



# American Society of Plant Biologists

*Cultivating a better future through plant biology research*

## **ASPB Gift Acceptance Policy**

Approved by ASPB's Board of Directors on January 9, 2020

ASPB solicits and accepts gifts that are consistent with its mission and that support its core programs, as well as special projects.

The activities of the American Society of Plant Biologists (ASPB) are funded in part by generous gifts from members of our community, and ASPB is grateful for all contributions. Endowment contributions are especially helpful because they provide long-term support for activities - especially related to research, education, outreach, advocacy, and professional development. Because endowment funds and any activities they earmark require administrative support, endowment gifts that support the types of activities ASPB already engages in are especially welcome. These include: research/education awards, travel awards to the annual meeting, Summer Undergraduate Research Fellowships (SURFs), and educational outreach activities, among others. As appropriate, the investment proceeds from these endowment gifts would acknowledge support from "named" funds. ASPB would honor and recognize the donor or whomever the donor designates by providing specific recipients with a named award or grant. Such naming would serve to recognize the donor's or donor designee's contributions and commitment to furthering the missions of ASPB.

### **I. Purpose of Gift Acceptance Policy**

1. The purpose of the Gift Acceptance Policy (the Policy) is to govern the acceptance of gifts offered to ASPB. This governance is achieved through the policies and procedures set forth herein.
2. The Policy provides guidance to donors and their advisors with respect to making gifts to the ASPB endowment, as well as to unrestricted gifts.
3. The Policy is intended to protect the interests of the endowment and to generate unrestricted gifts.

### **II. Definitions**

1. A Gift -- In general, a gift is a voluntary transfer of assets from a person or an organization to ASPB where in return no goods or services other than recognition are expected, implied or forthcoming for the donor. A gift may be either Restricted, Temporarily Restricted, or Unrestricted (see below) to a general area of use that contributes to the benefit of ASPB's endowment.
2. Fair Market Value -- Fair Market Value is the value assigned to the gift by generally accepted accounting principles and governed by Financial Accounting Standards Board (FASB) rules.
3. 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.

### **III. General Policies**

1. Once ASPB has accepted a gift, it becomes the property of the endowment if restricted and of ASPB if unrestricted, and the donor ceases to have any decision-making power regarding the gift assets or their disposition.
2. ASPB accepts gifts from individuals, estates, trusts, corporations, associations, societies and private foundations for the general purposes of the endowment, including: professional development programming; capital expenditures; renovation of buildings; equipment purchases; education; advocacy; travel awards; conference support; journals support; networking, in person and online; community education.
3. ASPB shall not appraise or establish the value of any gift on behalf of any donor nor incur legal fees. At the request of the donor, ASPB will assist the donor in finding a suitable professional appraiser. Determining the deductibility of gifts for tax purposes is the responsibility of the donor. ASPB will not provide accounting advice to donors.
4. ASPB shall not pay a finder's fee for any gift or as a condition to receiving a gift.
5. When appropriate, ASPB may cause to be conducted additional professional appraisals, title searches, and other efforts to determine Fair Market Value and ownership.
6. The President, Past-President and President-Elect of ASPB and its CEO shall review the acceptability of all gifts, other than cash or Readily Marketable Securities.
7. ASPB will process all gifts in a diligent and expeditious manner. ASPB will provide a receipt as pursuant to requirements of law.
8. No gifts shall be assigned directly by the Donor to any specific member of the ASPB governing boards, ASPB staff, or members of the Society.
9. As the acceptance of individual gifts presents sufficient burden to handling, accounting, and ensuring the correct distribution of gifts by the Society, ASPB has developed a policy related to the value of the gift.
  - a) Gifts with values below \$50,000 will be accepted only as "Unrestricted Gifts" or "Temporarily Restricted Gifts".
    - (1) Unrestricted Gifts (including all principal and earnings) can be used immediately for specific objectives depending on the wishes of the Donor and ASPB. Or they can be added to other ASPB Foundation accounts that handle donations from its members without designation (e.g., Legacy Foundation without restrictions). There is no minimum or maximum value associated with this Gift type.
    - (2) Temporarily Restricted Gifts can be designated by the Donor for a specific purpose and for a specific time and duration. The Donor in accord with ASPB will determine the specific objective(s) for the gift. The Donor must also designate how both the principal and earnings of the gift can be used and indicate the time period for allowed expenditures.
  - b) Gifts of \$50,000 or more have the opportunity to be designated as a "Restriction Gift" for a specific immediate goal or long-term goal of ASPB and the Donor. ASPB can spend only the earnings from the Gift and not its principal for this Restriction.

