MICHIGAN TROUT UNLIMITED

GIFT/GRANT ACCEPTANCE POLICIES AND GUIDELINES

I. PURPOSE AND APPLICABILITY OF POLICIES AND GUIDELINES: MICHIGAN TROUT UNLIMITED, a Michigan nonprofit corporation, of P.O. Box 442 Dewitt, Michigan, 48820, (“MITU”) encourages the solicitation and acceptance of gifts and grants for purposes that will further MITU’s mission. (hereafter “Gift”) The MITU Board and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and missions of MITU. It is the purpose of these policies and guidelines to govern the acceptance of gifts by MITU and to provide guidance to prospective donors and their advisors when making gifts to MITU. These Guidelines and Policies apply to any gift or grant offered to MITU.

MITU’s mission is to conserve, protect, and restore Michigan's coldwater fisheries and their watersheds.

II. TYPES OF GIFTS: MITU will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. MITU may also accept restricted gifts that are not overly restrictive in purpose if the requirements in section 2. Paragraph A. are met.

A. Restricted Gifts: MITU will not accept gifts that are too restrictive. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission and strategic plans of MITU. All final decisions on whether the level of restriction of any restricted gift is acceptable shall be analyzed by the Executive Committee, which shall then make a recommendation to the MITU Board for a final vote to accept or counteroffer or reject the restricted gift.

B. Unrestricted Gifts - Generally: The following unrestricted gifts are acceptable so long as the gift and the donor’s mission/reputation are consistent with MITU’s mission and the criteria set forth within Section II, paragraph C. have been satisfied:

1. Cash;
2. Securities, including (a) Publicly Traded Securities, and (b) Closely Held Securities;
3. Life Insurance;
4. Charitable Gift Annuities;
5. Charitable Remainder Trusts;
6. Charitable Lead Trusts;
7. Retirement Plan Beneficiary Designations;
8. Bequests;
9. Real Property;
10. Remainder Interest in Real Property.

C. Unrestricted Gifts Criteria: The following criteria govern the acceptance of each unrestricted gift form:

1. Cash: Cash is acceptable in any form. Checks shall be made payable to “Michigan Trout Unlimited” and shall be delivered to MITU’s Treasurer, or other MITU officer.
2. **Securities:** MITU may accept both publicly traded securities and closely held securities, subject to the following:

(a) **Publicly Traded Securities:** Publicly traded securities may be transferred to a MITU account maintained at one or more brokerage firms or delivered physically with the transferor’s signature or stock power attached. As a general rule, all publicly traded securities shall be sold upon receipt unless otherwise directed by the MITU Finance Committee. In some cases publicly traded securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the MITU Executive.

(b) **Closely Held Securities:** Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in partnerships (limited or general), limited liability companies, or other ownership forms, may be accepted by MITU subject to the approval of the MITU Executive Committee. However, gifts of closely held securities must be reviewed prior to acceptance to determine that:

- there are no restrictions on the security that would prevent MITU from converting those assets to cash in a reasonable time, place and manner;
- the security is reasonably marketable;
- the security will not expose MITU to an undesirable level of liability in the opinion of MITU’s legal counsel and other appropriate consultants; and
- the security will not generate any negative tax consequences for MITU in the opinion of MITU’s consultants.

(c) **Securities Generally:** If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the MITU Board and legal counsel where necessary. Every effort will be made to sell closely held securities as quickly as prudently possible.

4. **Life Insurance:** Donors are encouraged to name MITU as both beneficiary and irrevocable owner of a life insurance policy. Such designations shall not be recorded as gifts to MITU until such time as the gift is irrevocable. The gift shall be valued as required by applicable federal and state law.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, MITU may: (a) continue to pay the premiums, (b) convert the policy to paid up insurance, (c) surrender the policy for its current cash value, or (d) otherwise dispose of the policy.

5. **Charitable Gift Annuities:** MITU may offer charitable gift annuities in coordination with MITU’s parent organization, Trout Unlimited. The minimum gift for funding shall be $50,000. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual, or annual schedule.

MITU will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. MITU may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5 year period before the commencement of the annuity payment date, the value of the property
is certain, the property passes all other analysis required under this Policy and Guideline, and the
MITU Board approves the arrangement.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the term
of the annuity payments. Once those payments have terminated, the funds representing the
remaining principal contributed in exchange for the gift annuity shall be transferred to MITU’s
general endowment fund, or to such specific MITU fund as designated by the donor.

6. Charitable Remainder Trusts: MITU may accept designation as remainder beneficiary of a
charitable remainder trust with the approval of the Executive Committee of MITU, after review
and comment by appropriate MITU consultants. MITU will not accept appointment as Trustee
of a charitable remainder trust.

