

OUTDOORS TOMORROW FOUNDATION

GIFT ACCEPTANCE POLICIES AND GUIDELINES

Outdoors Tomorrow Foundation ("Foundation") is a 501(c) 3 nonprofit organization incorporated under the laws of the State of Texas, which encourages the solicitation and acceptance of gifts to support the Foundation's Mission Statement.

The mission of the Outdoors Tomorrow Foundation is to teach outdoor education and to promote and fund conservation of wildlife worldwide.

The Foundation's primary goal is to raise contributions to expand, operate and otherwise fully support its Outdoor Adventures ("OA") education program.

I. PURPOSE: To provide and govern the discipline relating to the acceptance of appropriate contributions to the Foundation, which will benefit the Foundation, by defining types of assets and gift forms that are appropriate. Gift policies also define, focus and strengthen the Foundation's role in gift administration. In addition to governing, the guidelines aid prospective donors and their advisors when making gifts. The provisions of the policies apply to all gifts received by the Foundation.

II. Board of Trustees ("Board") and Outdoors Tomorrow Foundation Coordinator ("Foundation Coordinator") Roles and Responsibilities:

A. Board

1. Approve Gift Acceptance Policies
2. Establish Gift Acceptance Committee
3. Approve, as necessary, Gift Acceptance Policies annually
4. Ensure Gift Acceptance Policies address the different type of gifts given
5. Accept gifts with good judgment and decisions based on the policies
6. Ensure expertise is available, such as real estate appraisers, environmental analysts, property brokers, legal advisors, and other professionals.

B. Foundation Coordinator:

1. Foundation Coordinator will work with the Board to establish, review and implement Gift Acceptance Policies

III. GIFT ACCEPTANCE COMMITTEE:

Responsibility of the Gift Acceptance Committee includes reviewing policies annually, properly screening gifts and making recommendations to the Board for gift acceptance.

A. Gift Acceptance Committee shall include:

1. Chair, Board
2. Treasurer, Board
3. Chair, Investment Committee
4. Other Board members as appointed by the Board
5. Ex-Officio members shall include the Foundation Coordinator

- B. Reporting requirements: Gift Acceptance Committee chair is responsible for submitting reports to the Board regarding recommendations for acceptance and non-acceptance of gifts.

IV. USE OF LEGAL COUNSEL AND OTHER PROFESSIONALS:

The Foundation will seek advice of legal counsel and other professionals regarding gift acceptance when appropriate. The following areas are recommended:

- A. Stock transfers that contain restrictions or buy-sell agreements
- B. Gifts in which the Foundation has been named as a Trustee
- C. Gifts involving contracts that require the Foundation to assume an obligation
- D. Transactions with a potential conflict of interest including those with potential IRS sanctions
- E. Any other gift where the Gift Acceptance Committee deems legal counsel is required.

V. CONFLICT OF INTEREST:

The Foundation will encourage all prospective charitable givers to seek assistance from their personal legal and financial advisors regarding tax and estate planning consequences related to their gifts. The Foundation will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the Partnership for Philanthropic Planning (formerly known as National Committee on Planned Giving) and Association of Fundraising Professionals.

VI. RESTRICTIONS OF GIFTS:

The Foundation will accept unrestricted gifts for specific programs and purposes consistent with its stated mission, purposes, and priorities. Restricted gifts, including those which would violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of The Foundation, will not be accepted. Final acceptance or refusal decisions on restrictive gifts will be made by the Board.

VII. TYPES OF GIFTS:

The following gifts are acceptable with the criteria governing the acceptance:

- A. **Cash:** Cash is acceptable in any form. Checks will be made payable to the Foundation and will be mailed or delivered to Outdoors Tomorrow Foundation located at 13709 Gamma Rd Dallas, TX 75244 USA which is the location of the administrative offices of the Foundation.
- B. **Tangible Personal Property:** These gifts may also be referred to as in-kind gifts. All gifts of tangible personal property will be examined with the following considerations:
 1. Does the property fulfill the mission of the Foundation?
 2. Is the property marketable?
 3. Are there any undue restrictions on the use, display, or sale of the property?
 4. Are there any costs associated with the property?

Tangible property gifts of this type with a \$500 value or more will be processed through a Gift Acceptance Request form, which requires the initiator to complete the form and submit

it to the Foundation for review. The review process includes approval by the Foundation's Gift Acceptance Committee who will review and recommend to the Board acceptance or denial of the gift. If the gift is recommended for acceptance, it becomes an asset of the Foundation.

C. Securities: The Foundation will accept both publicly traded securities and closely held securities, if the additional criteria is satisfied and the Board approves the gift.

1. Publicly Traded Securities: Marketable securities can be transferred to an account maintained at one or more brokerage firms or personally delivered with the transferor's signature or stock power attached. All marketable securities will be sold upon receipt unless otherwise directed by the Foundation Investment Committee. Restricted and applicable securities laws will be taken into consideration when accepting the securities and final decisions will be made by the Gift Acceptance Committee.

