

Conservation Districts of Iowa Planned Giving Program Policy

Purpose

The purpose of Conservation Districts of Iowa (CDI) Planned Giving Program shall be to encourage, solicit and provide opportunities for donors to achieve their philanthropic goals. The program shall educate donors about creative ways to utilize their assets to benefit the long term financial stability of CDI with gifts that support the mission of CDI.

The program shall supplement and enhance all other CDI membership and development programs. The program will:

- Enable donors to make significant gifts to CDI through the disposition of their estates.
- Offer donors the opportunity to retain life income for their capital while making revocable or irrevocable commitments to CDI.
- Enable donors to make significant gifts during their lifetime that might not have been possible without income retention.
- Allow donors to provide benefits for family and other desired beneficiaries.
- Encourage estate planning and the preparation and maintenance of up-to-date wills.
- Assist donors to achieve full realization of any positive tax consequences of their generosity.

Definition

Planned giving is part of the CDI fund raising program. Its focus is to create gift opportunities from a donor's assets. These gifts may have a significant impact on income, gift and estate taxes, which normally will require the creation of a legal document. These gifts are generally created in the present but may not be realized by CDI until a later date, when the terms of the document are fulfilled. The most common planned giving vehicles are a will, a gift of life insurance, a life estate agreement, a charitable gift annuity, a deferred payment charitable gift annuity, a charitable remainder trust, a charitable lead trust, a revocable trust, IRA or other asset transfer.

Gift Options

CDI offers donors the opportunity to make gifts in the following forms:

- Gifts of cash
- Gifts by will

- Life insurance
- IRAs and other retirement plans
- Charitable remainder trusts and annuity trusts
- Charitable gift annuities and deferred payment annuities
- Charitable lead trusts and charitable lead annuity trusts
- Gifts of undivided interests in property including residences or farms
- Gifts of residences or farms with the donor retaining the privilege of residence and income for life

Authorization

The CDI Board of Directors has established planned giving as a part of the fund raising program for the Organization. The Board has provided clear authorization to staff to engage in planned giving program activities. The senior staff members of CDI are authorized to negotiate planned giving agreements. Such negotiations shall follow the policies of CDI and agreements established are subject to final acceptance by the Board.

Planned giving agreements or contracts on behalf of CDI shall be executed by a designated staff member of CDI or a designated member of the Board. The following persons shall be authorized to sign and accept such agreements or contracts:

- Executive Director
- President of the Board of Directors

The acceptance of all planned giving gifts and the establishment of all planned giving agreements and contracts will be subject to Board approval.

The Fundraising Committee of the Board shall provide oversight for the Planned Giving Program. The committee will review the program at least every two years and recommend revisions to the CDI Planned Giving Program Policy as appropriate. Any changes to the CDI Planned Giving Program Policy will be made through an action of the Board.

Resources

Staff and resources to achieve a full and effective program, including professional counsel and continuing education, shall be provided from the annual operating budget of CDI.

Independent Trustee

When a trustee is required by a gift agreement, CDI donors are encouraged to use a bank trust department or other qualified trustee.

Planned Giving Program Implementation

The CDI Planned Giving Program shall be conducted in a totally ethical manner. The CDI will adhere to the Code of Ethical Principles and Standards of Professional Practice set forth by the Association of Fundraising Professionals, and the Model Standards of Practice set forth by the National Committee on Planned Giving.

No member of the staff or Board of CDI shall create or accept a personal financial interest in any planned giving agreement. They also are prohibited from accepting cash or personal gifts from donors.

Review of Agreements and Contracts

CDI retains the right to seek advice from legal counsel in all manners pertaining to its Planned Giving Program and will not execute an agreement, contract, trust or other legal document with any donor without the advice of legal counsel. Donors will always be encouraged to seek their own tax or professional counsel in all aspects of planned giving.

Additional Guidelines

The following additional guidelines apply to the CDI Planned Giving Program:

- With the exception of legal review, all expenses connected with a gift must be payable from the gift, and not the annual operating budget of CDI unless approved by the Board.
- Property received as a gift should be marketable within a reasonable time frame, unless the Board agrees to short or long-term management of the property.
- Donors are to be discouraged from placing encumbered assets into trust.
- Gifts, where interest income is to be retained by the donor, must be of sufficient value to produce the income the donor anticipates. If the donor's valuation is viewed as unrealistic, the potential gift may be declined.

Confidentiality

All information obtained from or about donors or donor prospects will be held in the strictest confidence by all parties involved on the part of CDI. Names, amounts, conditions, or types of gift vehicles will not be published or released without the prior approval of the donor and/or the beneficiary.

CDI will allow the donor the right to see or review his/her file upon request. CDI must be given at least 48 hours to prepare the file.

Gift Acceptance Policy for Bequests

Bequests of cash, securities, real estate or other gifts of any amount may be accepted by CDI, if it is in the best interest of CDI to do so. If it is determined that a bequest is not in the interest of CDI, it may be declined. Reasons for declination may include but not be limited to:

- Real estate with a potential for environmental problems.
- Assets that are accompanied by conditions the Board determines to be unacceptable.
- Assets that have little or no marketability.
- Bequests that create a potential liability to CDI.

Gift Acceptance Policy for Charitable Gifts of Life Insurance

The types of life insurance gifts accepted by CDI may include:

- Gifts of all, a portion, or a percentage of the death benefit of a policy
- Gifts of a paid-up policy where ownership is transferred to CDI.
- Gifts of a policy where the donor retains responsibility for premium payments, and CDI is named a beneficiary

Donors will always be encouraged to select their own agent or life insurance company. CDI staff will not endorse or recommend any agent or insurance company unless assistance is specifically requested by the donor.

