

## **GIFT ACCEPTANCE POLICY OF TREKKERS, INC.**

TREKKERS, INC. (TREKKERS), located in Rockland, Knox County, Maine, is a not-for-profit corporation established under the laws of the State of Maine. TREKKERS encourages the solicitation and acceptance of gifts to TREKKERS for purposes that will help the charity further and fulfill its mission.

The mission of TREKKERS is cultivating the inherent strengths of young people through the power of long-term mentoring relationships. Toward that end, TREKKERS' Directors have a fiduciary duty to the Maine people served by TREKKERS' programs and the many generous donors who have supported TREKKERS in the past to assure that TREKKERS' assets are employed efficiently and protected from potential liabilities and diversion to purposes other than those that will further TREKKERS' goals. To help discharge that fiduciary duty, TREKKERS' Board of Directors has approved this Policy on the Acceptance of Gifts (the "Policy"), which is intended both to keep TREKKERS financially secure and to assure donors that their contributions to TREKKERS are used in accordance with their wishes and TREKKERS' fundamental mission. We hope this explicit statement of the Policy can serve as a guide to the responsibilities of both donors and TREKKERS in planning and completing charitable gifts.

This Policy describes the circumstances under which TREKKERS can accept present and future interest gifts of different kinds that are not cash, marketable securities or unrestricted gifts. General considerations affecting such gifts are described in **Part One** of the Policy. The different sorts of property TREKKERS can accept are described in **Part Two** of the Policy. The various means in which gifts may be made are described in **Part Three**.

TREKKERS appreciates donors' consideration of any gift to TREKKERS. We would be happy to provide a copy of this Policy to anyone with whom a donor consults in the course of considering a gift and to answer any questions this Policy may raise for any potential donor or those with whom a donor is consulting. Please call TREKKERS' Director of Development or Executive Director at (207) 594-5095 with any questions or if you wish to discuss any aspect of this Policy.

### ***PART ONE:*** ***GENERAL POLICIES RELEVANT TO ALL GIFTS***

1. *Employment of Counsel.* In some circumstances, it is prudent for TREKKERS to work with legal counsel in structuring significant gifts. When those circumstances arise, TREKKERS employs, at its own expense, counsel who are independent of both TREKKERS and the person making the gift. The instances in which TREKKERS expects to work with counsel are identified below. We encourage donors to consult their own legal and tax counsel as their needs may require, and we ask that all potential contributors to TREKKERS understand that counsel working with TREKKERS to structure a gift cannot also work with or represent the person making the gift.

TREKKERS and its employees and agents are prohibited from advising donors about the tax consequences of their donations, so donors should seek advice on the tax ramifications of any gift to TREKKERS from independent legal or tax advisors.

2. Acceptance Process. Some gifts to TREKKERS are more complex than others. In the cases of certain kinds of gifts, TREKKERS requires that TREKKERS acceptance of the gift be approved by the Executive Committee of TREKKERS' Board of Directors (the "Committee"). The sorts of gifts that can only be accepted with the approval of the Committee are identified below. In any case where acceptance by the Committee is required, if the Committee is in doubt about whether the particular gift should be accepted, the matter may be referred to the full Board for its consideration. Gifts that do not need to be accepted by the Committee may be accepted by the Executive Director or Director of Development of TREKKERS on TREKKERS' behalf. In all matters pertaining to the solicitation, acceptance or administration of a gift, TREKKERS, through its board, staff or other duly authorized representative acting on behalf of TREKKERS shall at all times adhere to the Standards and Practices of the Charitable Gift Planner as promulgated by the Association of Charitable Gift Planners, a copy of which are attached hereto as an Appendix.

3. Restricted Gifts. Like all charitable organizations, TREKKERS prefers gifts in general support of our goals to gifts for more limited purposes. Unrestricted support helps assure that TREKKERS will be able to respond to the needs and desires of the people it serves as those needs and desires change over time, in ways we cannot now foresee. If a supporter of TREKKERS desires to devote a gift to a particular purpose, the size of the gift should warrant the effort necessary to see that the donor's wishes are fulfilled. TREKKERS is therefore pleased to accept gifts restricted to a current particular use if they are in excess of \$1,000 or such lesser amount as the Executive Director or Director of Development may approve, or related to an event for which a purpose may be stated. Gifts to endow a particular program or function can be accepted and held as separate, identified funds in TREKKERS' endowment if they exceed \$50,000 or may reasonably be expected to exceed that amount when TREKKERS comes into possession of them in the future. Gifts for purposes that are not consistent with TREKKERS' mission or consonant with its current or anticipated future programs cannot be accepted. Gifts to create endowment funds for particular purposes are subject to review and approval by the Committee.

