

Addendum F

PVAS Fiscal Operations Policy Manual

Revised Gift Acceptance and Spending Policy

Approved by Board of Directors September 6, 2018

Gift Acceptance

Acceptance of any contribution, gift or grant is at the discretion of PVAS. PVAS will only accept gifts that can be used or expended consistent with its purpose and mission.

1. PVAS may not provide advice about the tax implications of gifts and will encourage donors to seek guidance from their own professional advisors.
2. PVAS will accept donations of unrestricted cash or publicly traded securities whose use may be determined by PVAS.
3. Certain other gifts, to include personal property, in-kind gifts, non-liquid securities, and contributions, whose sources are not transparent or whose use is restricted in some manner, must be reviewed prior to acceptance due to the special obligations raised or liabilities they may pose for PVAS. These gifts must be brought to the attention of the Executive Committee and subsequently reviewed and approved by either the Executive Committee or Board of Directors.
4. Gifts of Real Property (land and buildings) are subject to this general policy as well as the specific requirements and the evaluation process for the Acceptance of Real Property described separately below.
5. Upon acceptance, PVAS will respect the intent of the donor relating to gifts for restricted purposes.
6. Gifts of in-kind services will be accepted at the discretion of the PVAS Executive Director, aided by either the Executive Committee or Board of Directors as needed.
7. PVAS will provide acknowledgments to donors meeting IRS substantiation requirements for property received by the charity as a gift. However, except for gifts of cash and publicly traded securities, no value shall be ascribed to any receipt or other form of substantiation of a gift received by PVAS.
8. With respect to anonymous gifts, PVAS will restrict information about the donor to Board members and the Executive Director.
9. PVAS will not compensate, whether through commissions, finders' fees, or other means, any third party for directing a gift or a donor to the PVAS.
10. PVAS will follow all applicable IRS rules and regulations. For real estate contributions of \$500 or more, IRS Form 8283, "Noncash Charitable Contribution", section A must be completed by the donor. If the amount is more than \$5000, the donor must forward this form to PVAS. PVAS' Executive Director will then complete Section B, Part IV, and return to the donor. If PVAS sells the property within three years of the donation, PVAS' Executive Director will file form 8282 "Donee Information Return" with the IRS.

Gift Spending and Allocation

All gifts targeted to a special project or designated fund must be spent as prescribed by the donor. Publicly traded securities will be monetized within a reasonable time, but no longer than 90 days. For the purposes of establishing the value of the donor's gift, securities will be valued at the market closing price of the next business day from when the gifts were received.

Gifts over \$10,000 with no special designation or instructions will be allocated as follows:

1. If there is a deficit in the Reserve and Working Capital amounts, as specified in Addendum B, these amounts will be brought up to the targeted amount(s).
2. The balance of the gift will be kept in a temporarily restricted fund.

3. The Finance Committee will make a recommendation annually or more frequently on the disposition of these funds held in aggregate. This recommendation will be based on current and predicted financial stability of the chapter and the general economy, any long-term obligations to fund existing projects, and new projects and opportunities that may be available at the time and that align with the mission of PVAS.

Acceptance of Real Property

PVAS will consider acquisition of real properties (land and buildings), including acceptance of charitable donations, if such properties support the organizational mission [“to preserve, restore and enjoy the natural world through education and action”], are free of liabilities, restrictions and encumbrances that may prevent PVAS from using it to meet its mission, and satisfy at least one of the following additional conditions:

- contributes to wildlife habitat conservation, especially if the property enhances habitat connectivity, exists within an “Important Bird Area,”^[1] and/or possesses exceptional ecological value.
- provides significant opportunities for research and/or education;
- contributes to existing or potential PVAS initiatives (e.g., grassland bird habitat conservation) and/or to PVAS operations;
- can be acquired and maintained at minimal or no cost to PVAS unless otherwise decided by the PVAS board;
- can be accepted as a gift of land that PVAS may sell using the proceeds to further its mission; and
- existing and potential uses of adjacent properties will not conflict with the purpose(s) for which PVAS would accept the property [i.e., situational factors, including zoning].

PVAS will not accept mortgaged property as a general rule unless the donor agrees in writing to accept the obligation for the mortgage payment.

The PVAS Executive Committee is responsible for evaluating real properties for potential acquisition according to the evaluation process described below and may appoint a committee comprised of at least of two Directors and at least one additional PVAS member to assist with such evaluation.