7. Charitable Lead Trusts: MITU may accept a designation as income beneficiary of a
charitable lead trust with the approval of MITU’s Executive Committee, after review and
comment by appropriate MITU consultants. MITU will not accept an appointment as Trustee of a
charitable lead trust.

8. Retirement Plan Beneficiary Designations: Donors and supporters of MITU shall be
encouraged to name MITU as beneficiary of the Donors’ retirement plans. Such designations
shall not be recorded as gifts to MITU until such time as the gift is irrevocable. Where the gift is
irrevocable, but is not due until a future date, the present value of that gift may be recorded in the
MITU accounts at the time the gift becomes irrevocable.

9. Bequests: Donors and supporters of MITU shall be encouraged to make bequests to MITU
via the Donors’ wills and trusts. Such bequests shall be subject to all other analysis required
under this Policy and Guideline.

10. Real Estate: Gifts of real estate with a conservation purpose may include developed
property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real
estate, MITU shall require an initial environmental audit of the property by a licensed professional
environmental firm to quantify any negative environmental issues related to the property;
thereafter MITU shall receive all required State and federal certifications to ensure that MITU is
not exposed to liability for preexisting environmental issues. The cost of the environmental audit
and certifications shall generally be an expense of the donor.

A title insurance commitment without exceptions shall be obtained by MITU prior to the
acceptance of the real property gift. The cost of this title insurance commitment shall generally be
an expense of the donor. At closing of the gift transaction, MITU shall see to and pay for a title
insurance policy insuring MITU’s ownership interest.

Prior to acceptance of the real property, the gift shall be approved by the MITU Board and by
MITU’s legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the conservation purposes of MITU?
- Is the property marketable?
- Are all restrictions, reservations, easements, or other limitations associated with the property
  reasonable?
- Are the carrying costs, including insurance, property taxes, mortgages, or notes, environmental
due care obligations, etc., associated with the property, acceptable?
- Is the environmental condition and environmental liability exposure acceptable?
11. **Remainder Interests in Real Property:** MITU will accept a remainder interest in a personal residence, farm, or vacation home subject to the provisions of the preceding section. The donor or other occupants may continue to occupy the real property for the duration of the stated life. Where MITU receives a gift of a remainder interest in real property, expenses for maintenance, real estate taxes, utilities, repair, replacement, insurance, and any property indebtedness are to be paid by the donor or life tenant.

**III. THE EXECUTIVE COMMITTEE REVIEW:** The Executive Committee is charged with the responsibilities of: reviewing all gifts offered to MITU, properly analyzing, and making recommendations to the MITU Board as provided in this policy.

A. MITU’s Treasurer shall send a list of all donations received to the Executive Committee on a monthly basis. The list shall include the donor’s name, amount of donation, and if any restrictions are attached to the donation and the nature of the restriction.
B. MITU’s Treasurer will report quarterly to the Board of Directors on any gifts over $5,000.
C. MITU’s Treasurer shall send an acknowledgment to each Donor consistent with State Treasury Department and Internal Revenue Code requirements.
D. MITU Excom shall review grant requests of greater than $10,000 prior to submission. Grant requests of greater than $50,000 will be submitted to the board for approval prior to acceptance of the grant.

**IV. USE OF LEGAL COUNSEL & OTHER CONSULTANTS:** MITU shall seek the advice of legal counsel and other professional consultants (accountants, environmental firms, etc.) in matters relating to acceptance of gifts where appropriate. Review by counsel is recommended for:

A. Review of closely held stock transfers that are subject to restrictions or buy-sell agreements
B. Review of documents naming MITU as Trustee
C. Review of all gifts involving contracts
D. Review of all transactions with potential conflict of interest that may invoke IRS sanctions
E. Other instances in which use of counsel is deemed appropriate by the Board’s Executive Committee

**V. DONORS’ CONSULTANTS:** All prospective Donors shall be strongly urged to seek the assistance of their own personal: legal, financial, tax, environmental, appraisers, and other appropriate consultants in matters relating to the Donors’ prospective gifts.

**VI. CHANGES TO POLICIES:** These policies and guidelines have been reviewed and accepted by the Board of Directors of MITU as of the date indicated below. The MITU Board must approve any changes to or deviations from these policies.

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This “Gift/Grant Acceptance Policies and Guidelines” was approved by the MITU Board on the 26th day of June, 2010.

**MICHIGAN TROUT UNLIMITED**, a Michigan Nonprofit Corporation (“MITU”)

By: Michael Lagowski
Its: Secretary