

INDIANAPOLIS ZOOLOGICAL SOCIETY, INC.

CHARITABLE GIFT POLICIES



FIRST EDITION APPROVED / RATIFIED:

PLANNED GIVING COMMITTEE – 2/11/03

INSTITUTIONAL ADVANCEMENT COMMITTEE – 8/19/03

BOARD OF TRUSTEES – 10/16/03

SECOND EDITION APPROVED / RATIFIED:

PLANNED GIVING COMMITTEE – 5/6/11

INSTITUTIONAL ADVANCEMENT COMMITTEE – 5/19/11

BOARD OF TRUSTEES – 8/18/11

THIRD EDITION APPROVED/RATIFIED:

PLANNED GIVING COMMITTEE – 1/14/16

INSTITUTIONAL ADVANCEMENT COMMITTEE – 2/3/16

BOARD OF TRUSTEES – 2/18/16

FOURTH EDITION APPROVED/RATIFIED:

PLANNED GIVING COMMITTEE – 2/7/19

EXECUTIVE COMMITTEE – 1/20/2020

BOARD OF TRUSTEES – 2/20/2020

INDIANAPOLIS ZOOLOGICAL SOCIETY, INC. CHARITABLE GIFT POLICIES

TABLE OF CONTENTS

I.	ENDOWMENT CASE FOR SUPPORT.....	4
II.	AUTHORIZATION.....	5
III.	POLICIES.....	5
IV.	ENDOWMENT GIFT FUNDS.....	8
V.	CHARITABLE BEQUESTS.....	9
VI.	GIFTS OF PERSONAL PROPERTY.....	12
VII.	GIFTS OF MARKETABLE SECURITIES AND CASH	13
VIII.	GIFTS OF OIL, GAS, AND MINERAL RIGHTS	14
IX.	GIFTS OF INTELLECTUAL PROPERTY RIGHTS	15
X.	GIFTS OF REAL ESTATE.....	15
XI.	BARGAIN SALES.....	17
XII.	QUALIFIED RETIREMENT PLANS AND INDIVIDUAL RETIREMENT ACCOUNTS.....	18
XIII.	LIFE INSURANCE.....	19

XIV.	CHARITABLE REMAINDER TRUSTS.....	20
XV.	CHARITABLE LEAD TRUSTS.....	21
XVI.	CHARITABLE GIFT ANNUITIES.....	22
XVII.	APPENDIX.....	
	<ul style="list-style-type: none"> • MODEL STANDARDS OF PRACTICE FOR THE CHARITABLE GIFT PLANNER • AFP CODE OF ETHICAL PRINCIPLES AND STANDARDS • ENDOWMENT GIFT AGREEMENT • STOCK OR BOND POWER • DEED OF GIFT • REAL ESTATE CONSIDERATION CHECKLIST • GIFT ANNUITY – SAMPLE DISCLOSURE LETTER 	

INDIANAPOLIS ZOOLOGICAL SOCIETY, INC. CHARITABLE GIFT POLICIES

I. ENDOWMENT CASE FOR SUPPORT

The Zoo's Mission is to empower people and communities both locally and globally to advance animal conservation.

The Zoo's Vision is to be a leader in advancing global conservation.

The Indianapolis Zoo is intended to change people's attitudes. When attitudes change, action is taken – and only through action can the future be changed.

The Indianapolis Zoo is a nonprofit corporation whose founders, board, and management believe that sound business practices must remain central to the pursuit of our mission. Core principles include: living within our means, providing value, being accountable to stakeholders, continuing to expand institutional expertise, and remaining a strong institution in order to advance the mission. With this in mind,

- The Zoo operates a balanced budget.
- It receives no governmental / tax support.
- It withdraws only 4 percent of its endowment annually.
- Earned income represents more than 70 percent of its revenue stream.
- It maintains capital reserves of at least three months, with a target of up to six months.
- The governance structure is effective, and board members are dedicated, capable and diligent.
- Management and staff are committed, experienced and stable.
- Membership is robust.
- New exhibits reliably produce substantially higher, sustained levels of visitation.
- Two recent campaigns have raised \$31 million and \$34 million.
- Endowment value increased 1,100 percent from 2002 to 2017.

