Black Swamp Conservancy

Gift Acceptance Policy

Purpose

This policy serves as a guideline for donors, prospective donors, staff, board members, volunteers and outside advisors interested in and/or involved with contemplating or making a gift or gift commitment to Black Swamp Conservancy. Prospective donors are urged to educate themselves and obtain independent professional legal and financial counsel before making gifts. Please feel free to print these guidelines for easy reference.

Black Swamp Conservancy is a charitable, 501(c)(3) tax exempt organization. Donations are tax deductible to the full extent of the law. The Conservancy's tax identification number is 34-1746749.

General Provisions

AUTHORITY

Black Swamp Conservancy is governed by a volunteer Board of Trustees. The Finance Committee of that Board is responsible for gift acceptance matters. The Conservancy's Board must ratify any restriction of gifts and any changes to these policies. The President, Executive Director or other authorized designees shall have the authority to negotiate gifts and gift pledges on behalf of The Conservancy, or issue receipts on behalf of the organization. However, newly established endowment funds require approval by the Board of Trustees.

RECEIPTS

Contemporaneous receipts for gifts of $250 or more will be prepared in accordance with Internal Revenue Service requirements indicating as is best ascertainable by the organization, the gift date, amount of cash given or description of property received, and

any goods or services given in exchange for the gift, a description and good faith estimate of the fair market value of those goods or services. If no goods or services were received by the donor, the receipt will include a statement to that effect pursuant to IRC Section 170(f)(8). In practice, the Conservancy provides a contemporaneous receipt for all gifts, regardless of whether the gift meets threshold requirements.

For individual gifts or groups of related gifts valued at $5,000 or more, which are not cash or marketable securities, a donor seeking to claim a federal tax deduction for the gift must work with their appraiser and accountant to complete IRS Form 8283. The Conservancy will sign an acknowledgement of receipt of the gift on this form. While the Conservancy is not obliged to approve the claimed value, as an accredited land trust and a charitable 501(c)(3) organization operating for the public benefit, Black Swamp Conservancy will review donor's appraisals of assets and will not sign forms 8283 if it has reason to believe that no charitable gift has been made or that a clearly fraudulent value has been claimed. If the Conservancy sells an asset gifted subject to a Form 8283 within three years of acceptance of the gift, it must file a Form 8282 with IRS to report the sale price and any other relevant information.

Gifts Accepted

CASH

The Conservancy shall accept gifts by cash, credit card, or check. Checks must be made payable to Black Swamp Conservancy. In no event shall a check be made payable to an individual who represents the Conservancy.

PUBLICLY TRADED SECURITIES

The Conservancy shall accept readily marketable securities, such as those traded on a stock exchange. Gifted securities are likely to be sold immediately by the Conservancy. For the Conservancy's gift crediting and accounting purposes, the value of the securities contributed will be the average of the high and low values on the date the donor transfers control to Black Swamp Conservancy (the official date of gift), in accordance with IRS regulations.

CLOSELY HELD SECURITIES SECURITIES

Gifts of closely held stock will be carried on the Conservancy's books at a value of $1 in the absence of financial information that would enable determination of book value. That book value can be substantiated by receipt of appropriate audited financial statements or a qualified appraisal in compliance with IRS regulation. Gifts of securities that require a holding period will be accepted, after review and approval by the President, and sold when the holding period has expired. Gifts of securities that would not be accepted include: securities that may be determined to create a liability for the Conservancy; securities that, by their nature, may not be assigned; securities that on investigation have no apparent value.

COMMODITIES

Black Swamp Conservancy shall accept readily marketable commodities, such as corn, wheat and soybeans. Gifted commodities are likely to be sold immediately by the Conservancy. In order for the Conservancy to accept a commodity gift, the donor must deliver the commodity to market, such as a grain elevator.