4. Fees and Commissions. We do not pay "finder's fees" or commissions to third parties in connection with any kind of gift to TREKKERS. No officer, employee or agent of TREKKERS is or will be compensated in a manner that is dependent on the size or nature of gifts made to TREKKERS by any person. When TREKKERS engages legal counsel, accounting professionals, appraisers or environmental consultants, their fees and expenses will be determined by the time they spend engaged in TREKKERS' work and not by reference to any particular gift in connection with which they are retained. Their fees in most cases will be paid by the donor unless otherwise agreed upon in writing between TREKKERS and the donor. Any such professional engaged by TREKKERS will be clearly identified to the donor or potential donor as working on behalf of

TREKKERS and not on behalf of the donor. In any case in which a donor's professional fees are paid in whole or in part by TREKKERS, representatives of TREKKERS will inform the donor that the payment constitutes taxable income to the donor.

5. *Establishing the Value of Donated Property.* It is the policy of TREKKERS to comply fully with the valuation rules set out in Publication 561 of the Internal Revenue Service and the relevant income, gift and estate tax laws and regulations. Copies of Publication 561 are available at [www.irs.gov](http://www.irs.gov) or at TREKKERS's office. Any income tax return including a deduction for property contributed to TREKKERS that has a value in excess of \$5,000 must be accompanied by an appraisal unless it consists of (i) cash, (ii) marketable securities, (iii) closely held securities with a value of \$10,000 or less, (iv) a vehicle, the value of which will be determined by its sale, (v) intellectual property such as a copyright or patent, (vi) stock-in-trade, inventory or other property that would otherwise be held by the donor for sale to customers in the ordinary course of the donor's business

The fee for the appraisal may not be based on the value of the appraised property, and the appraiser must be "qualified," as that term is used in IRS Publication 561. A "qualified appraiser" is one who is ordinarily in the business of appraising similar property, has appropriate educational and experiential background, who performs appraisals for many different people and purposes (and not primarily either for TREKKERS or for the donor) and who is not employed by TREKKERS, the donor, any relative of the donor or any entity controlled by the donor or members of the donor's family. Duplicate originals of each appraisal should be prepared, one for TREKKERS and one for the donor.

TREKKERS reserves the right to alter the value of property contributed to it on the books and records of TREKKERS for accounting, tax-reporting, annual fund record-keeping or any other purpose if developments after the completion of the gift or information that comes to the attention of TREKKERS after the gift is completed are determined, in the discretion of the Committee or TREKKERS's auditors, to merit such an alteration.

6. *Tax Compliance.* Donors of property other than cash and marketable securities which has a value of \$500 or more are required to file IRS Form 8283 with their individual tax returns for the year in which such a gift is made, if they intend to take an income-tax deduction for the gift. In each instance of TREKKERS's receiving a gift to which this rule is applicable, TREKKERS will use its best efforts to call the attention of the donor to the applicability of this rule. The Internal Revenue Code also requires that if TREKKERS sells property that it has received by gift within three years after the property is received, TREKKERS report the fact of the sale and the amount of the proceeds to the Internal Revenue Service on Form 8282. It is the policy of TREKKERS to comply fully with this reporting requirement and all other applicable aspects of state and federal tax law.

***PART TWO:***  
***PROPERTY THAT MAY BE DONATED TO TREKKERS***

1. Gifts of Cash. The most frequent, and also the simplest, means of supporting the work of TREKKERS is by cash or check. Checks should be made payable to “TREKKERS,INC.” and checks payable to any employee, officer or agent of TREKKERS cannot be accepted. Funds may also be wired to TREKKERS’ bank account, if a donor desires to do so, and wiring arrangements can be made through TREKKERS’ Executive Director or Director of Development. Funds will be treated as having been received by TREKKERS when a check arrives at TREKKERS’ office or funds wired to an account maintained by TREKKERS are credited to that account.