An endowment functions as a special type of permanent savings account. The principal of the account is never spent, while the investment income is available to support the general operations of the nonprofit organization.

Endowment funds are a critical source of support for nonprofit organizations, including the Indianapolis Zoo. Indeed, fundraising for endowment is as critical to the long-term success of the Zoo as fundraising for annual operating costs and for capital campaigns. While endowment funds do not eliminate the need to engage in annual fundraising, an endowment can strengthen and stabilize an organization to see it through challenging times.

In order to maintain our position as a good steward, the Zoo's long-term financial stability must be ensured. One key to meeting this goal is to build a strong endowment. The strength of the Zoo's endowment will in time become one measure of the institution's strength. For the Zoo to build a strong endowment, it must focus on identifying planned gifts.

The Zoo's endowment fund is the Indiana Zoological Foundation Fund. Initial funding for this endowment fund was made possible by an estate gift from Laura Githens Smith in 1979. This fund is invested in accordance with the Indiana Zoological Foundation Fund Investment Policy Statement as established in February 1993, most recently revised in 2016.

II. AUTHORIZATION

The Zoo encourages donors to make both outright and planned gifts. The types of planned gifts that may be accepted include bequests, charitable gift annuities (immediate and deferred), charitable remainder trusts, charitable lead trusts, remainder interests, bargain sales, gifts of life insurance, endowment gifts and retirement plan designations, as well as gifts involving assets such as real estate, tangible personal property and intangible personal property of various types. Other gift arrangements are subject to approval by the Board of Trustees (hereinafter "Board") or its Executive Committee.

III. POLICIES

1. **Purpose.** The Zoo's Board of Trustees and the Zoo staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth of the Zoo. These policies govern the acceptance of gifts by the Zoo and provide guidance to prospective donors and their advisors when making gifts to the Zoo. These provisions shall apply to all gifts received by the Zoo for any of its programs or services.
2. **Primacy of charitable intent.** The Zoo shall promote those gifts that serve to fulfill its mission and that comply with established legal and ethical fundraising laws and standards. To this end, the Zoo reserves the right to refuse gifts that do not fulfill its mission or that violate any legal or ethical law or standard.
3. **Assistance to donors.** It is the Zoo's policy to inform, serve, guide, provide financial/tax illustrations or otherwise assist donors who wish to support the Zoo's activities.
4. **Independent counsel encouraged.** Persons acting on behalf of the Zoo shall not provide legal and/or tax advice to donors but shall serve as a resource to donors and their independent advisors. In all cases donors shall be encouraged to discuss the proposed gift with independent legal and/or tax advisors of the donor's choice to ensure that the donor receives a full and accurate explanation of all aspects of the proposed charitable gift.
5. **Unrestricted testamentary gifts designated to the Zoo's Roy Shea Fund.** Unrestricted testamentary gifts, excluding annual or non-terminal trust payments, received by the Zoo,

will be directed to the Roy Shea Fund of the Zoo's Indianapolis Zoological Foundation Fund until the balance reaches \$5 million. Once the Roy Shea Fund has reached a balance of \$5 million, unrestricted testamentary gifts will then be directed to the Indiana Zoological Foundation Fund as long as the \$5 million balance is maintained. The CEO shall report to the Board of Trustees Executive Committee (Executive Committee) the balance of the Roy Shea Fund on a regular basis but at a minimum at least annually. Significant unrestricted testamentary gifts of \$100,000 or more, excluding annual or non-terminal trust payments, received by the Zoo, will be individually reviewed by the Executive Committee to determine if the gift should be directed to the Indiana Zoological Foundation Fund or to the Roy Shea Fund.