REAL ESTATE

The Conservancy's Stewardship Committee must first review and recommend any gift of real estate, including conservation easements, for the ultimate approval of the full Board. A donor seeking a charitable tax deduction is responsible for obtaining an independent qualified appraisal of the property offered. In support of the initial review by the Stewardship Committee, designated staff will pursue a thorough due diligence of the property, as outlined in the Conservancy's policies and procedures, including but not limited to: conservation values, title search and real estate deed, real estate tax bill, plot plan, substantiation of zoning status, and, where appropriate, environmental site assessment for hazardous waste and building inspection. As a general rule, mortgages and other encumbrances should be discharged or subordinated prior to conveyance to the Conservancy.

Black Swamp Conservancy exists to conserve farmland and natural areas in northwest Ohio. If a gift of real estate is offered to Black Swamp Conservancy, staff will first determine the property's suitability for the Conservancy's conservation purposes in accordance with

conservation acceptance practices and policies, recorded elsewhere.

If a proposed gift has conservation value, staff will develop a plan, including ownership and/or disposition recommendations, for protection of that conservation value based on the land's characteristics, community needs and perception, and the landowner's intentions for the gift property.

Gifts of real property not meeting conservation criteria may be accepted for sale at the best price attainable given current market conditions, as soon as practical, with proceeds to be used to support the Conservancy's conservation mission. Such properties may be unimproved, such as a subdivided house lot or land zoned for commercial use, or improved, such as an apartment building, commercial property, summer cottage or primary residence. Real estate gifts of a non-conservation nature may take a number of forms, including outright gifts, bequests, bargain sales, fractional interest gifts, gifts of remainder interests, gifts funding a charitable remainder trust, and gifts funding deferred charitable gift annuities.

In assessing whether it is in the Conservancy's best interests to accept a gift of real estate for other than conservation purposes, the organization will consider the property's title, value, marketability, location, encumbrances, liabilities, costs and income, present and future perceptions which may arise out of Black Swamp Conservancy's acceptance and/or resale of the property and any other issues distinct to that property that might create unacceptable challenges, undue expense, or a perception of impropriety or conflict with the organization's mission. Where possible, the Conservancy will document the donor's intent in making the gift with the intention of resale by the Conservancy.

As a general rule, gifts of non-conservation real estate should have a net projected value to Black Swamp Conservancy, measured in present dollars, of at least $50,000.

TANGIBLE PERSONAL PROPERTY

Gifts of tangible personal property to Black Swamp Conservancy should have a use related to the Conservancy's exempt purpose. Gifts of art, collections, automobiles, boats, building supplies, equipment, software, and other forms of "related" tangible personal property may be accepted, with approval from the Finance Committee. Such gifts as noted above will be used or sold for the benefit of the Conservancy. It shall be the responsibility of the donor to obtain and share with the Conservancy an independent qualified appraisal of the gift dated no earlier than 60 days before it is conveyed to the Conservancy, which adheres to all IRS requirements for disposing of gifts of tangible personal property, including filing

appropriate forms.

For tangible personal property gifts made to Black Swamp Conservancy that are unrelated to the Conservancy's exempt purposes, its deduction value is limited to the donor's basis or fair market value, whichever is less. For example a gift of jewelry to the Conservancy might be considered an unrelated use.

If the donor of personal property is required to file the appraisal portion of Form 8283 in connection with a deduction, the Conservancy is obligated to file Form 8282 if the tangible property is sold within three years of the gift. A sale of the property may raise the presumption that the property was unrelated to the Conservancy's exempt purpose. A deduction for the fair market value will be allowed, despite a sale within three years, if, at the time of the gift, it was reasonable for the donor to believe that the property would be put to related use.

Because of the special rules that apply to gifts of tangible personal property, prospective donors are advised to discuss such intended gifts with the Conservancy in advance of a contribution on how the property will be used.

