Native Seeds/SEARCH, a non-profit organization organized under the laws of the state of Arizona, encourages the solicitation and acceptant of gifts to NS/S for purposes that will help NS/S to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to NS/S or for the benefit of any of its programs.

I. Types of Gifts

a. The following gifts are acceptable:

1. Cash
2. Securities
3. Bequests
4. Charitable Remainder Trusts
5. Charitable Land Trusts
6. Retirement Plan Beneficiary Designations
7. Life Insurance
8. Life Insurance Beneficiary Designations
9. Real Estate
10. Remainder Interests in Property
11. Bargain Sales
12. Tangible Personal Property

b. The following criteria govern the acceptance of each gift form:

1. Cash is acceptable in any form. Checks shall be made payable to NS/S or Native Seeds/SEARCH.
2. Securities: NS/S can accept both publicly traded and closely held securities.

Publicly Traded Securities: Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor’s signature or stock option attached. All marketable securities shall be sold upon receipt. In some cases marketable 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 Executive Director.

Closely Held Securities: Closely held securities, which include not only debt and equity positions in non-public traded companies, but also interest in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Executive Director. However, gifts must be reviewed prior to acceptance to determine that:
- There are no restrictions on the security that would prevent NS/S from ultimately converting those assets to cash
- The security is marketable, and
- The security will not generate undesirable tax consequences for NS/S.

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 security shall be made by the Executive Director, and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

3. Bequests: Donors and supporters of NS/S will be encouraged to make bequests to NS/S under their wills, trusts, retirement plans, insurance or other estate planning tools. Such bequests will not be recorded as gifts to NS/S 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 the gift may be recorded at the time the gift becomes irrevocable.

4. Charitable Remainder Trusts: NS/S may accept designation as beneficiary of a charitable remainder trust with the approval of the Executive Director. NS/S will not accept appointment as Trustee of a charitable remainder trust.

5. Charitable Lead Trust: NS/S may accept designation as income beneficiary of a charitable lead trust. NS/S will not accept an appointment as Trustee of a charitable lead trust.

6. Life Insurance: Beneficiary Designation: Donors and supporters of NS/S will be encouraged to name NS/S as beneficiary or contingent beneficiary of their life insurance policies. Such designations will not be recorded as gifts to NS/S until such time as the gift is irrevocable. When the gift is irrevocable but is not due until a future date, the present value of the gift may be recorded at the time the gift becomes irrevocable. The gift is valued at its cash surrender value upon receipt. If the donor contributes future premium payments, NS/S will include the entire amount of the additional premium payments as a gift in the year that it is made.

In the case of the policy being donated in totality before the death of the donor and there are premium still due, NS/S may:

- Continue to pay the premium
• Convert the policy to paid up insurance, or
• Surrender the policy for its current cash value.

7. Retirement Plan Beneficiary Designations: Donors and supporters of NS/S will be encouraged to name NS/S as a beneficiary of their retirement plans. Such designations will not be recorded as gifts to NS/S until such time as the gift is irrevocable. When the gift is irrevocable but is not due until a future date, the present value of the gift may be recorded at the time the gift becomes irrevocable.

8. Real Estate: Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, NS/S shall require an initial environmental review of the property to ensure that the property has no present or past environmental hazards. In the event that the initial inspection reveals a potential problem, NS/S shall retain a qualified inspection firm to conduct an environmental audit, the cost of which to be born by the donor.

When appropriate, a title binder shall be obtained by NS/S prior to acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the Executive Director. Legal counsel may be consulted. Criteria for acceptance of the property shall include:

• Is the property useful for the purposes of NS/S?
• Is the property marketable?
• Are there any restriction, reservations, easements or other limitations associated with the property?
• Are there carrying costs, which may include insurance, property taxes, mortgages or notes, etc. associated with the property?

9. Remainder Interests in Property: NS/S will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, NS/S may use the property or reduce it to cash. When NS/S receives a gift of a remainder interest, expenses for maintenance, real estate taxes and any property indebtedness are to be paid by the donor.
10. Bargain Sales: NS/S will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of NS/S. All bargain sales must be reviewed and recommended by the Executive Director and approved by the Board of Directors. Factors used in determining the appropriateness of the transaction include:

- NS/S must obtain an independent appraisal substantiating the value of the property.
- If NS/S assumes debt with the property, the debt ration must be less than 50% of the appraised market value.
- NS/S must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months of receipt.
- NS/S must calculate the costs to safeguard, insure and expense the property (including property tax, if applicable) during the holding period.

11. Tangible Personal Property: All other gifts of tangible personal property shall be examined in the light of the following criteria.

- Does the property fulfill the NS/S Mission?
- Is the property marketable?
- Are there any undue restrictions on the use, display or sale of the property?
- Are there any carrying costs for the property?

The final determination on the acceptance of other tangible property gifts shall be made by the Executive Director.

II. Restriction of Gifts

NS/S 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, as well as, compatibility between donor intent and NS/S’s use of gift, NS/S values, public relations impact and effect on future giving.

III. Use of Legal Counsel

NS/S shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review of counsel is recommended for:
- Closely held stock transfers that are subject to restrictions or buy-sell agreements
- Documents naming NS/S as Trustee
- Gifts involving contracts such as bargain sales or other documents requiring NS/S to assume an obligation
- Transactions with potential conflict of interest that may invoke IRS sanctions
- Real estate donations
- Other instances in which use of counsel is deemed appropriate by the NS/S Executive Director

IV. Miscellaneous Provisions

a) Securing appraisals and legal fees for gifts to NS/S: It will be the responsibility of the donor to secure an appraisal (where required) and independent counsel for all gifts made to NS/S.

b) Valuation of gifts for development purposes: NS/S will record a gift received by NS/S at its valuation for gift purposes on the date of the gift.

c) Responsibility for IRS Fillings upon sale of gift items: The Executive Director is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by NS/S when the charitable donation of the item is more than $5,000. NS/S must file this form within 125 days of the date or disposition of the asset.

d) Acknowledgements: All gifts made to NS/S will be acknowledged in compliance with current IRS regulations.

Approved March 19, 2016
NS/S Board of Directors