2. Publicly Traded Securities. Any unrestricted stocks or American Depository Receipts that are traded on the New York Stock Exchange or through the NASDAQ system or any other recognized domestic stock exchange and corporate and government bonds and for which there is an established market (“marketable securities”) are welcome as contributions to TREKKERS and may be accepted by the Executive Director or Director of Development. Securities accompanied by appropriate transfer instructions may be delivered to TREKKERS’ office or wired to an investment account maintained by TREKKERS, and will be treated as having been delivered when TREKKERS or its investment agent has received all the documentation necessary to complete the transfer of ownership without any further involvement on the part of the donor. Securities traded exclusively in markets outside the United States can only be accepted with the approval of the Committee. Marketable securities may be sold by TREKKERS promptly upon receipt so that their proceeds may be invested in a manner consistent with TREKKERS’ overall investment policies.

3. Closely Held and Restricted Securities. Corporate stock for which there is no established market that is readily accessible to TREKKERS, including the stock of “Subchapter S Corporations,” stock which is subject to trading restrictions, partnership interests in general or limited partnerships or in limited liability partnerships and memberships in limited liability companies that are not traded on an established domestic securities exchange (“closely held securities”) can be accepted by TREKKERS only with the approval of the Committee. TREKKERS is willing to consider any proposed gift of closely held securities, but gifts of closely held securities frequently cause tax and other problems for both the donor and TREKKERS, so each such gift must be carefully examined on a case-by-case basis. TREKKERS will ordinarily expect to retain legal counsel to advise it in connection with any proposed gift of closely held securities. Because of the complexity involved in TREKKERS’ accepting gifts of closely held securities, a prospective donor should allow ample time between the proposal of the gift and its completion. At least three months are necessary to assure that all the ramifications of such a gift for both the donor and TREKKERS are identified.

4. Real Estate. Gifts of real estate to TREKKERS can only be accepted with the approval of the Committee. Each such gift will be the subject of at least a Level I environmental review to assure the absence of environmental contamination and, if a Level I review is considered inadequate or inconclusive by the Committee, more extensive environmental testing may be required. TREKKERS ordinarily engages legal

counsel when considering a gift of real estate and will require a legal opinion as to the state of the donor's title before such a gift can be accepted. Because of the time necessary to perform the requisite environmental tests and title work, a donor should allow at least three months for a gift of real estate to TREKKERS to be completed.

Except if real estate donated to TREKKERS is proximate to an existing facility operated by TREKKERS and/or appropriate for TREKKERS's use in its operation, donors should anticipate that contributed real estate will be sold by TREKKERS as promptly as market conditions permit after TREKKERS takes actual possession of the property. TREKKERS is unable to accept gifts of real estate for which there is not likely to be a market. During any period in which donated real estate is retained by TREKKERS prior to sale, it may be subject to real estate taxes and, depending on the nature of the real estate, other maintenance expenses. Because TREKKERS does not divert its financial resources to support maintenance of real estate held for sale by TREKKERS, donors of real estate should also donate sufficient cash to pay the taxes and other expenses associated with the donated property for the period between its donation and its sale. In the absence of sufficient cash to permit the satisfaction of these expenses, TREKKERS may need to decline the gift.

TREKKERS ordinarily does not accept real estate that is encumbered by mortgages or other liens.

Special criteria may be applied to consideration of gifts of real estate located outside the State of Maine.

5. *Tangible Personal Property.* The term "tangible personal property" applies to any property that is not real estate, cash or securities and has an intrinsic utility. Examples include, but are not limited to, artwork, automobiles, boats, farm equipment, stamp and coin collections, furniture and jewelry.

TREKKERS gladly accepts contributions of tangible personal property that can be used in the performance of its work or other equipment or furniture usable at TREKKERS's offices or facilities. Gifts of tangibles that will clearly be usable immediately in TREKKERS's operations may be accepted by the Executive Director or Director of Development. When such gifts are accepted, the Executive Director or Director of Development will provide the donor with an appropriate acknowledgment of the gift in which the intention of TREKKERS to retain the donated property for use in the performance of its charitable functions will be clearly stated.

Special criteria may be applied to consideration of gifts of automobiles, boats or aircraft that will not be used in TREKKERS's programs and will need to be sold.