2. Closely Held Securities: Closely held securities including debt and equity positions in non-publicly traded companies including, without limitations, interests in LPs, LLPs and LLCs or other ownership forms, can be accepted with recommendation of the Gift Acceptance Committee and approval by the Board and, if appropriate, guidance from tax and/or legal counsel for the Foundation shall be obtained. The following will be reviewed by the Board prior to acceptance:

- a. No restrictions on the security that would prevent the Foundation from ultimately converting assets to cash,
- b. Security is marketable, and/or a defined exit strategy is available for final disposition.
- c. Security will not generate any undesirable tax consequences for the Foundation.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be secured before making a final decision on accepting the gift. The final determination will be made by the Board and legal counsel when necessary.

D. Real Estate: Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance, the Foundation will cause to be conducted (or will cause the potential donor to obtain) an initial environmental review (Phase 1 environmental review) of the property by an environmental expert in the area to ensure that the property has no environmental damage. In the event the inspection reveals potential problems, and the Board and donor wish to proceed, then the Foundation will request an extensive environmental audit at the expense of the donor.

When appropriate, title policies will be secured by the Foundation prior to acceptance of the real property gift at the expense of the donor.

Real Estate gifts will only be considered with approval of the Board. Should a donor propose such a gift, the Gift Acceptance Committee and legal counsel will review and present a recommendation to the Board for its approval.

The following criteria will be used to determine approval based solely on its discretion:

1. Is the property useful for the purposes of the Foundation?

2. Is the property marketable?
3. Are there any restrictions, reservations, easements, or other limitations associated with the property?
4. Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
5. Does the environmental audit reflect that the property is acceptable?

E. Remainder Interests in Property: The Foundation will accept a remainder interest in any real property subject to the evaluation and approval process listed in D. above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At such time as the real property becomes the unrestricted property of the Foundation, the Foundation may use the property or sell it for cash. Expenses, maintenance, real estate taxes, and any property indebtedness are to be paid by the donor.

F. Oil, Gas, and Mineral Interests: Prior to acceptance of oil and gas property interests, the Gift Acceptance Committee will evaluate the gift then recommend the gift for approval by the Board; and, if necessary, include legal counsel in the decision process. The Gift Acceptance Committee will consider the following criteria in its evaluation of the gift.

1. Surface rights should have a value of \$20,000, or greater.
2. 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 being given).
3. Property should not have extended liabilities, be subject to capital calls or other considerations that make receipt of the gift inappropriate.
4. Working interest would be accepted only when there is a plan to minimize potential liability and tax consequences.
5. An environmental audit or review has been conducted, if necessary, to ensure the Foundation has no current or potential exposure to environmental liability.

G. Bargain Sales: The Foundation will enter into a bargain sale arrangement when this type of gift process furthers the mission and purposes of the Foundation. Bargain Sale gifts will only be considered with approval of the Board. Should a donor propose such a gift, the Gift Acceptance Committee and legal counsel will review and present a recommendation to the Board for approval. Criteria for acceptance include:

1. The Foundation must obtain an independent appraisal substantiating the value of the property.
2. If debt is assumed with the property, the debt ratio must be less than 50% of the appraised market value.
3. The Foundation must determine whether to use the property or that there is a market for selling the property allowing sale within 12 months of receipt.
4. Costs must be calculated to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

H. Life Insurance: Prior to acceptance of a life insurance policy, the Foundation must be named as both the sole beneficiary and irrevocable owner of the insurance policy. Gifts are valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If future premium payments are required, the donor shall be responsible for contributing all future premium payments, and the Foundation will include the entire amount of the additional premium payment as a gift in the year it is received. No policy with a loan

balance will be accepted. Other policies will be evaluated for conformance with the Foundation's Mission.

Life Insurance gifts will only be considered with approval of the Board. Should a donor propose such a gift and the life insurance policy is not then considered a paid up life insurance policy, the Gift Acceptance Committee and appropriate counsel will review and present a recommendation to the Board for approval relating to the following:

1. continue paying the premiums,
2. convert the policy to paid up insurance, or
3. surrender the policy for its current cash value.

I. Charitable Gift Annuities: Charitable Gift Annuity gifts will only be considered with approval of the Board. Should a donor propose such a gift, the Gift Acceptance Committee and appropriate counsel will review and present a recommendation to the Board for approval.

J. Charitable Remainder Trusts: The Foundation will accept designation as a remainder beneficiary of a charitable remainder trust with the recommendation of the Gift Acceptance Committee and approval by Board. The Foundation will not accept an appointment as trustee of a charitable remainder trust.

K. Charitable Lead Trust: These gifts will only be considered with approval of Board. Should a donor propose such a gift, the Gift Acceptance Committee and appropriate counsel will review and present a recommendation to the Board for approval. The Board will not accept an appointment as trustee of a charitable lead trust.

L. Retirement Plan Beneficiary Designations: Designation of the Foundation as beneficiary of donor retirement plans will not be recorded as gifts until the gift is irrevocable. When the gift is irrevocable and payment is due in the future, the value of the gift at the time the gift becomes irrevocable is the amount to be recorded. Retirement Plan Beneficiary Designation gifts will only be considered with approval of the Board. Should a donor propose such a gift, the Gift Acceptance Committee and appropriate counsel will review and present a recommendation to the Board for approval.