Planned Gifts

For many prospective donors to Black Swamp Conservancy, making a gift via their estate plans is an effective method to support the long term mission of the Conservancy. There are a variety of ways to make a future gift:

BEQUEST

This is a gift by will or will codicil (will amendment or addition) that is payable according to the terms of that legal document. Bequests may provide for a specific dollar amount in cash, specific securities, a specific piece of real estate, specific articles of tangible personal property, a percentage of an estate, or a percentage of a residuary estate (that portion of an estate remaining after specific bequests have been made). A bequest of all or a portion of a revocable living trust may also be made to the Conservancy.

Samples of bequest language:

UNRESTRICTED BEQUEST

"I give (__ dollars) (or a specific asset) or (__ percent of the rest, residue and remainder of my estate) to Black Swamp Conservancy, the charitable, tax exempt organization located in Pemberville, Ohio, for its general purposes."

BEQUEST FOR SPECIFIC PURPOSE

"I give (__dollars) (or a specific asset) or (__ percent of the rest, residue and remainder of my estate) to Black Swamp Conservancy, the charitable, tax exempt organization located in Pemberville, Ohio, to be used for the following purposes: (state the purpose)."

NOTE: If a donor wishes to restrict a bequest to a specific purpose, he or she should contact Black Swamp Conservancy in advance to make sure that the language used will accomplish the donor's wish and align with the Conservancy's needs.

The Conservancy welcomes unrestricted and specific bequests that support its mission, and credits each bequest at the explicit value of the gift or gifts conveyed, to the full extent of the law. If a bequest will be used to establish an endowment fund for either a restricted or unrestricted purpose, its value should be at least $25,000.

CHARITABLE GIFT ANNUITIES

A Charitable Gift Annuity (CGA) is a simple contract between a donor(s) and a third party financial manager. In exchange for an irrevocable gift of cash, securities, real estate or other assets, the financial manager agrees to pay one or two annuitants a fixed sum each year for life. Gift annuity payments are based on life expectancy of the annuitants, from actuarially determined rates recommended by the American Council on Gift Annuities. The payments are guaranteed by the general resources of the financial manager.

Black Swamp Conservancy does not directly manage annuities, but may be listed as a beneficiary of an annuity managed by a third party. Please consult with your financial manager.

DEFERRED CHARITABLE GIFT ANNUITIES

At the time you enter into a deferred charitable gift annuity contract, you irrevocably transfer the gift assets and receive an immediate income tax deduction, but you set a future date for the annuity payments to begin. You also have the option to wait to make a final decision on the start date for the payments. In either case, the longer the period that your annuity payments are deferred, the greater will be the fixed income paid.

Black Swamp Conservancy does not directly manage annuities, but may be listed as a beneficiary of an annuity managed by a third party. Please consult with your financial manager.

CHARITABLE REMAINDER TRUSTS (CRT'S)

There are two forms of CRT's: A charitable remainder annuity trust (CRAT) and a charitable remainder unitrust (CRUT). Each is a separately invested and managed trust. The minimum age for a one or two life plan is generally 60 years of age. For each trust, a minimum gift value is usually $100,000.

A CRAT pays a fixed annual income for life, based on the rate agreed to by the donor(s) and financial institution

A CRUT pays a variable income annually for life, based on the percentage (minimum 5%) agreed to by the donor(s) and the financial institution and the value of the CRUT's assets as determined once each year.

For gift crediting purposes, the donor(s) are credited with the fair market value for the gift at the time of its conveyance. For federal income tax purposes, the donor(s) income tax charitable deduction for this gift will be determined by the age(s) and gender(s) of the donor(s), the value of the funding assets, and interest rates. The gift deduction is always a fraction of the gift value and is often referred to as the "remainder" value.

A range of assets, including cash, securities and un-mortgaged real estate, can be used to fund a CRT. Mortgaged real estate is not acceptable for a CRT. Real estate-funded CRUT's, where a "flip" CRUT is used, may be appropriate. In such cases, the donor should understand at the outset that he or she will be expected to provide cash contributions to the CRUT so that the CRUT can cover the costs of holding the property prior to liquidation of the asset.

