

Gift Acceptance Policy

Policy Date: March 19, 2019

Policy:

The Friends of the Forest Preserve District of DuPage County (the "Friends") will accept third-party gifts and donations of cash, in-kind products or services. The Policy is an effort to ensure that the acceptance of such gifts will be in conformity with the mission of the Friends as well as generally accepted practices of the Friends as a non-profit entity.

I. GENERAL GUIDELINES AND RESTRICTIONS

- A. The Friends maintains the right to refuse any donation.
 - 1) The Friends may decline gifts that require excessive potential financial or legal liability.
 - 2) The Friends may decline gifts that contain restrictive conditions or require any actions that are not in the best interest of the District.
 - 3) The Friends may decline donations when, in the opinion of the Friends Board, the donation is in any way inconsistent with the Friend's mission. The Friends may decline a gift without specifying a reason.
- B. The Friends will work with the Forest Preserve District of DuPage County (the "District") to help facilitate and process donations and gifts to benefit the District in accordance with the Friends and District's memorandum of understanding.
- C. The Friends will adhere to all federal, State of Illinois, and local laws, rules and regulations relating to charitable organizations.
- D. The Friends will not compensate any employee, volunteer or contractor through a contingency fee, commission or other percentage basis for any donation obtained by the employee, volunteer or contractor.
- E. Any contribution or solicitation for a gift from a District vendor, Friends vendor or potential vendor engaged in the bidding process must not be directly related to the District's or Friend's business relationship to the vendor or the vendor's competition.
- F. As a result of a donation, an employee, District Commissioner, Friends Board Member, or volunteer solicitor shall not expect any favoritism from a donor, nor

agree to any donor-directed changes in the mission and programs of the Friends or the District.

- G. Gifts may not be accepted for personal use by any volunteer, employee, Friends Board Member or District Commissioner.

As a general rule, except in the case of some, expenses associated with a donor's gift, such as appraisals and legal fees, should be borne by the donor. Special exceptions may be granted by the Friends Board Chair if it is determined that doing so is in the Friends' best overall interests and is necessary to facilitate the gift.

II. ETHICAL CONSIDERATIONS

Philanthropy can provide great benefits to the District but may come with unintended consequences that require prudence in their acceptance. The District's and Friends name, image and associated symbols generate significant goodwill and have a value requiring vigilant protection. Association with products or practices not in alignment with the District's or Friends' mission or politically motivated individuals or organizations should be avoided. In addition unforeseen occurrences (such as deleterious environmental events) may require the District and/or Friends to have the ability to sever relations where deemed in the District's and Friends' best interests.

While requested anonymity may reflect the purest form of giving, the Friends' relationship with donors should be transparent and understandable to the public. A donor's request for confidentiality will be respected, provided that such confidentiality does not conceal a real or perceived conflict of interest or similar ethical concern. Any contractual agreements should contain exit provisions for the Friends in the event that it is later determined that any partner does not ethically carry out the mission of the District or Friends.

In addition to the above cautions, the Friends will not accept a donation from persons or entities:

- Who are opposing parties involved in pending litigation.
- Who are seeking to obtain a business benefit or assistance from the District or the Friends.
- When acceptance would create a conflict of interest or the appearance of a conflict of interest or impropriety.

- When the conditions placed on a donation are inconsistent with the authorized purposes, procedures or policies of the District and the Friends.
- When the donation is inconsistent with or otherwise seeks to circumvent laws, regulations or policies.

Consideration will be given to how the solicitation, acceptance and recognition of the donation will reflect on any partner and the District preserve, program or partner.

III. GIFT DESIGNATIONS

- A. Unrestricted Gifts. To provide the Friends with maximum flexibility in the pursuit of its mission's greatest needs and general operations, donors shall always be encouraged to make unrestricted gifts.
- B. Budgeted Programs or Facilities. The Friends may accept a gift that is restricted to priority projects, or to an approved budget item, funding a specific program, purpose, facility, or preserve for which the restricted gift is made.
- C. Variance Power. Unless otherwise approved in advance by the Friends Board Chair or Treasurer, the Friends will reserve the right, in any documentation that restricts the use of the gift, to broaden or alter the purpose of the gift should it be determined in the future that the original purpose of the gift no longer meets the needs or serves the mission of the District or where the original purpose no longer exists. In the latter case the Friends Board Chair or Treasurer shall apply the gift in a manner closest to the original purpose of the gift.

IV. ACCEPTABLE GIFTS

- A. Donations of Cash are acceptable in the form of currency, money orders, online transactions, checks or electronic transfer.
- B. Planned or deferred gifts including but not limited to bequests, trusts, charitable gift annuities, charitable remainder trusts, charitable lead trusts, or IRA's will be considered for acceptance. Such gifts will not be recorded as donations to the Friends until such time as the gift is irrevocable.
- C. Life Insurance Policies. The Friends shall encourage donors to name the Friends of the FPDDC as either the primary or contingent beneficiary of their life

insurance policies. Policies paid in full should list the Friends as both a beneficiary and irrevocable owner of the policy. If the policy is not paid in full, the gift is valued at its cash surrender value upon receipt.

