



Galapagos Conservancy Gift Acceptance Policy

Galapagos Conservancy, Inc. (“Galapagos Conservancy”) is a 501(c)(3) not for profit organization organized under the laws of the State of Delaware. Galapagos Conservancy’s mission is, “to protect the unique biodiversity and ecosystems of Galapagos by supporting research and management, informing public policy, and building a sustainable society.”

Galapagos Conservancy’s staff solicit current and deferred gifts from individuals, corporations, foundations and other persons for purposes that will help Galapagos Conservancy further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to Galapagos Conservancy.

- 1. Purpose of Gift Acceptance Policy.** The purpose of the Gift Acceptance Policy (the “Policy”) is to govern the acceptance of gifts by Galapagos Conservancy. The Policy is intended to protect the interests of Galapagos Conservancy. The Policy also provides guidance to prospective donors and their advisors with respect to making gifts to Galapagos Conservancy.
- 2. Use of Legal Counsel.** Galapagos Conservancy shall seek the advice of legal counsel in matters relating to acceptance of gifts, when appropriate. Galapagos Conservancy will urge all prospective donors to seek the assistance of legal counsel and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.
- 3. Definitions.**
 - a. **Gift.** In general, a gift is a voluntary transfer of assets from a person or an organization to Galapagos Conservancy for which, in return, no goods or services are expected, implied or forthcoming for the donor. A gift may be either unrestricted or restricted to an area of use that contributes to the benefit of Galapagos Conservancy or one or more of Galapagos Conservancy’s programs.
 - b. **Fair Market Value.** Fair Market Value is the value assigned to the gift by generally accepted accounting principles and governed by the Financial Accounting Standards Board (“FASB”) rules.
 - c. **Readily Marketable Securities.** Securities that are broadly or publicly traded are considered readily marketable. Any securities that do not meet this standard are deemed to be Non-Readily Marketable Securities.
- 4. General Policies.**
 - a. Galapagos Conservancy will accept gifts from individuals, corporations, private foundations, limited liability companies, trusts, estates, associations, and societies.
 - b. Galapagos Conservancy will accept unrestricted gifts as well as gifts restricted to specific programs and purposes that are consistent with Galapagos Conservancy’s mission, values, and objectives.
 - c. Gifts restricted for a specific purpose by the donor will be reserved for that purpose in keeping with the wishes of the donor, provided the specific purpose is consistent with Galapagos Conservancy’s mission, values, and objectives.
 - d. Galapagos Conservancy will not accept gifts that are inconsistent with its mission, values, and objectives, nor will it accept gifts that are too restrictive in purpose. Gifts that are too restrictive include, but are not limited to, those that: violate the terms of the corporate charter; are in conflict with Galapagos Conservancy’s policy agenda; are too difficult to administer.
 - e. Galapagos Conservancy hereby advises donors that:
 - i. In the event the restricted purpose for which a gift was initially established is no longer valid, Galapagos Conservancy shall have the right to use the funds for a similar or related purpose, if possible. If this is not possible, Galapagos Conservancy may use the funds for any other purpose that is consistent with Galapagos Conservancy’s mission and work, as the President or Board of Directors deems appropriate.
 - ii. Income generated by the investment of restricted gifts shall be considered unrestricted income unless specifically designated as restricted income by the donor.

- iii. Once Galapagos Conservancy has accepted a gift, it becomes the property of Galapagos Conservancy and the donor ceases to have any decision-making power regarding the gift assets or their disposition.
- f. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the President of Galapagos Conservancy.
- g. The President shall determine the acceptability of unique gifts and gifts other than unconditional gifts of cash or readily marketable securities. The identity of each donor shall be made available to the Board of Directors upon request.
- h. It will be the responsibility of the donor to secure an appraisal, where required, and independent legal counsel for all gifts made to Galapagos Conservancy. As a general policy, Galapagos Conservancy expects the donor to provide the appraisal or establish the value of any gift. At the request of the donor, Galapagos Conservancy will, to the extent possible, assist the donor in finding a suitable professional appraiser.
- i. Determining the deductibility of gifts for tax purposes is the responsibility of the donor. Galapagos Conservancy will not provide accounting advice to donors.
- j. Galapagos Conservancy shall not pay a finder's fee for any gift or as a condition to receiving a gift.
- k. Galapagos Conservancy will process all gifts in a diligent and expeditious manner.
- l. Acknowledgement of all gifts made to Galapagos Conservancy, and compliance with the current IRS requirements in acknowledgement of such gifts, shall be the responsibility of the Galapagos Conservancy staff.
- m. The President is responsible for filing the requisite IRS forms upon the sale of any gift items.
- n. The Board must approve all gifts to Galapagos Conservancy equal to or greater than \$300,000.

5. Valuation of Gifts.

- a. All gifts shall be valued for Galapagos Conservancy accounting and tax purposes according to generally accepted accounting principles and governed by Financial Accounting Standards Board (FASB) rules.
- b. When appropriate, such as when a donor does not provide a valuation or when a valuation needs to be verified, Galapagos Conservancy may conduct a professional appraisal, title searches, and other efforts to determine Fair Market Value and ownership.
- c. Galapagos Conservancy will record a gift received by Galapagos Conservancy at its valuation on the date of the gift. The date used for computing the value of a gift shall be the date on which title is transferred to Galapagos Conservancy. With respect to securities, the value shall be determined by averaging the high and low value thereof on that date or, if not a trading day, the next trading day.

