisors, Reynders McVeigh, and Maine Community Foundation.

5. Charitable Gift Annuities

Charitable gift annuities and deferred charitable gift annuities can be made available by NRCM. The minimum gift amount to establish a charitable gift annuity is \$15,000. The minimum age at which annuity payments can begin is when all annuitants are aged 70 or older. Payout rates for annuities offered by NRCM will be at or below the maximum payout rates recommended on a yearly basis by the American Council on Gift Annuities.

Once NRCM issues an annuity to a donor or other beneficiary designated by the donor, NRCM is obligated to pay the annuity for as long as it is in effect. Assets contributed to purchase the annuity are preserved as a separate fund at NRCM. NRCM does not purchase private annuities to make the annuity payments that NRCM, by issuing annuities, becomes obligated to make.

NRCM cannot accept gifts of tangible personal property to fund a gift annuity. Gifts of real estate to fund such annuities will be carefully considered by the board of directors according to the guidelines in Part Two, Section 4 – Real Estate.

After the charitable gift annuity matures, the funds are transferred to the Board Directed Fund.

6. Gifts of Remainders in Residences or Farms

Gifts of remainder interests in personal residences or farms can be accepted only with the approval of the board. See guidelines in Part Two, Section 4 – Real Estate.

7. Bargain Sales

Bargain sales to NRCM are possible only with the approval of the board. NRCM will retain legal counsel to consider any such sale. Whether other steps are necessary before the consummation of any such sale will depend on the nature of the property to be sold, as described in Part Two of this Policy.

NRCM cannot enter into agreements for the bargain sale of real estate subject to a mortgage or other lien or any other arrangement that would give rise to unrelated business taxable income (UBTI). Whether there are UBTI issues involved in any proposed bargain sale will be examined closely by counsel to NRCM at NRCM's expense.

Conclusion:

NRCM thanks you for considering a charitable gift to support our mission. For any questions regarding this policy, please contact the Philanthropy Department.