Black Swamp Conservancy does not directly manage CRT's, but may be listed as a beneficiary of a CRT managed by a third party. Please consult with your financial manager.

RETAINED LIFE ESTATES

Black Swamp Conservancy will accept a gift of a residence (not limited to one's primary residence) or agricultural property, for which the donor retains a life estate - or an interest running for a fixed number of years. Such property gifts subject to a retained life estate- also known as remainder interest gifts - will generally be considered only for donors 65 and

older. The life tenant(s) in such situations will retain full responsibility for taxes, utilities, repairs and maintenance, etc. The Conservancy will work with the donor(s) to agree on a written agreement detailing these responsibilities. The donor(s) in such instances is entitled to a charitable tax deduction based on actuarial and other factors.

BARGAIN SALES

Black Swamp Conservancy may agree to purchase an asset, such as real estate, for a price less than its fair market value, with the intention of either retaining or selling the asset. In the case of such a "bargain sale," the donor/seller may claim as a charitable deduction the difference between the asset's appraised value and the sales price to the Conservancy. For the Conservancy, if it sells the land, the value of the gift is the difference between its net sales proceeds, and the price paid to the donor. Black Swamp Conservancy will consider such arrangements when a property has significant conservation value, in the case of retention, or in the case of resale, when the net gift value of the arrangement to the Conservancy is likely to be at least $50,000, and when the Conservancy has access to funds for the initial purchase.

CHARITABLE LEAD TRUSTS (CLT's)

A CLT is a gift plan that allows a donor(s) to transfer assets to future generations, after providing for a stream of income for the Conservancy for a specified period of years. Unlike a CRAT or CRUT which provides the donor a fixed or variable income for life, with the remainder given to charity at the donor's death, a CLT pays income to a charity upfront for a period of years, and then returns that asset to either the grantor (the donor) or non-grantors (often grandchildren). The minimum age for a CLT benefitting the Conservancy is 60. For CLT's, a minimum gift is usually $500,000. Because of the variety of factors involved in the parameters of these kinds of gifts, we urge prospective donors to consult with their lawyers and tax advisors for specific advice and tax implications. Black Swamp Conservancy receipts the donor for the sum total of the yearly income made available to the Conservancy for the term of the CLT.

RETIREMENT ACCOUNTS

For many donors, an easy way to earmark a future gift to support Black Swamp Conservancy is to designate it as the beneficiary of a retirement account, such as a 401(k) or IRA. Because tax deferred retirement accounts are taxed at ordinary federal and state tax rates and may

also be subject to estate taxes, those with significant retirement assets can also face significant tax liabilities. So making a gift of these assets often provides a very substantial tax savings and can be done easily by filling out a beneficiary designation form provided by the plan administrator and selecting Black Swamp Conservancy as a recipient at death. The Conservancy will recognize the full value of the gift conveyed, consistent with tax law.

Also, direct transfers from an IRA may be made to the Conservancy for individuals 70 ½ and over, up to $ 111,000/year, without counting the withdrawal as current income for the donor's federal tax purposes. Such transfers count toward minimum distribution requirements.

LIFE INSURANCE

Black Swamp Conservancy will accept gifts of life insurance policies only when it is named as both the owner and beneficiary. If the policy is fully paid, the value of the gift for the Conservancy's gift crediting and accounting purposes is the policy's replacement costs. If the policy is partially paid up, the value of the gift for the Conservancy's gift crediting and accounting purposes is the policy's cash surrender value. Black Swamp Conservancy's decision to cash in each donated policy will be determined on a case by case basis. In those cases where the Conservancy is a designated charitable recipient of an assigned life insurance death benefit, the Conservancy accepts such gifts with grateful appreciation. d

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POOLED INCOME FUNDS

Pooled income gifts are currently not accepted. Inquiries concerning them may be directed to the Executive Director.