6. **Express written intent of endowment support required.** To direct a planned gift to support the Zoo's endowment, donors or their advisors shall provide written documentation to the Zoo to support the donors' endowment gift intent. This intent may be documented by providing the Zoo with a copy of the relevant charitable provision of the planned gift instrument or by sharing written correspondence that expresses the donors' intent. By their nature charitable gift annuities are automatically directed to the Zoo's general endowment fund, which provides the financial guarantee to protect the Zoo's charitable gift annuity program.
7. **Authorized to negotiate.** The President and CEO, Executive Vice President, Director of Institutional Advancement, and all major gifts officers are authorized to negotiate planned gift agreements from prospective donors pursuant to policies and procedures approved by the Board as authorized in this document. Additional staff, legal counsel, and ad hoc committees may be formed and consulted as appropriate and informed as planned gifts are negotiated, particularly as their expertise is needed to evaluate the appropriateness and cost efficiency of potential gifts.
8. **Signatory authority.** All forms, agreements and other documents necessary to accept and enter into planned gift arrangements as authorized in this document shall be signed by the Zoo President and CEO.
9. **Legal counsel review.** All planned giving agreements requiring execution by the Zoo, or which deviate from the arrangements outlined in this document, shall first be reviewed and approved as to form by the Zoo's legal counsel and the donor's counsel.
10. **Ethical standards.** All gifts will be negotiated in compliance with the Model Standards of Practice for the Charitable Gift Planner, as well as the Code of Ethical Principles and Standards of Professional Practice of the Association of Fundraising Professionals. (See Appendix for copies.)
11. **Donor recognition.** The Zoo offers individual recognition and stewardship of donors pursuant to the procedures stated herein. Donor recognition and stewardship shall be done in a manner that is fair and consistent for all donors yet allowing a flexible approach that permits personalized opportunities for recognition that satisfies the interests of donors. All requests for donor anonymity shall be respected.

- 12. Confidentiality.** Strict confidentiality shall be adhered to by the Zoo and staff with regard to any information, records, letters and personal documents pertaining to donors, gifts, etc.
- 13. Donor Privacy.** All information concerning donors or prospective donors, including but not limited to their names, addresses and telephone numbers, email addresses, the names of their beneficiaries, and the amount of their gift, shall be kept strictly confidential by the Indianapolis Zoological Society, Inc., its staff and volunteers, unless permission is obtained from donors to release such information.
- 14. Financial accounting.** All gifts shall be accounted for in the audited financial records of the Zoo in a manner approved by the Zoo Board, President and CEO, Senior Vice President of Operations and CFO etc. and in accordance with the appropriate accounting standards such as the current Financial Accounting Standards Board (FASB) statements.
- 15. Charitable gift annuities authorized.** The Zoo is authorized to issue charitable gift annuities, immediate and deferred, and invest assets contributed for annuities. The Zoo may employ agents and advisors to facilitate the investment of these assets. The Zoo shall endeavor to comply with the laws of all states in which gift annuities are offered.
- 16. Restrictions on gifts.** The Zoo 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. The Zoo will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter (or trust document if the Zoo is named in the trust), gifts that are too difficult to administer, or gifts that are for purposes outside the Zoo's mission. Any imposed conditions and restrictions on gifts by donors will be honored subject to the authority of the Board. The Board retains the right to vary the terms of any gift if continuing the condition or restriction is, in the judgment of the Board, unnecessary, incapable of fulfillment, inconsistent with the Zoo's exempt purpose or inconsistent with the needs of the community the Zoo serves.
- 17. Procedure for approval of exceptions.** Where either the acceptance of a gift or a deviation of these policies requires approval of the Board as hereinafter set forth, such approval, in the event the decision needs to be made before a scheduled meeting, may be given by the Zoo President and CEO and the Chair of the Board, upon a recommendation by the Executive Vice President or the Director of Institutional Advancement.
- 18. Expenditures.** The Zoo shall not incur any expenditure related to a gift arrangement prior to its execution.
- 19. Legal Name and Federal Tax Identification Number.** All documents referencing the Zoo or otherwise conveying a gift to the Zoo shall reference the following legal name and federal tax identification number (where appropriate): "Indianapolis Zoological Society, Inc.", 35-1074747.

IV. ENDOWMENT GIFT FUNDS

A. Description

The Indianapolis Zoo encourages gifts toward the support of the Indiana Zoological Foundation Fund, its general endowment fund. Gifts may be designated as unrestricted endowment or to establish named endowment funds.