M. Bequests: This type of gift will not be recorded as gifts to the Foundation until the gift is irrevocable. When the gift is irrevocable and payment is due in the future, the value of the gift at the time the gift becomes irrevocable is the amount to be recorded.

Bequest gifts will only be considered with approval of the entire Board. Should a donor propose such a gift, the Gift Acceptance Committee and appropriate counsel will review and present a recommendation to the Board for approval.

N. Pooled Income Funds: If the Board approves acceptance of Pooled Income Funds, a determination will need to be made regarding the initial minimum gift size, minimum gift size for additions and restrictions on the type of property that may be contributed. Tax exempt bonds are prohibited by statute. It is generally appropriate to restrict gifts to cash and taxable securities.

VIII. MISCELLANEOUS PROVISIONS:

A. Solicitation and Acceptance of Gifts: Fundraising is defined as solicitation of any type of donation with value from external sources by any officer, trustee, employee, agent, or volunteer acting on behalf of the Foundation. All solicitations of gifts will follow the highest standard of ethics as outlined by the professional associations in the field.

1. The Foundation is the designated entity for fundraising, including cultivation and solicitation of grants from public agencies, gifts and grants from foundations, corporations, private individuals, and other elements in the private sector.
2. All fundraising efforts directed to external organizations or individuals must be coordinated, reviewed and approved by the Foundation.
3. The Foundation will provide assistance to personnel who are authorized to fund raise.
4. Fundraising efforts will be prioritized according to the strategic plans and needs of the Foundation. Types of giving opportunities are reviewed annually.
5. Donors are responsible for determination of an appraisal value for tax purposes for any gift to the Foundation. Value assessments for tax purposes are not determined by any Foundation officer, employee, agent, or volunteer.
6. Fundraising efforts will be submitted to the Foundation for review and approval prior to any contact with external sources.
7. Prior to formal acceptance of any gift, the individual representing the Foundation in the transaction must receive approval through normal administrative channels from the Board and must complete a Foundation donation form.

B. Endowments:

1. Gifts received for the purpose of depositing in endowment funds will be accepted and administered in accordance with donor intent. Generally, the principal amount is held in perpetuity and not to be disbursed.
2. To establish a named endowment fund, the minimum amount required is approved by the Board and reviewed annually.
 - a. Minimum contribution amount for a named endowment fund is \$25,000.
 - b. Endowment pledges may be paid over a period of up to 6 years.
3. Extensions of the time period for fulfilling payment of pledge will require approval of the Board. The policy requirement will be reviewed annually.
4. During the time of pledge payments, a quasi-endowment fund will be established. At such time the pledge is paid in full to meet the minimum endowment fund requirement, the fund will be named as a permanent endowment.
5. Endowment gifts received under the annual amount approved by the Board will be deposited in a designated fund already established and in agreement with donors. An agreement, via letter of understanding or endowment agreement will be administered and signed by donor(s), Board chair and secretary.
6. Disbursements will be made from the earnings of endowment investments after the endowment principal amount is paid in full.
7. Endowment agreements will be executed with appropriate signatures. This agreement outlines the donors' intentions and other pertinent information regarding management of the endowed gift. All provisions will be in accordance with the Foundation policies and procedures.

8. Disbursements from earnings will be in accordance with the Spending Policy governed by the Investment Committee and approved by the Board.
 9. If an endowment fails to achieve permanent status within the required time period, the balance of the said fund will revert to and become part of the operating fund of the Foundation.
 10. If interest earnings are zero dollars or below, the Gift Acceptance Committee and Investment Committee will make recommendations to the Board of alternative options.
- C. Appraisals and Legal Fees for Gifts:** Donors will be responsible to secure an appraisal, and independent legal counsel, when required, for gifts made to the Foundation.
- D. Valuation of Gifts for Development Purposes:** The Foundation will record a gift received by the donor for the appropriate valuation for gift purposes on the date of the gift.
- E. IRS Filings Upon Sale of Gift Items:** The Foundation Coordinator is responsible for notifying the Gift Acceptance Committee and the Foundation Treasurer regarding the filing of IRS Form 8282 upon the sale or disposition of any asset sold within three years of receipt.. The Foundation must file this form within 125 days of the date of sale or disposition of the asset.
- F. Acknowledgment of all Gifts:** The Board has ultimate responsibility of acknowledging all gifts made to the Foundation. The Board is also responsible for compliance with the current IRS requirements in acknowledgment of such gifts. IRS Publication 561 covers determining the value of donated property and IRS Publication 526 covers charitable contributions.

IX. CHANGES TO GIFT ACCEPTANCE POLICIES:

These policies have been reviewed and accepted by the Foundation. The Board must approve in writing any changes to or deviations from these policies.

Approved at the Foundation's Board of Trustees meeting on the 17th day of September 2013.