Gifts of other kinds of tangible personal property that will not be put to use in TREKKERS's programs can be accepted only with the approval of the Committee, and it is to be expected that TREKKERS will sell any such property as promptly as market conditions permit. In the absence of a letter to the donor from the Committee or the

Executive Director or Director of Development stating that contributed tangible personal property will be retained by TREKKERS, a donor must assume that the property will be offered for sale. TREKKERS cannot accept gifts of tangible personal property that are subject to restrictions related to the timing of their sale or for which there is no market to which TREKKERS has relatively convenient access. If there will be costs associated with the maintenance of a donated item of personal property between the time of its contribution to TREKKERS and the time when it is likely to be sold, such as docking fees for a boat, hangar charges for an aircraft or rental payments for the plot on which a mobile home is located, TREKKERS may need to decline the gift unless the donor provides TREKKERS with sufficient funds to maintain the property pending sale.

6. *Gifts of Life Insurance.* Gifts to TREKKERS of fully paid whole life, ordinary life or endowment policies on which no future premium payments are due may be accepted by the Executive Director or Director of Development. Gifts of policies having a current cash value but with respect to which future premium payments are possible or are known to be due can only be accepted by the Committee. Whether any such policy is accepted will depend on the economics of the transfer; if the policy can be converted to a paid up policy of lesser value or if the donor agrees to make future premium payments or if the policy has sufficient value to permit the payment of future premiums out of that value for as long as necessary, the policies can be accepted by TREKKERS. In any case in which a policy is accepted, TREKKERS will work with the insuring company to transfer ownership of the policy from the donor to TREKKERS and will change the beneficiary designation to permit TREKKERS to collect the insurance proceeds when the policy matures.

TREKKERS cannot accept a gift of a term life insurance policy without cash value unless the donor of the policy agrees to maintain the policy in force by remaining responsible for payment of future premiums. Any gift of a term policy to TREKKERS must be accepted by the Committee and, following acceptance, TREKKERS will take steps to change the ownership of the policy from the donor to TREKKERS and to assure that TREKKERS is notified if any future premiums are not timely paid. The beneficiary designation will also be changed to name TREKKERS as beneficiary.

Gifts of life insurance policies naming multiple beneficiaries will be referred to the Committee for its consideration before acceptance. TREKKERS will not accept gifts of cash or property from a donor if the use of the gift is restricted to the purchase of a life insurance policy on the donor or any other person.

7. *Oil, Gas, Timber and Mineral Interests.* TREKKERS may accept oil and gas or timber property interests, when appropriate. Prior to acceptance of any such interest the gift shall be approved by the Committee with the advice of TREKKERS' legal counsel, if necessary. Criteria for acceptance of the property shall include:

- Gifts of surface rights should have a value of \$20,000 or greater.
- Gifts of oil, gas, and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).

- The property should not have liabilities or other considerations that make receipt of the gift inappropriate
- A working interest is rarely accepted. A working interest may only be accepted where there is a plan to minimize potential liability and tax consequences.
- The property should undergo an environmental review to ensure that TREKKERS will have no current or potential exposure to environmental liability.

8. *Deferred Compensation/Retirement Plan Beneficiary Designations.*

TREKKERS generally will accept gifts designating TREKKERS as a beneficiary of the donor's retirement plans including, but not limited to, IRA's, 401(k)'s 403 (b)'s and other plans. Such designation will not be recorded on TREKKERS' balance sheet as a gift to TREKKERS until such time as the gift is irrevocable.

9. *Miscellaneous Property Interests.* Contributions of unusual property rights, such as mortgages, non-marketable notes, assignments of rent due under leases, patents, copyrights, royalties, frequent flyer miles and easements can only be accepted by TREKKERS with the approval of the Committee.

### ***PART THREE: GIVING TECHNIQUES***

1. *Outright Gifts.* Outright gifts are transfers directly to TREKKERS for its immediate use. Such gifts maximize the value of the donation to TREKKERS and are generally similar and quicker to conclude than other kinds of donations. Whether an outright gift is to be accepted on TREKKERS's behalf by the Executive Director or Director of Development or by the Committee depends on the nature of the property being donated.