B. Procedures

1. The establishment of a named endowment fund is accomplished by a minimum gift (outright, pledged, or planned) of \$50,000. In the event that the minimum level is not reached by the timeframe expressed in the related endowment gift agreement, all monies raised and/or collected will be added to the Indiana Zoological Foundation Fund corpus to support the Zoo's general operations.
2. The establishment of a named endowed position is accomplished by a gift of the following amounts:
 - a. Executive \$2,500,000
 - b. Chair - \$1,000,000
 - c. Fellow - \$250,000

In the event the minimum level is not reached by the timeframe expressed in the related endowment gift agreement to fund one of the aforementioned funds (named, Executive, Chair, or Fellow) donors may opt to establish a fund of a lesser amount. Otherwise all monies raised and/or collected will be added to the Indiana Zoological Foundation Fund corpus.

3. Gifts for endowment for any specific restricted purposes must be equal to an amount necessary to produce sufficient income to fulfill the donor's purposes over an indefinite period of time. Endowment fund calculations shall assume a spending rate consistent with the endowment fund spending rate approved by the Zoo's Board of Trustees, with the balance invested to perpetuate the fund. Appreciation of the gift principal may be spent for the purposes of the fund unless otherwise restricted by the donor.
4. All money and property of any endowment fund shall be held as general assets of the Zoo and not segregated as property of a separate fund or trust.
5. The Zoo will assess costs to individual endowment funds for the acceptance, transfer, and management of donated property. The Zoo may also assess an annual fee to individual endowment funds to pay their proportionate share of administrative and investment costs incurred by the Zoo.

6. If an endowment fund is less than the minimum stated amount for a named fund, the donor may be recognized as deemed appropriate by the Zoo. For example, a named endowment fund could include multiple donors whose names are listed together in recognition publications.
7. All endowment fund gifts shall require the approval and signing of a memorandum of understanding or agreement. This agreement shall be signed by the donor(s) and the Zoo President and CEO.
8. In the unlikely circumstance that the purposes of a particular restricted endowment fund can no longer be served, the Board shall devote the distributions from said fund for purposes that are within the scope of the Zoo's mission and most nearly approximate, in the judgment of the Board, the original purpose of said fund.
9. The Zoo shall provide all endowment fund donors with an annual report that reflects the present value of the donor's endowment fund, as well as any annual expenditures made from that fund.

V. CHARITABLE BEQUESTS

A. AVOID THE UNAUTHORIZED PRACTICE OF LAW

1. To avoid the unauthorized practice of law, employees of the Indianapolis Zoo shall not prepare wills or trust documents for donors but may suggest wording for a charitable bequest or distribution for the consideration of a donor's attorney. Donors must be advised to consult with their own legal counsel regarding any gift. The following is suggested language for use in wills or trust documents:

B. WILLS (Bequests) – SUGGESTED LANGUAGE:

1. An unrestricted bequest:

I hereby, give and bequeath to THE INDIANAPOLIS ZOO, Indianapolis, Indiana, the sum of _____ Dollars (\$_____), or _____ percent (____%) of my estate, to be used for such uses and purposes as its governing body shall deem appropriate.

2. A restricted endowment bequest:

I, hereby, give and bequeath to THE INDIANAPOLIS ZOO, Indianapolis, Indiana, the sum of _____ Dollars (\$_____), or _____ percent (____%) of my property and estate, to be directed to the Indiana Zoological Foundation Fund, Indianapolis Zoo's general endowment fund.

3. An unrestricted residuary bequest:

I, hereby, give and bequeath to THE INDIANAPOLIS ZOO, Indianapolis, Indiana, all of the residue of my property and estate, to be used for such uses and purposes as its governing body shall deem appropriate.

4. A restricted residuary bequest:

I, hereby, give and bequeath to THE INDIANAPOLIS ZOO, Indianapolis, Indiana, all of the residue of my property and estate, to be directed to the Indiana Zoological Foundation Fund, Zoo's general endowment fund.

5. Unrestricted Memorial Endowment bequest:

I hereby leave the (sum of _____ Dollars [\$]/residue remainder/or percent of residue) of my (estate/trust) to THE INDIANAPOLIS ZOO, Indianapolis, Indiana, to constitute a general memorial endowment fund (*state name*). This fund, for the purposes of investment, may be combined with other funds of THE INDIANAPOLIS ZOO and administered according to Indianapolis Zoo policies and procedures. The appropriated income shall be utilized as the Board of Trustees determines through its annual budgetary process.