6. Types of Gifts Accepted.

The following are the types of gifts Galapagos Conservancy will accept:

- a. Cash. Cash is acceptable in any form. Checks shall be made payable to Galapagos Conservancy and shall be delivered to Galapagos Conservancy's President.
- b. Readily Marketable Securities. Such securities will be accepted and shall be immediately sold in accordance with an investment policy established by Galapagos Conservancy.
- c. Non-Readily Marketable Securities. Gifts of such securities will be accepted under the following condition: Gifts of closely held securities will be carried on Galapagos Conservancy's books at a nominal value of \$1.00, unless Galapagos Conservancy is provided with an appraisal by an independent appraiser, acceptable to Galapagos Conservancy, establishing its Fair Market Value.
- d. Real Property. Gifts of real property will be accepted under the following conditions:
 - i. All offered gifts of real property are required to have an appraisal by an independent appraiser, acceptable to Galapagos Conservancy, establishing its Fair Market Value. The date of the appraisal shall be within 60 days of the date of the gift.
 - ii. Except in the case of residential property that has been used solely for residential purposes for at least 20 years, all proposed gifts of real property shall be accompanied by a Phase I environmental audit.
 - iii. It is the responsibility of the donor to pay for the appraisal and the environmental audit.
 - iv. The President shall determine the acceptability of mortgaged property.
- e. Tangible Personal Property. Gifts of personal property will be accepted pursuant to review by the President and will be valued at \$1.00 unless an appraisal by an independent appraiser, acceptable to Galapagos Conservancy, is provided at the donor's expense. Car donation can be received via Vehicle Donation to Any Charity (V-DAC).
- f. Planned Gifts. Galapagos Conservancy will accept the following types of planned gifts. Donors will be encouraged to have their planned gift agreements reviewed by their legal and financial advisors.

- i. Charitable Trust. Galapagos Conservancy will act as trustee under the following conditions: (i) the initial funding of the trust must have a Fair Market Value of at least \$200; (ii) except in the case of a Lead trust, Galapagos Conservancy must be a vested beneficiary of the trust for at least 51% of the remainder; (iii) the trust shall be responsible for its own expenses; (iv) payments from the trust will be made not less than quarterly, and (v) an annual statement will be provided to beneficiaries in compliance with the rules of the Internal Revenue Service.
- ii. Life Insurance. Galapagos Conservancy will accept fully paid-up life insurance policies for which the donor has relinquished ownership by assigning all rights, title, and interest to Galapagos Conservancy. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If an insurance policy is not fully paid-up, the usefulness of the gift will be judged on a case-by-case basis. If the policy is accepted, and the donor elects to contribute future premium payments, Galapagos Conservancy 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, Galapagos Conservancy may (i) Continue to pay the premiums, (ii) convert the policy to paid-up insurance, or (iii) surrender the policy for its current cash value.
- iii. Other Types of Acceptable Planned Gifts. Other types of acceptable planned gifts include bequests; remainder interests in property; and retirement plan beneficiary designations. These gifts shall be subject to review by the President on a case-by-case basis to determine acceptability of proposed gifts.

7. Standards for Declining Gifts.

Galapagos Conservancy may decline a gift for one or more of the following reasons:

- a. There are conditions to a gift that are not consistent with Galapagos Conservancy's mission, values, and objectives.
- b. The gift could financially jeopardize Galapagos Conservancy or the donor.
- c. The gift or its terms are illegal.
- d. Galapagos Conservancy does not have the resources to honor the terms of the gift.
- e. Acceptance of the gift will result in unwarranted or unmanageable expense to Galapagos Conservancy.
- f. There are physical or environmental hazards related to the gift.
- g. The gift could improperly benefit any individual.
- h. Galapagos Conservancy is unable to or uninterested in meeting donor restrictions.
- i. The cost to Galapagos Conservancy of maintaining the gift or meeting the restrictions placed on the gift by the donor is deemed to be excessive.
- j. The gift is inappropriate with respect to Galapagos Conservancy's tax-exempt status and purposes.
- k. The gift may result in inappropriate or undesirable publicity for Galapagos Conservancy.
- l. The donor appears on any restricted lists or is in any other way determined to be associated with money laundering, terrorism, or other illegal activities.
- m. The Board of Directors of Galapagos Conservancy determines that the gift is not in the best interests of Galapagos Conservancy.

8. Procedures for Processing Gifts

- a. Any cash or readily marketable security received by Galapagos Conservancy shall be sent immediately to the Galapagos Conservancy Director of Operations for appropriate processing, acknowledgment and recognition.
- b. Any other gift offered to Galapagos Conservancy, including non-readily marketable securities, real property, personal property, or planned gifts, shall be forwarded to the President for review and recommendation prior to any action by the Director of Operations.
- c. Pursuant to acceptance of a gift, copies of all related correspondence, gift documentation, and a complete description of the gift, the date received, and the estimated value shall be forwarded to Galapagos Conservancy's Director of Operations.

9. Amendment of the Policy.

From time to time, the Galapagos Conservancy Board of Directors may amend this Policy.

Approved by the Board of Directors on 20th February 2021.