Over the many years of its existence, TREKKERS has benefited from the generosity of many people who have written checks to TREKKERS during their lives or left outright gifts to TREKKERS in their wills or trust documents. Without this support, TREKKERS would be much less able than it is today to carry out its mission. Donors who wish to participate in this long tradition of direct support may write checks to "TREKKERS, INC." or make transfers to take effect at death. In a will or a trust, a cash amount may be left to TREKKERS using the following language: "I give and devise to TREKKERS, INC., Rockland, Maine, the sum of \$ \_\_\_\_\_ to be used for its general charitable purposes." Alternatively, a gift of a fraction of an estate's or trust's value may be made using language such as "I give and devise to TREKKERS, INC., Rockland, Maine, \_\_\_\_\_ percent of the value of my residuary estate" (or "of my trust").

If a donor or a professional advising a donor would like assistance in wording a bequest to TREKKERS or in properly identifying and describing an acceptable restricted purpose for which any such gift is to be used, the Executive Director or Director of Development can put him or her in touch with representatives of TREKKERS who can provide that assistance. Because restricted gifts must be approved by the Committee, discussion of the restricted purpose at the time the relevant document is drafted can avoid

misunderstandings that can arise if TREKKERS first finds out about the gift after the donor has died. Gifts made to TREKKERS under a will or trust are subject to the same acceptance procedures, described in *Part Two* of this Policy, as gifts made during a donor's lifetime, and it benefits both the donor and TREKKERS to know in advance if the subject of the gift and the terms on which it is made are agreeable to both parties. Discussion of the gift at the time the operative language is drafted assures that TREKKERS will be able to accept the gift on terms that meet the donor's expectations.

In the event that TREKKERS must decline a gift made in a donor's will or trust after the donor's death, the decision to renounce the gift, and a renunciation document that is in a form acceptable to both TREKKERS and the representative of the estate or trust from which the transfer was to be made, will be delivered to the representative within three months after TREKKERS is informed of the gift, and every effort will be made to assure that the renunciation document is delivered to the estate or trust representative within nine months after the decedent's death. In any case in which renunciation of a gift under a will or trust is contemplated, TREKKERS will consult legal counsel.

TREKKERS appreciates being advised by supporters that they have remembered TREKKERS in their estate plans, whether the remembrance is in the form of a restricted gift or an unrestricted one.

2. *Charitable Remainder Trusts.* It is the policy of TREKKERS not to serve as trustee of charitable remainder annuity trusts or charitable remainder unitrusts of which it is a beneficiary. This policy is intended to assure that such trusts receive the full-time investment management that they deserve and to eliminate any possibility of a conflict of interest in investment choices or any other subject between the current annuity or unitrust beneficiaries of such trusts and TREKKERS as remainder beneficiary. Representatives of TREKKERS are, however, available to cooperate with any potential donor to a charitable remainder trust in tailoring the provisions of those trusts to the donor's particular situation.

TREKKERS reserves the right to decline remainders under trust instruments created without its knowledge if the nature of the property or the conditions on its use are not consistent with the best interests and other activities of TREKKERS. Decisions on whether to accept trust remainders that consist of property other than cash or marketable securities or which are subject to use restrictions are made by the Committee. Unrestricted remainders consisting of cash or marketable securities may be accepted by the Executive Director or Director of Development.

3. *Charitable Lead Trusts.* It is the policy of TREKKERS not to serve as trustee of charitable lead trusts of which TREKKERS is a beneficiary, for reasons similar to those outlined above in the discussion of charitable remainder trusts. As with remainder trusts, however, representatives of TREKKERS are available cooperate in the establishment of such trusts to assure that payments to TREKKERS from any such trust can be used by TREKKERS in accordance with the donor's wishes and expectations.



TREKKERS reserves the right to decline to accept distributions from charitable lead trusts in the drafting of which TREKKERS has not been consulted if the distributions consist of property other than cash or marketable securities or if the uses to which the distributions are to be put are restricted under the terms of the trust instrument to purposes not consistent with the mission and programs of TREKKERS.