Other Matters

COSTS OF GIFT ACCEPTANCE

Black Swamp Conservancy will clarify with the donor under what circumstances, if any, the Conservancy will pay for legal fees or professional fees with respect to completing a gift. Normally, in the case of real estate gifts, the Conservancy will assume responsibility for the cost of title insurance, environmental site assessments and building inspections. Black Swamp Conservancy may also choose to pay for appraisals for its own purposes. If the Conservancy pays for a gift cost that is the legal obligation of the donor, the value of the gift will be reduced by the cost to the Conservancy for the services, or alternatively, the gift may be treated as a bargain sale with the cost to the Conservancy as the compensation to the donor. While Black Swamp Conservancy, as gift recipient, is not legally responsible for determining the fair market value of gifts for tax deductibility determination, as a charitable 501(c)(3) organization operating for the public benefit, Black Swamp Conservancy will review valuations of claimed deductions and will not accept gifts when it determines that such valuations are questionable. The Conservancy will be particularly vigilant in assuring that gifts from 'insiders' and substantial cash donors have been fairly valued.

AGENT FOR THE TRUST

Black Swamp Conservancy currently uses Key Private Bank as its Agent for investment management and Key Private Bank or Toledo Community Foundation for administrative services for planned gift funds. The Conservancy reserves the right to change or add agents without notice to donors.

STANDARDS OF PRACTICE

THE CONSERVANCY staff that work in planned giving will adhere to the American Council on Gift Annuities Model Standards of Practice for the Charitable Gift Planner (which are available on the ACGA website, www.acga-web.org).

CONFIDENTIAL GIFT INFORMATION

Black Swamp Conservancy shall keep confidential all information obtained about prospective donors and specific gift arrangements regardless of whether or not a gift is made. The Conservancy may use selected information for purposes of referral, testimonial or example if a donor grants permission.

RECOGNITION OF DONORS

Black Swamp Conservancy shall keep confidential any gift designated by the donor as anonymous, notwithstanding IRS required reporting.

Sometimes donors, especially foundations and corporations, request recognition for gifts on the Conservancy's website, social media, newsletter and press releases. Such recognition shall be at the discretion of the staff, under the direction of the Board of Directors.

Subject to the approval of the Development Committee, Black Swamp Conservancy may establish levels of recognition for special event sponsors.

DECLINING GIFTS

Black Swamp Conservancy will not knowingly solicit gifts from any person or entity actively engaged in activities that directly conflict with the organization's mission or could foreseeably pose a stewardship challenge to one of its preserved properties.

The Conservancy may decline any gift that in its collective judgment creates unacceptable challenges, undue expense, excessive recognition requirements, or a perception of impropriety or conflict with the organization's mission.

RESPONSIBILITY FOR POLICY REVIEW

The Board of Trustees has the responsibility for implementing these policies and reviewing them biennially or as needed.

GIFT DESIGNATION

The donor has the right to designate a gift for specific purposes, and he or she should discuss the feasibility and practicality of intended restrictions with the Conservancy's Executive Director. Particularly as planned gifts may not mature for many years, it is important for Black Swamp Conservancy to be aware of and document a donor's intentions

for future implementation. The Board of Directors must expressly approve any donor restrictions.

CONFLICTS OF INTEREST

Black Swamp Conservancy will conduct all gift transactions in accordance with its conflict of interest policy.

OTHER ADMINISTRATIVE ISSUES

Black Swamp Conservancy and its staff shall not act as an executor (personal representative) for a donor's estate. The Conservancy may act as trustee or co-trustee, or successor trustee, of a charitable trust when the trust names the Conservancy as an irrevocable beneficiary and the net charitable benefit to Black Swamp Conservancy, measured in today's dollars, is at least $100,000 and at least 50% of the trust assets. Before an endowment fund is established at Black Swamp Conservancy, whether during the donor's life time or by testamentary form, it is advisable to consult with a representative of the Conservancy to discuss terms and conditions.