- c) If the intent of a single donor or collection of donors is to provide a Restricted Gift, but whose current monies do not yet meet the \$50,000 threshold, ASPB can set up such contributions as an Unrestricted Gift, wait for additional donations, and then set up a Restricted Gift account within ASPB and begin allocating the funds toward the initial intent of the gift once the threshold is met. If the funding window of the anticipated Gift since its inception exceeds five years without meeting the \$50,000 threshold, the monies collected at that date will be retained as an Unrestricted Gift.

#### **IV. Valuation of Gifts**

1. All gifts shall be valued according to generally accepted accounting principles and as governed by FASB rules.
2. The date used for computing the value of a gift shall be the date on which title is transferred to ASPB. 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.

#### **V. Types of Gifts Accepted**

1. Cash
2. In-kind goods or services – subject to review and approval by the President and CEO.
3. Readily Marketable Securities -- Such securities will be accepted and shall be held or sold in accordance with ASPB's investment policy.
4. Non-Readily Marketable Securities -- Gifts of such securities will be accepted under the following condition: Gifts of closely held securities will be carried on ASPB's books at a nominal value of \$1.00 unless ASPB is provided with an appraisal by an independent appraiser acceptable to ASPB, establishing its Fair Market Value.
5. Real Property -- Gifts of real property will be accepted under the following conditions:
  - a) All offered gifts of real property are required to have an appraisal by an independent appraiser acceptable to ASPB, establishing its Fair Market Value. The date of the appraisal shall be within 60 days of the date of the gift.
  - b) 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.
  - c) It is the responsibility of the donor to pay for the appraisal and the environmental audit.
  - d) The Board of Directors and/or Board of Trustees shall determine the acceptability of mortgaged property.
6. Personal Property -- Gifts of personal property will be accepted pursuant to approval by the Board of Directors and will be valued at \$1.00 unless an appraisal by an independent appraiser acceptable to ASPB is provided at the donor's expense.
7. Planned Gifts -- ASPB 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.

a) *Charitable Gift Annuity* -- A Charitable Gift Annuity (CGA) (a contract between the donor and ASPB to provide the donor a fixed income stream in exchange for a sizable donation) shall be subject to the following rules:

- (1) A CGA may be funded with either cash or Readily Marketable Securities, at an initial minimum amount of \$100,000. Non-readily Marketable Securities or real property shall not be acceptable funding.
- (2) A CGA may be either a current or a deferred payment gift annuity. The deferral period, if any, shall be established at the discretion of the donor.
- (3) Annuity contracts may be for one life, two lives in succession, or joint and survivor agreements. The maximum annuity rates offered shall be the then-current rates suggested by the American Council on Gift Annuities.
- (4) Annuities may be paid quarterly, semi-annually or annually; however, in the case of a CGA with a value of at least \$100,000, monthly payments may be made.
- (5) To conform to various state laws, ASPB shall operate a segregated gift annuity fund (the Annuity Fund), which is not part of any other investment or endowment fund of ASPB. The full annuity gift will be added to the Annuity Fund and separately identified until the demise of the last annuitant named in the agreement.
- (6) A methodology shall be established by ASPB's Accounting Department to identify the changing market value of each agreement, so that an appropriate amount may be debited from the Annuity Fund at the termination of the agreement.

b) *Charitable Trust (Remainder, Lead, Annuity)* -- A Charitable Trust shall be subject to the following rules:

- a. ASPB prefers that a donor who creates a charitable trust name an outside trustee. However, if the donor requests ASPB to act as trustee, it will do so under the following conditions: (i) the initial funding of the trust must have a Fair Market Value of at least \$200,000; and (ii) ASPB must be a beneficiary of the trust for at least 75% of the remainder. The foregoing shall not apply to a lead trust.
- b. Each trust shall be responsible for its own expenses. Payments will be made quarterly from the trust. An annual statement will be provided to beneficiaries in compliance with IRS rules.

c) *Bargain Sale* – A bargain sale may be a planned gift. However, the Board of Trustees shall evaluate and approve the acceptance of each proposed bargain sale.

d) *Life Insurance Contracts* – ASPB will accept a life insurance policy as a gift from donors. Acceptable types of policies are:

- i. A whole life or endowment insurance policy;
- ii. A universal life insurance policy;
- iii. A variable whole life insurance policy; or
- iv. A variable universal life insurance policy.