4. Pooled Income Fund. TREKKERS does not maintain a pooled income fund. Donors who are interested in using a pooled fund as a planned giving vehicle may discuss contributions to any pooled income fund maintained by the Maine Community Foundation (“MCF”) with MCF’s Vice President for Donor Relations by calling (207) 667-9735 or (877) 700-6800. MCF’s pooled income fund can accept contributions of cash or marketable securities, with a minimum initial contribution of \$10,000, which will be invested for the life of the donor or any other person or persons. During the investment period, income earned by the donor’s contribution will be paid to the donor or the donor’s designees. When all the designated income beneficiaries have died or when the term of years for which the income interest has been reserved has expired, MCF will sever from the pooled fund the donor’s pro rata share of the fund’s invested assets and transfer those assets to TREKKERS.

By not operating its own pooled income fund, TREKKERS saves the considerable expenses entailed in establishing and operating this complex planned giving vehicle. The pooled fund operated by MCF was established to enable Maine charities to avoid these expenses, and the effect of a gift to MCF’s pooled fund is the same as the effect would be of a contribution made to a pooled fund operated by TREKKERS, if it had one. Representatives of TREKKERS can be made available to assist donors in their consideration of a contribution to MCF’s fund and to assure that any restrictions placed on TREKKERS’s use of the contribution after the expiration of the income interests established by the donor are satisfactory to both TREKKERS and the donor.

5. Charitable Gift Annuities. TREKKERS does not currently offer Charitable Gift Annuities. Donors who are interested in creating a Charitable Gift Annuity as a planned giving vehicle may discuss such agreements with the Maine Community Foundation (“MCF”) with MCF’s Vice President for Donor Relations by calling (207) 667-9735 (Ellsworth), or (207) 761-2440 (Portland) or (877) 700-6800. It is understood that in such Charitable Gift Annuity arrangements with the Maine Community Foundation, upon the termination of annuitants’ interests any remainder shall become a “Designated Fund” of the Community Foundation for the benefit of TREKKERS, and not necessarily paid outright, in full, to TREKKERS. Representatives of TREKKERS can be made available to assist donors in their consideration of a Charitable Gift Annuity through MCF and to assure that any restrictions placed on TREKKERS’s use of the contribution after the expiration of the income interests established by the donor are satisfactory to both TREKKERS and the donor.

6. Gifts of Remainders in Residences or Farms. Gifts of remainder interests in personal residences or farms can be accepted only with the approval of the Committee.

In the case of any such gift, as with any other gift of real estate, TREKKERS retains legal counsel to examine the title to the donated property and requires at least a Level I environmental survey before the gift can be accepted. These basic steps are necessary to protect TREKKERS against potential liabilities arising out of environmental contamination and a lack of salability owing to title defects. In light of these requirements, it is the strong preference of TREKKERS to know about gifts of remainder interests at the time they are established rather than only when TREKKERS' interest comes to fruition. This is particularly important if the use of the proceeds of sale of the residence or farm, or the use of the real estate itself, after TREKKERS takes possession of it, is to be restricted by the donor under the terms of the gift. It is important that the donor and TREKKERS work together to assure that the donor's desires for the use of the property or its proceeds can be satisfied by TREKKERS when the time comes.

Ordinarily, TREKKERS will expect to remain in close contact with the owners of the life interest or interests in a residence or farm throughout the period of his, her or their occupancy so that it can remain confident of the absence of environmental liabilities and work with the owner or owners of the life interest to maintain the value of the property. Obviously, this important on-going acquaintance with the real estate and its uses is impossible if TREKKERS is not informed of the gift at the time the remainder interest is established.

In light of the importance of protecting TREKKERS' other assets from exposure to liabilities arising out of the ownership of donated real estate, TREKKERS reserves the right to decline any gift of a remainder interest in a residence or farm even after the life interest or interests in the real estate expire, when the property would otherwise pass to TREKKERS.

7. *Bargain Sales.* Bargain sales to TREKKERS are possible only with the approval of the Committee. TREKKERS will retain legal counsel to consider any such sale. Whether other steps are necessary before the consummation of any such sale will depend on the nature of the property to be sold, as described in Part Two of this Policy.

TREKKERS cannot enter into agreements for the bargain sale of real estate subject to a mortgage or other lien or any other arrangement that would give rise to unrelated business taxable income ("UBTI"). Whether there are UBTI issues involved in any proposed bargain sale will be examined closely by counsel to TREKKERS.

Adopted by the Board of Directors of TREKKERS, INC. on February 25, 2020

Appendices:

- A. [Model Standards of Practice of the Charitable Gift Planner](#)
- B. [Donor Bill of Rights](#)