



Gift Acceptance Policies and Guidelines

The International Mountain Bicycling Association (IMBA), a not-for-profit organization organized under the laws of the State of Colorado, encourages the solicitation and acceptance of gifts to the organization for purposes that will help the non-profit to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the organization or for the benefit of any of its programs.

The purpose of the policy is to:

A. Purpose of Policies and Guidelines

The Board of Directors of IMBA and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and vision of the organization. These policies and guidelines govern the acceptance of gifts by IMBA and provide guidance to prospective donors and their advisors when making gifts to the organization. The provisions of these policies shall apply to all gifts received by the organization for any of its programs or services.

B. Use of Legal Counsel

The organization shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- Closely held stock transfers that are subject to restrictions or buy-sell agreements
- Documents naming IMBA as Trustee
- Gifts involving contracts, such as bargain sales or other documents

requiring IMBA to assume an obligation

- Transactions with potential conflict of interest that may invoke IRS sanctions
- Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee, including gifts of real estate and split interest gifts.

C. Conflict of Interest

The organization will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. It is the policy of the organization that tax advice is not given to donors. The organization will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

D. Restrictions on Gifts

The organization will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. The organization may choose not to accept certain gifts for several reasons, including that the gift is too restrictive in purpose, difficult to administer, and/or designated for a specific individual or organization. Gifts that are too restrictive are those that violate the terms of the bylaws, gifts that are too difficult to administer, or gifts that are for purposes outside the scope of the mission. The Gift Acceptance Committee of the organization shall make all final decisions on the restrictive nature of a gift, and its acceptance or refusal.

E. The Gift Acceptance Committee

The gift acceptance committee shall consist of the Executive Staff and such other members as appointed by the President/CEO of the organization.

The gift acceptance committee is charged with the responsibility of reviewing certain gifts that, by their nature, present the organization with liabilities and other complexities, properly screening and accepting those gifts, and making recommendations to the Board on gift acceptance issues when appropriate.

These gifts can include real estate, time shares, and bargain sales.

F. Types of Gifts

1. The following gifts are acceptable, contingent upon criteria that follows for each category:

- Cash
- Tangible Personal Property
- Securities
- Real Estate
- Remainder Interests in Property
- Bargain Sales
- Life Insurance
- Charitable Gift Annuities
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Retirement Plan Beneficiary Designations
- Bequests
- Life Insurance Beneficiary Designations

2. The following criteria govern the acceptance of each gift form:

a. **Cash:** Cash is acceptable in any form in US dollars or other easily convertible foreign currency. Checks shall be made payable to the International Mountain Bicycling Association, and any other programs that are part of the organization, and shall be delivered to IMBA's data processing offices. A gift by credit card is considered to have been made on the date the obligation was incurred. Gifts of cash can be refused for ethical and for any other reason as determined by the Gift Acceptance Committee.

b. **Tangible Personal Property:** All other gifts of tangible personal property shall be examined in light of the following criteria:

- Does the property fulfill the mission of the organization?

- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?

The final determination on the acceptance of other tangible property gifts shall be made by the Gift Acceptance Committee of the organization.

3. Securities: The organization can accept both publicly traded securities and closely held securities.

Publicly Traded Securities: Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Gift Acceptance Committee. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Gift Acceptance Committee of the organization.

Closely Held Securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Gift Acceptance Committee of the organization. However, gifts must be reviewed prior to acceptance to determine that:

- There are no restrictions on the security that would prevent the organization from ultimately converting those assets to cash,
- The security is marketable, and
- The security will not generate any undesirable tax consequences for the organization.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The

final determination on the acceptance of closely held securities shall be made by the Gift Acceptance Committee of the organization and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

4. Real Estate: Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the organization shall follow a due diligence process, up to and including inspections, environmental reviews and tests, or other due diligence as deemed necessary. The cost of the inspections, reviews, tests, and environmental audit shall generally be an expense of the donor.