C. TRUST AGREEMENTS (Gifts) – SAMPLE LANGUAGE:

1. An unrestricted distribution:

The Trustees shall distribute to THE INDIANAPOLIS ZOO, Indianapolis, Indiana, free of trust, the sum of _____ Dollars (\$ _____), or _____ percent (____%) of the trust property, to be used for such uses and purposes as its governing body shall deem appropriate.

2. A restricted endowment gift:

The Trustees shall distribute to THE INDIANAPOLIS ZOO, Indianapolis, Indiana, free of trust, the sum of _____ Dollars (\$ _____), or _____ percent (____%) of the trust property to be directed to the Indiana Zoological Foundation Fund, Indianapolis Zoo's general endowment fund.

3. A gift distribution of all trust corpus:

The Trustees shall distribute to THE INDIANAPOLIS ZOO, Indianapolis, Indiana, free of trust, all the remaining trust property, together with accumulated net income thereon, to be used for such uses and purposes as its governing body shall deem appropriate after which this trust shall terminate.

D. MISCELLANEOUS CONSIDERATIONS

1. When a donor desires some assurances about how the Indianapolis Zoo will use a gift or administer a gift fund, the Department of Institutional Advancement should prepare a supplemental "Letter of Understanding" or agreement to be signed by the donor and appropriate Indianapolis Zoo representative. This document states the guidelines the Indianapolis Zoo would follow in using a gift or establishing a fund upon acceptance of a donor's proposed bequest.

2. Whenever possible, the Indianapolis Zoo Department of Institutional Advancement should review in advance any restrictions or conditions placed upon a charitable bequest to the Indianapolis Zoo, and confirm that the legal name for the Indianapolis Zoo is correctly stated as “The Indianapolis Zoological Society, Inc.” or as its registered d/b/a “The Indianapolis Zoo”.
3. When the Department of Institutional Advancement learns of a donor’s death, Advancement staff should coordinate an appropriate expression of regret and gratitude to family and friends.
4. To avoid a conflict of interest, Indianapolis Zoo employees shall not be named in a non-spouse donor’s will or trust, unless such person would be the natural heir and receives no more than they would by the laws of intestate succession in the State of Indiana. Indianapolis Zoo employees shall not act in any official capacity such as witness, attorney-in-fact, executor or trustee. Any request for an exception to this policy must be approved in advance and in writing by the President and CEO after complete disclosure of the potential conflict.
5. When the Indianapolis Zoo receives notice of a charitable bequest, the Department of Institutional Advancement shall monitor the distribution from the estate or trust to assure proper treatment. The Department of Institutional Advancement shall identify an appropriate family representative for the Indianapolis Zoo to acknowledge or thank. This is far more desirable than simply thanking the legal representative. Typically, the gift receipt is directed to the legal representative for the donor’s estate, or trustee of a donor’s trust. If a donor dies with an enforceable pledge, the President and CEO must determine whether a claim should be filed with the Court having probate jurisdiction of the donor’s estate within the three (3) month claims period in order for the Indianapolis Zoo to have the legal right to enforce payment of the gift.
6. Documents such as releases, waivers, and final accountings requiring the signature of an Indianapolis Zoo representative should be reviewed by the Planned and Major Gifts Officer and executed by the President and CEO or another duly authorized Indianapolis Zoo representative.
7. Unrestricted bequests will be added to the Indianapolis Zoo’s Roy Shea Fund (established and approved by the Board of Trustees in November 1998) unless otherwise directed by the Indianapolis Zoo administration or board of directors.
8. The Indianapolis Zoo reserves the right not to accept any restricted gift if it is not consistent with its stated mission, policies and procedures or if the President and CEO feels that the restriction would be unduly burdensome or unmanageable.
9. The Indianapolis Zoo reserves the right not to accept a gift of non-cash property if it is not consistent with its stated mission, policies and procedures or approved by the President and CEO in consultation with the Planned Giving Committee.

