

# **FRIENDS OF THE FOREST PRESERVE DISTRICT OF DUPAGE COUNTY**

## **GIFT ACCEPTANCE POLICY**

Policy Date: March 19, 2019

Revised Dates: September 24, 2024

### **I. Governing Authority**

The Gift Acceptance Policy fulfills requirements regarding the acceptance of gifts, donations, and grants established in the Memorandum of Understanding Number 13-295 between the Forest Preserve District of DuPage County (“District”) and the Friends of the Forest Preserve District of DuPage County (“Friends”) and the Bylaws of the Friends of the Forest Preserve District of DuPage County as revised and adopted. The Gift Acceptance Policy also fulfills requirements established under the Uniform Prudent Investor Act, the Uniform Prudent Management of Institutional Funds Act, and the generally accepted practices of charitable organizations under Code Section 501(c) (3).

### **II. Scope**

The Gift Acceptance Policy applies to and governs the acceptance of all gifts, donations, grants, and bequests to the Friends. Gifts include but are not limited to any donation of cash; services; tangible personal property; financial assets such as securities, trusts, annuities; IRA accounts and life insurance policies; digital assets; and real estate as defined in Section IV Definitions of this policy.

The Gift Acceptance Policy establishes and characterizes the gifts that may be accepted, identifies responsibilities and restrictions on acceptance of all gifts, and ensures that all gifts accepted by the Friends will be consistent with the mission of the Friends and the District.

### **III. General Objectives**

- A. The Board of Directors of the Friends (“Board”) is responsible for the control and management of all assets of the foundation, including prudent management of all gifts consistent with donor intent. The Friends shall honor the terms, conditions, or limitations imposed by the donor or legal determination of any gifts accepted.
- B. The Friends may accept third party gifts as defined in Section IV. This policy is adopted to ensure that the acceptance of all gifts is consistent with the mission of the Friends as well as generally accepted practices of the Friends as a charitable, non-profit 501(c) (3) organization.
- C. The Friends maintains the right to refuse the acceptance of any gift. The Friends may decline gifts that:

1. require excessive potential or legal liability;
  2. contain restrictive conditions or actions that are not in the best interests of the Friends and/or the District;
  3. are, as determined by the Board, in any way inconsistent with the Friends' mission; or
  4. the Friends chooses to decline at their sole discretion for any or no reason.
- D. The Friends will adhere to all federal, state, and local laws, rules, and regulations relating to charitable organizations.
- E. 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.
- F. No employee, volunteer, or Board member may accept a gift for personal use from a donor that is related to any gift or potential gift to the Friends.

#### **IV. Definitions**

- A. "Gifts" include any donation, contribution, or transfer to the Friends of:
1. cash in the form of currency, money orders, checks, or electronic transfers;
  2. securities;
  3. tangible personal property;
  4. digital assets;
  5. real estate including land, remainder interests in property, and conservation easements;
  6. planned or deferred giving such as trusts, charitable gift annuities, charitable remainder trusts, charitable lead trusts, or IRAs;
  7. bequests;
  8. life insurance policies;
  9. donations of professional services;
  10. grants; and
  11. installments, pledges, and payroll deductions.
- B. "Unrestricted Gifts" are those gifts with no donor-imposed restrictions or conditions and can be used for any purpose the Frinds chooses.
- C. "Restricted Gifts" are gifts or donations that a donor has restricted for a specific purpose or time. Gift restrictions occur when a donor has placed conditions or restrictions on the use of the gift or when funds were donated to the Friends through a solicitation for a specific program, project, or facility. Examples of restricted gifts include capital or master plan project donations. Once the purpose is fulfilled or the time limit expires, the funds are no longer restricted and will be re-classified as unrestricted.

- D. “Anonymous Gifts” are those gifts where the donor requests that the source of the gift not be listed in any records or divulged to the public.
- E. “Donor” means any person, business, corporation, organization, foundation, or government entity that makes a Gift to the Friends.
- F. “MOU” means the Memorandum of Understanding Number 13-295 dated September 3, 2013, approved by the Board of Commissioners of the Forest Preserve District of DuPage County establishing the relationship and requirements between the Friends and the District.

## **V. Requirements**

### **A. Gift Acceptance**

1. All Gifts to the Friends as defined in Section IV of this policy shall be reviewed to ensure that the gift is consistent with the mission of the Friends and the District as well as generally accepted practices of the Friends as a non-profit organization. The review shall include consideration of the donor; any restrictions, requirements or conditions placed on the gift; financial implications of the donation to the Friends and the District; any potential or real conflicts of interest or ethical issues; and any impact the acceptance or recognition the gift may have on the District or its partners.
2. Upon acceptance of any gift, the Friends will enter and process the gift in accordance with financial and accounting policies and procedures established by the Friends and the District in accordance with the MOU.
3. The Friends shall categorize and manage gifts as Unrestricted Gifts unless the Donor places conditions on the use of the gift or the donor made the gift in response to a Friends’ solicitation or request where the specific use of gift was clearly indicated.
4. The Friends shall make every effort to honor a Donor’s requirement(s) regarding a Restricted Gift. The Friends reserve the right to broaden or alter the purpose of a Gift should it be determined that the original purpose of the Restricted Gift(s) no longer meet the needs or serve the mission of the District or where the original purpose no longer exists. In such cases the Donor will be contacted regarding the use of the gift. The Friends Chair, based on the recommendation of the Friends Executive Director (“Executive Director”), shall direct that any gifts that are broadened or altered be used in a manner closest to the original purpose of the gift.
5. When considering and placing a value on a gift, the Friends shall adhere to the following requirements:
  - a. For deferred or planned gifts, such gifts will not be recorded until such time as the gift is irrevocable.
  - b. For life insurance policies, the Friends will encourage the donor to name the Friends as the beneficiary. Policies paid in full should list the “Friends of the Forest Preserve District