Evaluation Process

Step 1: Evaluate the property, noting the following [see Property Acquisition Screening Worksheet]:

- location
- status of title
- legal description
- boundary delineation and encroachments
- easements, encumbrances and environmental conditions (utility rights of way, contaminants, water quality, invasive species, etc.)
- existing and potential conservation value(s), including ecological value(s) (e.g. “Important Bird Area,” natural heritage program classification, NatureServe species of conservation concern, etc.)
- access (vehicular, pedestrian, navigable waters)
- existing and potential PVAS program use(s)
- existing and potential adjacent land uses
- conditions of buildings (if applicable)
- historical significance (if applicable)

If the results of this screening process are favorable for acquisition or generally favorable, additional information will be gathered during Step 2. If the results are unfavorable, PVAS will not pursue acquisition and maintain a file of the evaluation.

^[1] see <https://www.audubon.org/important-bird-areas> (accessed 30 July 2018)

Step 2: Obtain Additional Information

PVAS will seek additional information through the following activities:

- Obtain an “ownership of record” report from a Title Insurance Company early in the acquisition process. This will give PVAS a copy of the last deed for the property, which will identify/confirm the current owner and provide a legal description of the property. This might also be accomplished by asking the owner for a copy of the deed or paying a visit to the Register of Deeds Office to look up this information.
- Conduct a property survey to document boundaries, *topographical* features, easements or service entrances that cross the property, and any and all infringements upon the boundary.
- Conduct a due diligence desktop environmental assessment using available federal and state databases to investigate environmental risk associated with known contamination and past use of the property.
- Secure property owners’ permission and conduct a Phase I Environmental Assessment (EA) if there is any indication of contamination on the property.
- Secure property owners’ permission and conduct a homeowner-like inspection for the structure and components (heating, electric, plumbing, etc.) of buildings on the property to identify immediate and potential problems and maintenance issues.

Step 3. Prepare Recommendation to PVAS Board

Building upon the screening and collection of additional information, the Executive Committee will prepare supporting analysis to assist with decision making. This step might include:

- Preparation of a five-year capital budget estimate for the property to cover capital investments (equipment upgrade/replacement, facilities acquisition and/or maintenance, special projects, etc.) with both revenue and costs.
- Preparation of a description of how PVAS would occupy the property and use it for programs.

Following completion of the above, the Executive Committee would decide on whether it would bring a favorable recommendation on acquisition to the Board of Directors for their consideration.

Step 4. Board of Directors Approval

The decision on whether to acquire a property will be made by the Board of Directors following general quorum and voting procedures described in the PVAS Bylaws.

Step 5. Acceptance in the form of a Charitable Contribution Agreement

Following approval by the PVAS Board of Directors, the Executive Committee will move toward signing a Charitable Contribution Agreement between PVAS (the GRANTEE) and the property owner (the GRANTOR).

Step 6. Closing

PVAS will secure the services of an attorney to assist with closing.

Step 1: Property Acquisition Screening Worksheet

Dates:

Participant Names:

Favorable Recommendation:

Unfavorable Recommendation:

The property acquisition criteria are used to screen prospective PVAS properties for acquisition.

Name of Property:	Yes	No	Comment
Is the property within the PVAS area of interest (E. Panhandle, Wash County)			
Is the title to the property clear?			
Is the legal description (plat) of the property clear?			
Is the location of the property of interest to PVAS?			
Is the area (acreage) of the property of sufficient interest to PVAS?			
Are property boundaries accurately marked?			
Are there any known boundary encroachments?			
Are there any existing public access and public use problems?			
Are deed restrictions acceptable if present?			
Has PVAS been able to walk the property and visually inspect building that may be present?			
Are easements and encumbrances (power lines, gas lines, roads, etc.) acceptable?			
Are land uses on adjacent properties compatible with PVAS use of the property?			
Are buildings if present useable?			
Would the property make a good nature preserve (e.g., habitat, trails)?			

Would the property lend itself to other PVAS Programs?			
Are there any safety hazards present – natural or manmade?			
Does the property have any unique historical value?			
Does the property have any threatened or endangered species and/or special habitat?			
Is there any evidence of hazardous waste or contamination?			
Is there an adequate endowment or other funding available for property maintenance?			
Are there any other considerations that make this property unacceptable to PVAS?			