VI. GIFTS OF PERSONAL PROPERTY

A. CONSIDERATIONS FOR ACCEPTANCE

1. Tangible and Intangible Personal Property: Gifts of tangible personal property (including but not limited to works of art, jewelry, and collections), and gifts of intangible personal property (including but not limited to patents, copyrights, and trademarks) will be considered only after a review indicates that the property can be used by Zoo in furtherance of its charitable mission and purposes and, if not, that the property is readily marketable and free and clear of any encumbrances.
2. Closely Held Corporations, LLCs and Partnerships: Gifts of closely held securities (i.e., those that are not publicly traded and are held by only a few shareholders) are subject to prior approval of the President and CEO. The President and CEO shall consider the impact of unrelated business income tax, liabilities associated with ownership of an interest in the business, future capital calls, restrictions on the sale or other disposition of the shares or interest, and the nature of the business when considering a gift of closely held securities. Further, Zoo shall not accept a gift of an interest in a closely held company if ownership of such interest will result in Zoo participating fully in management decisions with more than limited liability for the conduct of the business, such as in the role of a general partner. Zoo shall hire such consultants, legal or tax advisors, or other professionals to assist with due diligence in evaluating the advisability of acceptance of a gift of shares or an interest in a closely held business. Generally, closely held securities may be accepted only if the probability of sale exists within a reasonable period of time.
3. Stock Options: Stock options are generally not directly transferable to the Zoo. However, stock options may be used to donate the optioned stock to the Zoo. Intermediary brokers may be used to advance the exercise fee to provide a "cashless" option for the donor. Subject to approval from the President and CEO, the Senior Vice President & CFO and / or the Executive Vice President are authorized to open accounts at intermediary brokers to facilitate a gift of stock from options so long as the associated fees are reasonable.

B. POLICIES AND PROCEDURES

1. The donor must pay for any appraisal of the property. An IRS Form 8283 ("Noncash Charitable Contributions") must be filed by a donor if the amount of his, her or its noncash gifts exceeds \$500. If a noncash gift exceeds \$5,000 and is other than publicly traded securities (the "Appraised Property"), the donor must attach a qualified appraisal to Form 8283, and the Zoo must acknowledge receipt of the property by signing Form 8283. The Zoo's acknowledgement of the gift does not represent its agreement with the value placed on the property by donor and the appraiser. It is the

responsibility of the donor to complete the form and provide it to Zoo. If Zoo sells the Appraised Property within three years of the date of receipt of the property, it must file Form 8282 with the IRS and provide a copy to the donor within 125 days of the disposition of the property.

2. In no event shall the Zoo be legally obligated to sell donated items of personal property to particular individuals or entities.
3. The Zoo may sell or dispose of any gift of personal property at any time. The intended disposition and/or use of the gift in furtherance of its charitable purposes should be expressed to the donor at the time of the gift.
4. Title to any gift of personal property shall be clearly vested, without encumbrance, in the donor and shall be documented at the time of the gift.
5. Maintenance, storage, transportation and other costs associated with any gift of personal property shall be considered when determining whether to accept that gift. These costs shall be approved in advance by the President and CEO, in consultation with the Executive Vice President and the Senior Vice President & CFO.

VII. GIFTS OF MARKETABLE SECURITIES AND CASH (PUBLICLY TRADED STOCK, BONDS, U.S. SAVINGS BONDS, MUTUAL FUND SHARES, FEDERAL RESERVE ITEMS, CASH)

A. DESCRIPTION

Donors may make gifts of marketable stock, bonds, U.S. Savings Bonds, mutual fund shares, marketable Treasury securities, and cash. As with any gift, the donor shall be required to hold and convey clear title to the Zoo.