of DuPage County” as the beneficiary and irrevocable owner of the policy. If the policy is not paid in full, the gift shall be valued at its cash surrender value.

c. That publicly traded securities, digital assets, and all non-cash financial instruments donated to the Friends shall be sold upon receipt.

d. For tangible personal property, the Friends shall consult with the Executive Director of the District or their designee regarding the potential use and benefits of the Gift to the District. District staff will evaluate costs, maintenance, insurance, and other factors related to the gift in its consideration. Accepted gifts of personal property shall be valued and substantiated by the Donor. The Friends will record and acknowledge the gift once the property is transferred and record the transaction in its financial records. Any transfer of the property will be completed in the same manner as cash assets to the District through Friends Board action.

e. For professional services, Gifts of services may require a contract, waiver of liability, and certificate of insurance listing the Friends and/or the District as an additional insured party prior to rendering any services. Gifts of in-kind services are to be approved by the Executive Director. The value and reporting of gifted services are the sole responsibility of the Donor. The Friends and the District are under no obligation to provide materials or other support for donated services.

f. The Friends shall not accept gifts of real estate, land, remainder interests in property, or conservation easements. Any such donation shall be referred to the District who shall determine if the gift is acceptable.

g. For closely held securities, limited partnerships and other assets, the Friends shall not accept interests in partnerships or other investment entities exposing the Friends or the District to liabilities or financial obligations without adequate indemnity from the Donor to fulfill any such obligations.

h. Installments, pledges, and payroll deduction gifts are acceptable. Friends recommend donors establish installment gifts using a Letter of Intent. Friends will accept written Pledge Agreements and will inform Donors that a Pledge Agreement creates a legally binding obligation of the Donor, as well as a claim against the Donor’s estate if the commitment remains unpaid at the time of the Donor’s death.

6. The Friends shall not accept gifts from persons or entities:

a. Who are opposing parties involved in any active or pending litigation with the Friends, the District, District employee(s), or other affiliated groups of the District.

b. Who are seeking to obtain a business benefit or assistance from the Friends or the District.

- c. When acceptance would create a conflict of interest or the appearance of a conflict of interest or impropriety.
- d. When conditions placed on a gift are inconsistent with the authorized purposes, procedures, or policies of the Friends or the District.
- e. When a gift is inconsistent with, or otherwise seeks to circumvent, laws, regulations, or policies.
- f. Who are current or pending District or Friends vendors engaged in a bidding process where the Gift is directly related to the business relationship between the vendor or the vendor's competitors and the District or the Friends.
- g. That require expenses associated with a Donor's gift to be paid by the Friends, unless approved by the Friends Executive Director (for gifts that require the Friends to incur expenses of \$5,000 or less) or the Friends' Board (for gifts that will incur expenses of more than \$5,000).
- h. When a Donor places restrictions on a Gift for purposes that are not aligned with any of the following: the District's mission, purpose, and vision, identified priority projects, master plan projects and initiatives, or capital improvement plan projects.

7. The Friends will promptly and properly acknowledge and issue receipts for all gifts received.

**B. Designated Personnel to Accept Gifts**

- 1. The Friends' Chair, Friends' Executive Director and staff of the Friends are authorized to accept gifts on behalf of the Friends in any amount that require no Friends' commitment or restriction and that are consistent with the District and Friends' missions and/or Friends' campaign or appeal requests.
- 2. The Friends' Chair and Executive Director are authorized to accept gifts on behalf of the Friends that require up to \$5,000 in Friends' commitment and/or restriction, if the restriction is aligned with the Friends' and District's missions, and/or identified District priority project, master plan project and initiative, or capital improvement plan project.
- 3. The Friends' Chair or Executive Director will seek Friends' Board Approval before accepting gifts that require more than \$5,000 in Friends commitment and will only accept gifts that are aligned with the Friends' and District's missions, and/or identified District priority project, master plan project and initiative, or capital improvement plan project.

**C. Gift Accounts**

- 1. The Friends Treasurer or their designee(s) will establish and operate a financial accounting system that provides for the effective and efficient accounting management of the Friend's assets

including accounts for Unrestricted Gifts, Restricted Gifts, Operating Reserves, and Endowments and provide no less than quarterly reporting to the Executive Director of Friends.

