



Policy on the Receipt, Ownership, Sale and Transfer of Marketable Assets

Approved by the Board of Directors June 3, 2017

From time to time, the Geneva Lake Conservancy (GLC) may receive, by charitable gift, by bequest, or by purchase through a bargain sale, real property, personal property, or financial instruments such as securities or mutual funds. The Board of Directors has adopted this policy statement to guide decisions on the receipt, holding, transfer and resale of such marketable assets by the GLC.

1. The GLC welcomes gifts of land or other marketable property which can be used, managed or sold by the organization to further its non-profit conservation mission when consistent with the following guidelines.
2. The intent of the donor should be clearly communicated to the GLC in writing, including the program or project the donor wishes to benefit from the gift of property. Options the GLC may choose for the management, sale or transfer of donated marketable assets, and how the proceeds will further the donor's charitable intent, should be disclosed and discussed with the donor in advance of the gift if possible. In some cases, a written donation agreement may be appropriate.
3. Any asset offered for donation or sale to the GLC will be carefully evaluated, using outside professional advisors where appropriate, to ensure that it is in a useable, safe and marketable condition at the time of the transfer. Consideration will be given to the level of staff work required, potential liability of ownership and other issues related to accepting, managing and liquidating a donated asset, relative to its value to the organization.
4. Donations of corporate securities, bonds, mutual funds or other marketable financial instruments normally will be sold upon receipt, and the proceeds of sale transferred to the appropriate GLC account to fulfill the donor's intent. It is the policy of the GLC to hold and manage a diversified portfolio of securities and financial instruments, under the supervision of the Finance Committee and working with professional investment advisors, and not to hold and manage individual financial instruments that may be donated. Exceptions to this approach (such as a stipulated gift from a donor) must be approved by the Finance Committee.

5. Donations of vehicles, equipment, art or other personal property will be evaluated for their usefulness to the GLC. Gifts of vehicles or equipment will be accepted only if in a safe and serviceable condition. If no practical and beneficial use for donated personal property is apparent, it will be sold and the proceeds used in accord with the donor's intent.
6. Real property (land) gifts will not be accepted until a thorough due diligence review (e.g. preliminary title report, surveys, environmental hazards assessment, building inspection reports, land use permits and other appropriate documents) shows that the donor has clear, marketable title to the land, and that there are no outstanding easement, legal, land use or environmental issues or conditions that would cause problems or potential liability for the GLC.

A "Phase I" environmental hazards assessment must be provided or prepared, unless the Board of Directors agrees to waive this requirement for a particular property. A gift of property will not be accepted if it is deemed to have undue risk of injury or liability, or unreasonable holding, management, tax and transfer expenses to the GLC relative to the potential benefit of receiving the gift.

7. When real property is donated, or is purchased with the intent of transfer or resale to a private party or public agency, the Land Protection Committee will first evaluate whether significant conservation values (i.e. agricultural, wildlife habitat, scenic, historic resources) exist on the property, using the GLC's adopted project selection criteria. In cases where a property has high conservation value, it should be considered for long-term ownership by the GLC, provided that there is adequate capacity to own and manage it responsibly, or be transferable to another qualified conservation agency. In some cases, the conservation values of donated land may be protected with a conservation easement on all or part of the property, with the easement granted either before or at the time the property is transferred to another owner.
8. The GLC may also receive real property with little or no conservation value, in which case the property may be sold to generate funds to support GLC programs or projects. The decision to hold, sell or transfer any real property will be made by the Board of Directors.
9. Careful consideration will be given to the staff time commitment and direct management costs associated with receiving and managing real property until its appropriate disposition is completed. Real or personal property accepted for donation will be reported to the GLC liability insurance carrier to insure appropriate insurance coverage during the period of GLC ownership.
10. For any asset being sold to a private buyer, the GLC will seek to receive the full fair market value of the asset. Professional advisors, such as attorneys, appraisers, land planners and real estate brokers, should be consulted as appropriate to determine the best strategy to achieve the full market value. Donated land that is being sold or transferred to a private party should be priced for sale based on an appraisal report

or letter of opinion from a qualified real estate appraiser. If land is to be restricted by a conservation easement, an appraisal will be made to determine the diminution in market value attributable to the easement.

11. Assets may be sold to a member of the GLC staff, board of trustees or advisory council or a member of their immediate family only in compliance with the adopted Conflict of Interest Policy. Once a staff, board of advisory council member states an interest in purchasing an asset, they shall recuse themselves from any discussion or participation in the GLC's disposition process for that asset. Such assets will be offered on the open market before sale to any GLC insider.
12. The Executive Director is authorized to pursue the disposition of any donated marketable financial instrument in accord with this policy, and the disposition of any personal property with an estimated or appraised value less than \$5,000. The Finance Committee must approve the disposition of: (a) any real property; (b) any personal property valued at \$5,000 or greater; and (c) any property being sold to a member of the GLC staff, Board of Directors or advisory council. The Finance Committee will consider whether a general public offering or the use of a broker is appropriate for the sale of a particular asset.
13. The Executive Director will consult with the GLC accountant to ensure that the acceptance and disposition of any donated asset fully complies with federal and state tax laws, including requirements for the donor to have an independent appraisal to determine the value of certain donations, the GLC's obligation to review the appraisal, and the requirements of filing IRS forms 8283 (Non-Cash Charitable Contributions) and 8282 (Sale, Exchange, or Other Disposition of Donated Property).

This material is designed to provide accurate, authoritative information in regard to the subject matter covered. It is provided with the understanding that the Land Trust Alliance is not engaged in rendering legal, accounting, or other professional counsel. If legal advice or other expert assistance is required, the services of competent professionals should be sought.