Gift Acceptance Policy for Life Estate Agreements

CDI will enter life estate agreements under the following terms:

- The gift may be an irrevocable remainder interest in a farm or personal residence.
- Acceptance of property subject to indebtedness is discouraged and only allowed with the approval of the Board.
- Life estate agreements should be limited to the lives of two beneficiaries
- The donor of property is responsible for property maintenance during his/her lifetime including real estate tax payments, unless otherwise approved by the Board.
- Any life estate agreement must be funded with an entire or undivided interest in a property, unless otherwise approved by the Board.
- Any life estate agreement established by CDI may be reviewed by professional counsel such as an attorney and/or CPA.

Gift Acceptance Policy for Charitable Gift Annuities

CDI will establish a charitable gift annuity under the following terms:

- CDI shall not issue a gift annuity if the total gift amount is less than \$5,000. Any annuity written for \$5,000 will be based on an annual pay out only.
- CDI shall not issue a gift annuity if the annuitant is under the age of 60 years old.
- CDI shall not issue a gift annuity for more than two lives.
- CDI shall not issue a gift annuity unless the charitable gift (using government tables) exceeds 20% of the amount transferred for the annuity.
- CDI shall use as a guideline the current Gift Annuity Rate Schedule recommended by the American Council on Gift Annuities.
- The management of funds given to establish a gift annuity and the scheduled pay out to the donor will be managed by CDI.
- Charitable gift annuity agreements entered into by CDI may be reviewed by professional counsel such as an attorney and/or CPA.
- Each year, CDI will provide IRS reporting requirements to the donor.

Gift Acceptance Policy for Deferred Payment Charitable Gift Annuities

CDI will establish a deferred payment charitable gift annuity under the following terms:

- CDI will not issue a deferred charitable gift annuity for an amount less than \$5,000.
- Payments on a deferred gift annuity should be deferred until the annuitant reaches at least 60 years of age.
- CDI shall not issue a deferred charitable gift annuity for more than two lives.
- The period of deferral between the transfer of the gift and the date the annuity payments begin shall not be less than one year from the date of the transfer.
- CDI shall not issue a deferred payment charitable gift annuity unless the charitable gift (using government tables) exceeds 20% of the amount transferred for the annuity.
- The management of the funds given to establish the annuity and the scheduled pay out to the donor will be managed by CDI.
- Deferred payment charitable gift annuity agreements issued by CDI may be reviewed by professional counsel such as an attorney and/or CPA.
- Each year, CDI will provide IRS reporting requirements to the donor.

Gift Acceptance Policy for Charitable Remainder Trusts

CDI will establish charitable remainder trusts under the following terms:

- Cash, marketable securities, debt free real estate or other appreciated property may be accepted to establish a charitable remainder trust.
- All management fees shall be paid from trust principal
- The minimum pay out for a trust will be no less than 5%. The pay out will be negotiated between the donor and CDI.
- The minimum amount to establish a charitable remainder trust is \$50,000.
- Trust agreements are limited to two beneficiaries.
- The minimum age for a beneficiary is 50 years of age.
- CDI will not act as a trustee for any charitable remainder trust established.
- Any charitable remainder trust agreement established by CDI may be reviewed by professional counsel such as an attorney and/or CPA.

Gift Acceptance Policy for Charitable Lead Trusts

CDI will establish charitable lead trusts under the following terms:

- A donor may create, by will or by living trust, a charitable lead trust from which an annual payment to CDI will be made for a period of time.
- The trust term of a charitable lead trust will be specified by a number of years or by the life of one or more named individuals who are living at the time the trust is created.
- Donors and beneficiaries of a charitable lead trust may be of any age.
- The minimum amount required to establish a charitable lead trust is \$600,000 for an individual and \$1,200,000 for a couple unless an exception is made by the Board.
- CDI will not serve as trustee of a charitable lead trust.
- Any charitable lead trust agreement established by CDI may be reviewed by professional counsel such as an attorney and/or CPA

Conservation Districts of Iowa, CDI
945 SW Ankeny Road, Suite A
Ankeny, IA 50023
Phone: 515-289-8300

Policy Approved by the Board of Directors:

President: _____ Date: _____

Legacy Gifts and Planned Giving

Legacy gifts or other planned giving options are a great way to support the long-term viability of Conservation Districts of Iowa (CDI) at a time in your life or career when “giving back” becomes an important priority. It can be as easy as a cash or stock contribution, or naming the Organization as a beneficiary in your will. There are other annuity and trust options that can provide income during your life in addition to a legacy gift to the Organization.

In many cases, you may find it possible to realize a tax benefit for you or your family.

In all cases, legacy gifts to the CDI Endowment Fund will support the work of the Organization and continue to grow for years to come.

We would be pleased to speak with you about your interests in any of the following legacy gift options:

- Stock and cash gifts
- Bequests
- Life insurance
- IRAs and other retirement plans
- Charitable gift annuities and deferred payment charitable gift annuities
- Charitable remainder trusts and charitable lead trusts

Please note: Conservation Districts of Iowa cannot and does not provide legal or tax advice. Our advice is that you engage the services of a qualified attorney or financial professional to assist you in your financial planning and planned giving decisions.

Conservation Districts of Iowa Endowment Fund

Supported through legacy gifts, an Endowment Fund is established within the Conservation Districts of Iowa (CDI) to benefit the long term financial stability of the Organization. The assets of the Endowment Fund shall be invested under policy established by the Board of Directors. Use of the funds shall be specifically designated as a part of the CDI annual budget process at the discretion of the Board of Directors, with the limitation that no more than 5% of the Endowment Fund balance may be budgeted or expended annually.