

Sierra Club Foundation
Gift Acceptance Policy
Approved August 22, 2016

Sierra Club Foundation (“Foundation”), a nonprofit organization organized under the laws of the State of California, encourages the solicitation and acceptance of gifts to the Foundation for purposes that will help it to further its mission. The mission of Sierra Club Foundation is promote efforts to educate and empower people to protect and improve the natural and human environment. The Foundation partners with individual and institutional donors to align financial resources with strategic outcomes, provide flexible funding for innovation, build capacity in the environmental movement, and create partnerships with a broad spectrum of allied organizations around shared values and goals. As the fiscal sponsor of the charitable programs of the Sierra Club, the Foundation provides resources to it and other nonprofit organizations to support scientific, educational, literary, organizing, advocacy, and legal programs that further the mission.

Purpose of Policies and Guidelines

This Gift Acceptance Policy (“Policy”) supplies important information for Foundation representatives who may be involved in the solicitation and acceptance of gifts, to outside advisors who may assist in the gift planning and solicitation process, and to prospective donors in order to help them fulfill their philanthropic intent. In addition to this Gift Acceptance Policy, the Foundation has more operationally-oriented donation guidelines that are listed on Attachment A to this document. These guidelines, along with this Policy, comprise the complete documentation by which donations to the Foundation are evaluated, accepted and administered. This Policy is intended only as a guide and allows for flexibility on a case-by-case basis upon approval of the Foundation’s Board of Directors. It is specifically noted that the Foundation’s Dormant Fund Policy as revised August 2014 is appended to and incorporated into this Gift Acceptance Policy.

Statement of General Standards

The solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial and tax considerations and involves professionals from various disciplines whose goals should include working together to achieve a fair and proper balance between the interests of the donor and the purposes of the Foundation. This includes the following standards.

- The principal basis for making a charitable gift should be the desire on the part of the donor to support the mission of the Foundation.
- Fundraisers shall advise donors only in areas in which they are professionally qualified and shall defer to other professional advisors as necessary. All potential donors shall be advised to use their own legal and tax counsel in matters relating to their potential gift. No program, agreement, trust, contract or commitment shall be knowingly urged upon any prospective donor that would benefit the Foundation at the expense of the donor’s interest and welfare.
- The Foundation reserves the right to refuse any gift that is not consistent with its mission, that could introduce a conflict of interest, is prohibitively restrictive, that could expose the Foundation to liability or adverse publicity or that could violate local, state or federal law.
- The Foundation will honor all requests by donors for anonymity where anonymity would not violate any legal requirements for disclosure. The Foundation’s Policy on Anonymous Gifts states that any time an anonymous gift of \$1 million or more is offered to the Foundation, the Executive Committee must be informed of the identity of the donor(s) and must approve a resolution to accept the gift based on information provided by the Executive Director as described in more detail in the Policy on Confidentiality and the Further Policy on Anonymous Gifts as listed on Attachment A.
- The Foundation will accept donor restricted gifts for approved Sierra Club projects or gifts with restrictions that are broad enough to be used for an approved project. In the event the donor restriction is such that the gift cannot be used for the designated purpose in an approved project, the donor will be asked to modify or remove the restriction. The Foundation reserves the right to return the donation if the donor is unwilling to remove or modify the restriction.

- The Foundation and its fundraising agents shall encourage unrestricted gifts where possible. In drafting instruments for gifts of restricted funds, particularly trusts and endowments with long time horizons, donors and their advisors shall be encouraged to use language that would permit application of the gift to a more general purpose if, in the opinion of the Board of Directors, the designated purpose is no longer feasible.

Responsibilities

The Foundation contracts with Sierra Club for fundraising services as outlined in the January 1, 2015 Sierra Club/Sierra Club Foundation Fundraising Cost Sharing Agreement. In addition, a Sierra Club/Sierra Club Foundation Fundraising Plan is developed and approved by both Boards of Directors each year. The Fundraising Committee of the Foundation works closely with the Sierra Club Office of Advancement to develop and implement plans and strategies for raising major gifts. In particular, it evaluates and recommends approval of the annual Fundraising Plan, enlists and empowers Directors to be engaged in fundraising for the Foundation, and supports the activities of major fundraising campaigns. The Foundation's Investment and Finance Committees are responsible for financially-based evaluation of certain gifts as noted in this document and in the guidelines listed on Attachment A. Pertinent committees will recommend gift acceptance policy changes for approval by the Board of Directors. Foundation staff members are also engaged in various fundraising-related activities, with the Executive Director acting as the lead staff fundraiser.

