GIFT ACCEPTANCE POLICY

1. Introduction

The responsibilities for fundraising are shared among the FRIENDS OF COYOTE HILLS volunteers and staff. All fundraising and constituent engagement activities on behalf of the organization must be aligned with strategic priorities and comply with local, state, and federal laws and with organization policies. The FRIENDS is committed to ethical engagement.

2. What Is a Gift?

A gift is defined as a complete voluntary transfer of assets or delivery of services from a person or an organization to the FRIENDS OF COYOTE HILLS where no goods or services are expected, implied, or forthcoming in return to the donor.

3. Qualification and Registration

3.1. The FRIENDS OF COYOTE HILLS is a nonprofit organization as described in section 501(c)(3) of the Internal Revenue Code. Thus, the organization qualifies under both federal and state law as a tax-exempt non-profit organization in which charitable contributions are deductible to the full extent of the law for income, gift, and estate tax purposes.

3.2. The organization's federal tax identification number is 93-4623981.

4. Gift Acceptance

4.1. The FRIENDS OF COYOTE HILLS will make every effort to accommodate and accept all charitable contributions from donors. However, it will not accept gifts that, in the judgment of the organization:

4.2. Violate the terms of this policy;

- 4.2.1. Violate a federal, state, or other law;
- 4.2.2. Are too difficult or expensive to administer;
- 4.2.3. Were acquired by other than legal means, or that clear title to the donated asset does not flow directly from the donor to the organization;
- 4.2.4. Are too restrictive in purpose
- 4.2.5. Could create unacceptable liability or cause the organization to incur future unanticipated or anticipated expenses;
- 4.2.6. Are for purposes that do not further the organization's mission;
- 4.2.7. Could damage the reputation of the organization, or are contrary to the organization's values;
- 4.2.8. Would jeopardize the organization's tax-exempt status; or
- 4.2.9. Provide a donor with goods or services of financial value in exchange for the donor's gift, unless such value is fully disclosed in the time and manner as required under federal and state law and regulations.

4.3. If a gift falls into one of the above categories, the gift officer working with the donor will consult with the appropriate Board or Director or Executive Director for an acceptance disposition.

4.4. The acceptance of a gift does not imply nor mean that the organization endorses or approves of the donor's views, opinions, businesses, or other activities.

5. Gift Designation and Restrictions

5.1. If the donor does not designate a specific purpose of a gift, the gift will not be designated "restricted" by the organization.

5.2. If the donor designates a specific purpose for a gift, the organization will either add this restricted gift to a currently existing fund with the same purpose or create a new fund for the specified purpose, as appropriate.

5.3. If FRIENDS OF COYOTE HILLS is unable to use a restricted gift for the purpose designated by the donor, the following refund policy applies:

5.3.1. Cash gifts of $500 or more will be refunded.

5.3.1.1. FRIENDS OF COYOTE HILLS will attempt to contact the donor using the last known mailing address, phone number, and/or email address on record. If the donor cannot be reached, the organization will hold the refund for up to one year from the date it determines the gift cannot be used for its designated purpose. If the donor has not been reached by the end of that period, the funds may be redirected to the organization's capital programs or general operations, subject to applicable law and any restrictions on the gift.

5.3.2. Cash gifts under $500 generally will not be refunded due to administrative and processing costs. These funds will be redirected to the organization's capital programs and/or general operations, subject to applicable law.

5.3.3. Non-cash gifts of securities or other assets with a market value of $1,000 or more at the time of donation may be considered for a refund on a case-by-case basis. Any refund will be limited to the net cash proceeds, if any, received from the sale of the donated assets, and will not be based on nor exceed the assets' market value at the time of donation.

5.3.4. Non-cash gifts of securities or other assets with a market value below $1,000 at the time of donation generally will not be refunded.

6. Gift Agreements

6.1. General Information

6.1.1. A gift agreement documents the mutual understanding between a donor and the organization in relation to the donor's charitable contribution. A formal gift agreement is generally required for new obligations entered into by the organization, both for multi-year commitments and gifts of $100,000 or more.

6.1.2. Information appearing in a gift agreement includes but is not limited to the dollar amount of the charitable gift/pledge; the purpose and use of the fund if new and any restrictions; pledge payment schedule; and recognition, as well as any other requirements or obligations agreed upon by the donor and the organization.

6.1.3. Gifts/pledges that are not documented by formal gift agreement generally need to be documented in some other way. For gifts of less than $100,000, a signed letter of intent or gift/pledge form is generally sufficient documentation. The organization will provide donors with a letter of intent template or gift/pledge form, as appropriate, in those cases.

6.1.4. The Executive Director, in consultation with the Board of Directors, will as necessary, make final decisions on all questions related to organization gift agreements.

6.2. Pledge Payments

6.2.1. Pledge payment periods may be up to seven consecutive years, with the first payment scheduled within one year of the date of the gift agreement's execution or as defined by the pledge form/agreement.

6.2.2. Pledges from individual donors that may be paid in full or part through a private family foundation must be written in the form of a non-binding statement of

intention in order to prevent the donor or foundation from potentially violating certain provisions against self-dealing under the federal tax laws.

6.3. Distribution and Storage of Fully Executed Gift Agreements

6.3.1. The organization accepts and prefers digitally signed fully executed gift agreements. If hard copies are required or preferred, two original copies of the gift agreement will be prepared for signing: one for the donor's records, and one for the organization's records.

6.3.2. The organization's original copy and/or an electronic copy of the fully executed gift agreement will be stored securely and confidentially. Electronic files are stored in the cloud with restricted access for the organization's internal team and its auditor, if required.

7. Transferring Assets and Specific Types of Gift Assets

7.1. The FRIENDS OF COYOTE HILLS will accept gifts of cash and marketable securities.

7.2. The FRIENDS OF COYOTE HILLS will accept the following types of gifts in accordance with its Gift Acceptance policy (Section IV): non-marketable securities, real estate, and gifts of tangible or intangible personal property (gifts-in-kind).

8. Anonymous Gifts

Anonymity of a gift might be granted for a donor who wishes to protect his or her privacy; however, these donors are not anonymous to the organization's internal team. These donors' may not be anonymous to the organization's service providers contracted under the condition of nondisclosure or government agencies, including accountant, auditor, and legal representative, the Internal Revenue Service, and the California Franchise Tax Board.

9. Anonymous Gifts

Anonymity of a gift might be granted for a donor who wishes to protect his or her privacy; however, these donors are not anonymous to the organization's internal team. These donors' may not be anonymous to the organization's service providers contracted under the condition of nondisclosure or government agencies, including accountant, auditor, and legal representative, the Internal Revenue Service, and the California Franchise Tax Board.

10. Dissolution

If FRIENDS OF COYOTE HILLS ceases operations and dissolves, all remaining assets, after payment of or provision for the organization's liabilities, will be distributed to one or more government agencies and/or nonprofit organizations with missions similar to that of Friends of Coyote Hills, as selected by the Board of Directors. The Board will prioritize recipients serving Orange County and Los Angeles County, particularly communities near West Coyote Hills. Any nonprofit organization selected must be in good financial and governance standing. All distributions will be made in accordance with applicable law and any legally enforceable restrictions on the assets.

END OF POLICY, VERSION 1.0