B. POLICIES AND PROCEDURES

1. Delivery.

- a) Wire delivery. If assets are to be delivered from a brokerage, bank or securities account, and they are Depository Trust Company (DTC) eligible, the following delivery instructions shall be used:

Stifel, Nicolaus and Company, Incorporated
30 N. Meridian Street, Suite 600
Indianapolis, IN 46204
DTC number: 0793
Indianapolis Zoological Society
Account Number: 24283649
Indianapolis Zoological Society's Tax ID: 35-1074747

- b) Mail delivery. If the assets are not DTC eligible, or if the donor wishes to donate the original certificates, the properly endorsed certificates (unsigned) and a signed stock / bond power form (see Appendix for sample stock / bond power form) should be mailed in separate envelopes to prevent theft to:

Office of Institutional Advancement
Indianapolis Zoo
1200 West Washington Street
Indianapolis, IN 46222

- c) Personal delivery. If the stock or bond certificates are hand-delivered, then the date of transfer (donation) is the day that the certificate is unconditionally delivered to the Zoo or the Zoo's agent (bank, broker, etc.). The donor may sign the certificate to evidence transfer, or a separate stock/bond power form may be signed and delivered with the certificate. (See Appendix for sample stock /bond power form.)
- 2. Brokerage accounts. The Zoo shall not establish any brokerage accounts for the purpose of transferring gifts.
 - 3. Gifts of cash. Gifts of cash may be accepted by check, wire, credit card, payroll deduction, or electronic fund transfer (EFT) pursuant to current procedures.
 - 4. Marketable Treasury Securities. U.S. Treasury bonds, Treasury notes, treasury bills, and Treasury Inflation Protected Securities (TIPS) shall be transferred pursuant to current procedure.
 - 5. U.S. Savings Bonds.
 - a) Series E Bonds. Series E bonds may be donated to the Zoo by converting them to Series HH bonds in the name of the Zoo or by cashing the Series E bonds and donating the proceeds. The donor is responsible for reporting any accrued income on the donor's income tax return.
 - b) Series HH Bonds. Series HH bonds may be donated to the Zoo by registering them in the name of the Zoo or by cashing the Series HH bonds and donating the proceeds. The donor is responsible for reporting any accrued income on the donor's income tax return.

VIII. GIFTS OF OIL, GAS, AND MINERAL INTERESTS

The Zoo may accept oil, gas and mineral interests, when deemed appropriate. Criteria for acceptance of the interests shall include:

- 1. Gifts of surface rights should have a value of \$20,000 or greater. The donor shall obtain a qualified appraisal of said interests no more than sixty days before date of gift.

2. 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).
3. The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
4. A working interest is rarely accepted. A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.
5. The property shall undergo an environmental review at the expense of the donor, unless agreed to by the Zoo, to ensure that the Zoo has no current or potential exposure to environmental liability.
6. Said gifts shall require approval by the President and CEO and the Chair of the Board in advance of acceptance.

IX. GIFTS OF INTELLECTUAL PROPERTY RIGHTS

Intellectual property rights, which include royalties, patents, copyrights, contract rights or other similar interests, shall be examined in light of the following criteria:

1. Is the intellectual property right related to the mission of the Zoo?
2. Can the ownership of the intellectual property right be clearly transferred or assigned to the Zoo?
3. Is the intellectual property right a full or fractional interest? If fractional, describe the other owners of the property and percentage interests.
4. Does the right in the intellectual property generate, or have the potential to generate, at least \$5,000 or more each year?
5. Is there a market for the sale or licensing of the intellectual property right?
6. Are there any costs associated with acceptance of the intellectual property right? (i.e., is the gift a patent application that will require further action to secure, are there any claims, liens or other contests associated with the property, or are there likely to be costs associated with defending the intellectual property right?)
7. Are there any restrictions on the retention or use of the property?
8. Said gifts shall require approval by the President and CEO and the Chair of the Board in advance of acceptance.

X. GIFTS OF REAL ESTATE

A. GENERAL PROVISIONS

1. The donor shall secure a qualified appraisal of the property no more than sixty days before date of gift. The donor must file a copy of the appraisal with the IRS 8283 form

in order to receive the income tax charitable deduction. The Zoo may secure its own appraisal for insurance purposes, etc.