When appropriate, a title binder shall be obtained by the organization prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the Gift Acceptance Committee of the organization and by the organization's legal counsel when appropriate. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the organization?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?

- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

5. Remainder Interests in Property: The organization will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, the

organization may use the property or reduce it to cash. When the organization receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

6. **Bargain Sales:** The organization will enter into a bargain sale arrangement in instances in which the bargain sale furthers the organization and purposes of the organization. All bargain sales must be reviewed and recommended by the Gift Acceptance Committee and approved by the Board of Directors. Factors in determining the appropriateness of the transaction include:

- The organization must obtain an independent appraisal substantiating the value of the property.
- The organization must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months of receipt
- The organization must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

7. **Life Insurance:** The organization must be named a both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the organization will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the organization may:

- Continue to pay the premiums,
- Convert the policy to paid up insurance, or
- Surrender the policy for its current cash value.

The organization will not participate in any third party insurance programs. Nor will the organization share its mailing list with any third party insurance brokers.

8. Charitable Gift Annuities: The organization may offer charitable gift annuities. The minimum gift for funding is \$10,000. The organization President/CEO may make exceptions to this minimum. The minimum age for life income beneficiaries of a gift annuity shall be 60. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual, or annual schedule. The organization President/CEO may approve exceptions to this payment schedule.

The organization will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. The organization may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5 year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the President/CEO approves the arrangement. Certain exceptions can be made by the Gift Acceptance Committee.

Funds corresponding to the liability portion of the annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be determined by the Gift Acceptance Committee.

9. Charitable Remainder Trusts: The organization may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Gift Acceptance Committee of the organization. The organization will not accept appointment as

Trustee of a charitable remainder trust.

10. Charitable Lead Trusts: The organization may accept a designation as income beneficiary of a charitable lead trust. The organization will not accept an appointment as Trustee of a charitable lead trust.

VII. Miscellaneous Provisions

A. Securing appraisals and legal fees for gifts to the organization: It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the organization.

B. Valuation of gifts for development purposes: The organization will value gifts in accordance with generally accepted accounting principles, IRS guidelines, or other governing bodies as may be appropriate.

C. Responsibility for IRS Filings upon sale of gift items: The Gift Acceptance Committee of the organization is responsible for filing IRS Form 8282 upon the sale or disposition of an asset sold within two years of receipt by the organization when the charitable deduction value of the item is more than \$5,000. The organization must file this form within 125 days of the date of sale or disposition of the asset.

D. Acknowledgement of all gifts made to the organization and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the organization. In accordance with IRS requirements, the organization does not provide valuations for non-cash donations to donors.

E. Once the budgeted dollar amount for the planned giving area is achieved for the year, additional planned gifts may be designated for the organization Reserve/Long-Term Investment Fund or other areas as determined by the Gift Acceptance Committee. If a planned gift is designated for endowment, it will be so allocated, regardless of the actual to budget dollars raised for the planned giving department.

VIII. Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and accepted by the Board of Directors of the organization. The Board of Directors of the organization must approve any changes to or deviations from these policies.

Approved on the day of , 2020.

Chairman, Board of Directors, Chris
Conroy

**Appendix MODEL STANDARDS OF PRACTICE FOR THE CHARITABLE GIFT PLANNER
PREAMBLE**

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. PRIMACY OF PHILANTHROPIC MOTIVATION The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. EXPLANATION OF TAX IMPLICATIONS Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. FULL DISCLOSURE It is essential to the gift planning process that the role and relationships of all parties involved, including how and by who each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. COMPENSATION Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. COMPETENCE AND PROFESSIONALISM The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. CONSULTATION WITH INDEPENDENT ADVISORS A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors of the donor's choice.

VII. CONSULTATION WITH CHARITIES Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planners, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. DESCRIPTION AND REPRESENTATION OF GIFT The Gift Planner shall make every *effort* to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. FULL COMPLIANCE A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. PUBLIC TRUST Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.



Chris Conroy - Chairman, IMBA Board of Directors
1/1/2020