2. The Executive Director of the Friends, the Friends Finance Committee, and the District Director of Finance will establish sufficient separate accounts to ensure that funds from Restricted Gifts are traceable and used for the Donor's intended purpose.

3. Gifts designated for a specific capital use or purpose shall be accounted for in separate accounts until such time as the funds are requested by the District and approved for transfer by the Friends Board.

#### **D. Records and Privacy**

1. All Friends donor and prospect records are owned by, and are the property of, the Friends.

2. The Friends shall keep and retain complete and accurate records of all gifts received including Donors' names and contact information, the nature of the donation, cash value, and any donor restrictions. Such records shall be retained for a period in accordance with applicable laws and regulations applicable to 501(c)(3) organizations in Illinois.

3. All information and records concerning transactions between a Donor and the Friends shall be held in strict confidence to the extent permitted by law. The Friends shall implement and enforce controls to protect donor confidentiality and privacy and shall only provide access to data and records on a need-to-know basis or as required by law.

4. Where a Donor requests anonymity, the Friends shall honor that requirement and implement controls to ensure that the identity of the Donor is not disclosed to the District or the public, provided that such anonymity and confidentiality do not conceal a real or perceived conflict of interest or similar ethical concern. The Executive Director shall review all Donor requests for anonymity during the gift acceptance review completed per Article V(A)(1) of this policy and determine that no such conflicts or ethical concerns exist prior to accepting a Donor's request for anonymity.

5. Notwithstanding the requirements for confidential Donor records required by this Article, there is a need for transparency with the public regarding the relationship between the Friends and its Donors. Nothing in this Section shall prevent the Friends from periodically releasing general information on Gifts accepted by the Friends including Donor's names, gift value and date, provided that such published information excludes a Donor's identity where the Donor requested anonymity or confidentiality and does not disclose any terms, conditions, or limitations imposed by the Donor or legal determinations. Further, nothing in this Article shall prevent the Friends from announcing gifts or using information regarding gifts in promotional materials where the Donor fully cooperates and approves such use of the Gift information.

6. The Friends shall allow the District to audit financial records of the Friends but shall not allow the District to audit Donor records.

7. The Friends shall not share donor information with outside organizations unless required to do so by law.

## **VI. Endowments**

A. The Friends is authorized to create, maintain, and manage an endowment to invest the capital or principal amount of all donations to provide a permanent source of funding for District needs from the endowment's investment income. The endowment funds are to be managed in the same manner as other gifts as set forth in section V.

B. Any endowment shall be established through a written funding agreement between the Friends and Donor that sets and implements investment and distribution policies and procedures to ensure the prudent stewardship of the principal and honoring Donor intent as prescribed by the Friends Investment Policy, Uniform Prudent Investor Act, the Uniform Management of Institutional Funds Act or the Uniform Prudent Management Act and other applicable Illinois Law.

C. The agreement establishing an 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 District purposes, the procedures for determining the annual level of funding available, and the decision-making procedures for expenditures. The agreement should include a provision specifying the consequences if 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.

D. All proposed endowment agreements shall be reviewed and approved by the District's Executive Director, legal counsel, and Director of Finance. If the District approves the endowment agreement, the proposed endowment agreement will be forwarded to the Friends Board for review and consideration for approval.

E. For any endowment, the Friends shall establish separate accounts and may adopt endowment investment policies and procedures consistent with the Friends Investment Policy.

## **VII. Ethical Standards**

A. Gifts to the Friends can provide great benefit to the District and its mission by extending the funds available for projects and initiatives within DuPage County forest preserves. However, careful and prudent review and acceptance of all Gifts are necessary to ensure that a Gift by a Donor is aligned with the stated mission of the Friends and the District, is not unlawful or unethical, and does not have the potential to negatively impact the District, its Board of Commissioners, or the District's image or reputation. All persons responsible for the review and acceptance of Gifts under this Policy should do so using the highest fiduciary and ethical standards.

B. Individual Board Members are expected to comply with ethical guidelines and policies established by the Friends and the District including avoidance of conflicts of interest. Where a conflict of interest exists regarding acceptance of a Gift, the Board Member shall abstain from discussion or consideration of a Gift and voting on its approval.

C. Friends staff and Board Members shall not disclose to any party or person outside of the Friends organization any term, conditions, or limitations imposed by a Donor or legal determination on any Gift, nor disclose any information on Donors' identities that is not already public information.

D. Any contribution or solicitation for a Gift from a District's or Friends' vendor or potential vendor engaged in the bidding process must not be directly related to the District's or Friends' business relationship to the vendor or the vendor's competition.

E. A Friends staff member, Board Member, or volunteer solicitor shall not expect nor receive any favoritism from a Donor, nor agree to any Donor-directed changes in the mission and programs of the District because of a donation.

## **VIII. Review and Revisions**

This Policy shall be reviewed at least every two years by the Executive Director and the Finance Committee for any needed revisions or amendments. Any proposed amendments to the Policy will be provided to the District Director of Finance for review. Upon approval of any proposed amendments by the Finance Committee, the revised policy shall be brought to the Friends' Board of Directors for consideration and approval at the next scheduled meeting.