With respect to a term life insurance policy, ASPB may accept such a policy as a gift only after consideration and approval by the Board of Trustees. However, a donor can name ASPB as the beneficiary of a term life insurance policy.

ASPB will only accept a policy as a gift if the policy is:

1. Paid up; or
2. Sustainable by accrued and future dividends generated by the policy; or
3. In the case of a universal life policy, the cash value will sustain the policy until the maturity date at the guaranteed interest rate, cost of insurance rate and expense rate; or
4. If the donor agrees in writing to make future gifts to ASPB equal to or exceeding the policy's annual premium until the policy matures.

To effect the gift, the policy owner shall execute the appropriate forms from the insurance company transferring ownership of the policy to ASPB and naming ASPB as the beneficiary of the policy.

The value of the life insurance policy will be determined as of the date the transfer of ownership and change of beneficiary are recorded by the insurance company. For the purposes of determining the value of the gift, the life insurance policy's value is the interpolated terminal reserve as supplied by the insurance company that issued the policy. In addition, if the donor agrees in writing to make future gifts equal to or exceeding the policy's annual premium until the policy matures, then the anticipated premiums paid until life expectancy discounted at the appropriate applicable federal rate will also be used in determining the value of the gift.

- e) *Other Types of Planned Gifts* -- Other types of planned gifts include remainder interests in property; retirement plan beneficiary designations; bequests; and life insurance beneficiary designations.

## **VI. Standards for Accepting or Declining Gifts**

ASPB's Board of Directors may modify aspects of this policy on a case-by-case basis.

ASPB may decline any gift for one or more of the following reasons:

1. There are conditions to a gift that are not consistent with the purposes, values, and/or objectives of ASPB or its members.
2. The gift could financially jeopardize the donor or ASPB.
3. The gift or its terms are illegal.
4. ASPB does not have the resources to honor the terms of the gift.
5. Acceptance of the gift will result in unwarranted or unmanageable expense to ASPB.
6. There are physical or environmental hazards related to the gift.
7. The gift could improperly benefit any individual.

8. ASPB is unable to or uninterested in meeting donor restrictions.
9. The costs to ASPB for maintaining the gift or meeting the restrictions placed on the gift by the donor are excessive.
10. The gift is inappropriate with respect to the tax-exempt purposes of ASPB.
11. The gift may result in inappropriate or undesirable publicity.
12. The Board of Trustees and/or Board of Directors determine any other reason that the gift is not in the best interests of ASPB.

#### **VII. Gift Restrictions**

1. Gifts restricted for a specific purpose by the donor will be reserved for that purpose in keeping with the wishes of the donor, provided that the specific purpose is consistent with the priorities, objectives, and financial resources of ASPB. In the event the restricted purpose initially established is no longer valid, ASPB shall have the right to use the funds for a similar or related purpose, if possible. If this is not possible, ASPB may use the funds for any other purpose as it deems appropriate. Repurposing such goals will be determined by the ASPB Board of Directors and Board of Trustees in consultation with the Donor (if available), and be in alignment with the goals of the Society at the time of the repurposing.
2. Income generated by the investment of Restricted Gifts shall be considered unrestricted income unless specifically designated as restricted income by the donor.
3. Contributions help ASPB ensure that its charitable services continue to serve its community. ASPB will charge a one-time administrative fee of 15% from all Restricted Gifts up to a maximum administrative fee of \$ 25,000 total. Administrative fees help with overhead expenses that are necessary for ASPB's staff to manage the gift. All Unrestricted Gifts will not be charged the one-time administrative fee.

#### **VIII. Procedures for Processing Gifts**

1. Any department or individual affiliated with ASPB shall advise ASPB of any solicitation, proposal or request for private or public support of ASPB's programs, equipment, capital projects, or endowments.
2. All gifts shall be acknowledged to the donor in a timely manner, and recognition shall be made as appropriate.

#### **IX. Board of Trustees**

In addition to any other responsibilities imposed by this Policy, the Board of Trustees shall review and recommend the acceptance of unique gifts. It also may be convened to determine if a restricted gift meets the criteria set forth in this Policy.

#### **X. Amendment of the Policy**

From time to time, ASPB's Board of Directors may amend this policy. It is expected that the Board of Directors and Board of Trustees of ASPB will review its Gift Acceptance Policy and the goals of each of its Unrestricted and Restricted Gift accounts every five years