Types of Gift Assets Accepted by the Foundation

- 1. Cash:** Cash is acceptable in any form.
- 2. Publicly Traded Securities:** Publicly traded securities may be accepted. Securities may be transferred to the Foundation's brokerage account at Charles Schwab 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 Investment Committee.
- 3. Closely Held Securities:** Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LPs and LLCs or other ownership forms, may be accepted subject to the approval of the Investment Committee based on a cost/benefit analysis of the gift.
- 4. Real Estate:** Gifts of real estate may include developed property, undeveloped land and may be given subject to a life estate or bargain sale arrangement. The Foundation's Land & Property Policy and Guidelines govern the evaluation, acceptance and sales process for such gifts.
- 5. Oil, Gas or Mineral Interests:** These types of assets will not be accepted by the Foundation. In cases where such interests are inadvertently received through an estate, they will be sold as quickly as possible.
- 6. Life Insurance:** The Foundation must be named as both the beneficiary and irrevocable owner of any donated life insurance policy. The value of the gift will be the cash surrender value of the policy. If the donor contributes future premium payments, those contributions will be considered as gifts to the Foundation in the year that they are made. If the donor does not elect to continue to make gifts to cover life insurance premium payments, the Foundation may continue to pay the premiums, surrender the policy for its current cash value or take any other actions necessary to maximize the value of the gift.
- 7. In-Kind Gifts:** An in-kind donation is broadly defined as a gift of time, services, miscellaneous personal property or other items such as food and beverage that are associated with a charitable project or event.
 - In-kind donations to Inner City Outings (ICO) programs are not subject to a minimum gift amount and may be approved by Foundation staff.
 - All other in-kind donations will be considered if the value of the gift is equal to or greater than \$5,000, and are subject to review and acceptance by the Executive Director. Gifts equal to or greater than \$100,000 must be approved by the Finance Committee.
- 8. Tangible Personal Property:** This category includes assets that are not fixed permanently to one location such as vehicles, furniture, boats or collectibles. Donations of tangible personal property will generally be sold to fund charitable projects. A gift less than \$100,000 may be approved by the Executive Director. Gifts equal to or greater than \$100,000, and unusually complex gifts of any amount, must be approved by the Finance Committee. Approval will be based on a cost/benefit analysis of the gift, with primary consideration given to liability concerns, whether financial, legal, reputational or other, and the potential operational burden of the gift administration.

Types of Donors Acceptable to the Foundation

The Foundation may receive donations from individuals, private foundations, family foundations, donor-advised funds, public charities, supporting organizations and state and federal agencies. Donations may also be accepted through workplace giving and matching gift programs. The Office of Advancement follows Sierra Club's Gift Acceptance Policy in soliciting gifts for both the Club and the Foundation. The Foundation will give consideration to, but is not bound by Sierra Club's recommendations in making gift acceptance decisions, whether solicited or unsolicited. The Foundation will also accept anonymous gifts in compliance with The Foundation's Policy on Confidentiality and Further Policy on Anonymous Gifts.

Types of Gift Vehicles Acceptable to the Foundation

- 1. Outright Gifts:** Unrestricted outright gifts or outright gifts in support of approved programs may be accepted.
- 2. Pledges:** Pledges are accepted by the Foundation, but should not exceed five years unless approved by the Fundraising Committee. In the case of restricted pledges, the length of the pledge should not exceed the duration of the project being supported.
- 3. Bequests:** Bequests are accepted by the Foundation, but shall not be recorded until such time as the gift is irrevocable. The administration of such gifts is governed by the Foundation's Bequest Guidelines.
- 4. Retirement Plan Beneficiary Designations:** Such designations are accepted by the Foundation, but shall not be recorded until such time as the gift is irrevocable.
- 5. Life Insurance Beneficiary Designations:** Such designations are accepted by the Foundation, but shall not be recorded until such time as the gift is irrevocable.
- 6. Charitable Trusts:** Standard Unitrusts, Net Income Unitrusts, Flip Unitrusts, Annuity Trusts and Lead Trusts are offered by the Foundation and are administered in compliance with the Foundation's Trust Guidelines and the Kaspick Planned Giving Investment Guidelines.
- 7. Gift Annuity Pool:** The Foundation offers a Gift Annuity Pool, the administration of which is governed by the Foundation's Gift Annuity Pool Guidelines and the Kaspick Planned Giving Investment Guidelines.
- 8. Pooled Income Fund:** The Foundation offers two Pooled Income Funds which are administered in compliance with the Foundation's Pooled Income Fund Guidelines and the Kaspick Planned Giving Investment Guidelines.
- 9. Donor Advised Funds:** Donor Advised Funds which meet the Foundation's requirements as outlined in its Donor Advised Fund Policy and Addendum will be considered for acceptance.
- 10. Endowments:** Endowments which meet the Foundation's requirements as outlined in its Endowment Policy will be accepted.

Attachment A

Sierra Club Foundation Listing of Donation-Related Policies as of August 2016

1. Sierra Club/Sierra Club Foundation Fundraising Cost Reimbursement Agreement
2. Sierra Club/Sierra Club Foundation Annual Fundraising Plan
3. Policy for Large Gifts; Gifts Where A Donor's Identity is to be Kept Confidential; and Gifts Where a Donor's Identity is Unknown Land & Property Policy
4. Charitable Trust Policy
5. Gift Annuity Pool Policy
6. Pooled Income Fund Policy
7. Bequest Policy
8. Planned Giving Investment Policies
9. Donor Advised Fund Policy
10. Endowment Policy
11. Dormant Funds Policy