D. Publicly Traded Securities. The value of the gift will be calculated using the mean share price between the high and low selling prices quoted on the day the stock becomes an asset of the Friends. All marketable securities will be sold upon receipt.

E. Tangible Personal Property (such as livestock, equipment, vehicles, etc. and donations of media or intellectual property, patents, copyright titles, trademarks or royalties). Gifts of personal property are to be valued by the donor, evaluated by District staff by need and use, and reported to the District as part of their Collections and recorded as such. The Friends will record and acknowledge the gift(s) once received, but will not provide valuation of in-kind donations.

1) Related Use. If the property will be retained by the District for use in its programs, the office within the District that would be responsible for the continuing use of the property shall determine any carrying costs, insurance, maintenance, etc. related to the future use of the property in assisting the Friends in considering its acceptance.

2) Unrelated Use. If the property will not be retained for use by the District, the Friends must determine, prior to recommending the gift for acceptance, a plan for selling the property for cash, including the anticipated time frame and marketing expense for the proposed sale.

3) Accessioned, De-Accessioned, Non-Accessioned Items and Loans. The Executive Director shall designate the District's Collections Committee to establish procedures for the process of accepting objects into the District's Collection, procedures for removing objects from Collections and development of procedures for the loan of objects.

F. Donations of Professional Services. Donations of services may require a contract, waiver of liability, and certificate of insurance listing the District as an additional insured. The District and the Friends are under no obligation to provide materials to support donated services. Donations of in-kind services are to be valued by the donor and reported to the Friends. The Friends acknowledges but will not provide valuation of in-kind services.

G. Real Estate Including Donations of Land, Remainder Interests in Property and Conservation Easements.

- (1) All proposed land donations must follow the procedures in Forest Preserve District Ordinance No. 07-101, "An Ordinance Establishing Procedures for the Investigation and Documentation of Land Under Consideration for acquisition by the Forest Preserve District of DuPage County", which includes an environmental assessment.
- (2) Donations of land or a personal residence will not be accepted by the Friends at this time and should instead be handled by the Forest Preserve District of DuPage County.

H. Closely Held Securities, Limited Partnerships and Other Liabilities. The District will not accept interests in partnerships or other investment entities exposing the District or the Friends to liability, including the obligation to provide capital contributions or other funding for the investment, without adequate indemnity from the donor to fulfill those obligations.

I. Installments, Pledges and Payroll Deduction. Donors wishing to make their gifts in installments over time to document their commitment to the District in a written Pledge Agreement will create a binding legal obligation to the donor, as well as a claim against the donor's estate if the commitment remains unpaid at his or her death. For donors wishing to retain more flexibility by making their commitment nonbinding, documentation shall be referred to as a Letter of Intent in order to avoid confusion with binding commitments documented as Pledge Agreements. Unless a longer period is approved by the Friends Board Chair or Treasurer, Pledge Agreements and Letters of Intent will not extend over a period of more than five years. District employees or volunteers may work with their employers to set up recurring donations or payroll deductions via check, online transaction or wireless transfer to benefit the Friends and any designation they choose to specify.

V. ENDOWMENTS

Endowments can be established to invest the capital or principal amount of the donation, with the investment earnings used to provide a permanent source of annual funding to support a variety of District needs. Endowments must be established by a written agreement under the auspices of the Friends of the Forest Preserve District of DuPage County, which can invest and manage the endowment

in accordance with professional financial management standards. The agreement establishing the endowment shall contain a variety of legal provisions including, but not limited to, an expressed statement that the funds are to be used solely for DuPage forest preserves' purposes, the procedures for determining the annual level of funding available, and the decision-making procedure for expenditures. In addition, a survival provision should be included in the agreement in the event changed circumstances render the designated use inappropriate or unavailable and/or the Friends ceases to exist or otherwise becomes unable or unwilling to administer the endowment. All proposed endowment agreements must be reviewed and approved by legal counsel, the Director of Finance and the Friends Board Chair or Treasurer.

VI. AUTHORITY

A) Projects included in the Approved Fiscal Year Budget or 5-year Capital Improvement Plan (sometimes called Master Plan).

1) The Friends Board Chair or Treasurer may approve the request for or acceptance of funds for any project that requires the Friends to provide funds/matching funds of \$20,000 or less.

3) The majority of the Friends Board of Directors may approve the request for or acceptance of funds for any project that requires the Friends to provide matching funds of greater than \$20,000.

B) Other Projects Not Previously Approved

1) The Friends may evaluate the scope of a proposed priority project via the application form and approve the request for or acceptance of funds to be raised in a reasonable period of time or require no more than a nominal amount of staff time to complete fundraising and marketing tasks to raise the requested funds.