2. The Zoo must ensure that the property will not cause liability under environmental laws. Environmental cleanups are extremely expensive. If questions exist, an environmental audit may be required before acceptance.
3. An ALTA survey will provide the boundaries of the property and detailed information about any easements or encroachments upon the property and building inspections should be considered for any improvements on the property.
4. The Zoo shall independently determine if the donor has clear title to the property. If the Zoo does acquire the property, the Zoo shall obtain title insurance to assure good and marketable title. The Zoo shall independently determine if the donor has clear title to the property. Adequate liability and property damage insurance shall also be obtained.
5. The donor shall be responsible for obtaining and paying for an ALTA survey, appraisal, and an environmental audit of the property. The donor may be willing to make a cash contribution to the Zoo to cover some or all of the investigation costs of acquiring the property (inspections, title insurance, etc.) and other costs associated with the sale and/or anticipated holding period prior to sale.
6. Real Estate shall be inspected to insure compliance with building codes and that it has no defects. Additionally, any environmental liability concerns shall be addressed before the contribution is completed.
7. Review transaction for potential self-dealing or unrelated business taxable income considerations.
8. Ensure proper deeds are prepared and recorded.
9. All gifts of real estate shall require approval by the President and CEO and the Chair of the Board in advance of acceptance.

B. GIFT OF REMAINDER INTEREST WITH RETAINED LIFE ESTATE

Some donors want to make a current gift of Real Estate to the Indianapolis Zoo, while still retaining the right to live in the property, or otherwise continue to use the property, during their lifetime. These gifts are subject to the same qualifications and requirements stated above for outright gifts of Real Estate; however, the following additional rules apply:

1. The donor will deed the Real Estate to the Zoo, subject to a life estate in favor of the donor or other person specified in the Deed. The donor will continue to be responsible for maintaining the property in good condition and repair, and for paying all expenses in conjunction with the property, such as real estate taxes, insurance premiums and utilities until possession of the Real Estate is transferred to the Zoo.

2. The gift conveyance must also describe the rights and obligations of each party, including the Zoo's right to inspect the property and the donor's compliance with its requirements to maintain the property and pay the property taxes, insurance and other costs associated with the property. The gift conveyance will also describe whether, and under what conditions, the donor reserves the right to lease or otherwise assign the right to use the property to any third party.
3. The donor and the Zoo will complete an IRS Form 8283, which must be supported by a current appraisal of both the fair market value of the property and the value of the remainder interest, after deducting for the retained life estate.
4. While the donor will need to rely upon his/her own accounting or tax advisor, the donor's tax deduction will typically be the value of the remainder interest, which is given to the Indianapolis Zoo. If the donor later decides to gift their retained life estate to the Zoo during their lifetime, the donor may be eligible for a second tax deduction based upon a new appraisal of the second gift.
5. As with all gifts of Real Estate, a gift of a remainder interest with a retained life estate shall require prior approval of the President and CEO and the Board Chair.

XI. BARGAIN SALES

A. DESCRIPTION

A bargain sale is a sale of property, including real estate, tangible personal property, or intangible personal property, for less than the property's current fair market value. The excess of the current value over the sales price represents a contribution to the Indianapolis Zoo. The sales price to the Donor may be paid in a lump sum or in installments (known as an "installment bargain sale").

B. POLICIES

1. The Zoo may purchase real estate, stock, or tangible or intangible personal property from a donor for less than fair market value. The price paid for the bargain sale property should not exceed sixty percent (60%) of its appraised value.
2. A qualified independent appraisal of the bargain sale property shall be obtained by the donor. The general concept of the bargain sale and the appraiser selected by the donor should be approved in advance by the Zoo. This appraisal must be filed by the donor with his\her IRS Form 8283 in order to claim the charitable contribution.
3. The other rules contained in these policies for certain categories of gifts may also apply (i.e., bargain sales of real estate will also be subject to the same review policies as Gifts of Real Estate under Section VIII of these policies.)

4. Any bargain sale must be approved by the President and CEO and the Board Chair.

XII. QUALIFIED RETIREMENT PLANS AND INDIVIDUAL RETIREMENT ACCOUNTS

A. DESCRIPTION

1. A Qualified Retirement Plan (QRP) such as a 401(k) or 403(b), or an Individual Retirement Account (IRA), is a separate asset that is generally governed by a beneficiary designation rather than the will or by the decedent's trust instrument. The beneficiary designation forms that the employee/owner completes will determine transfers from these plans. These forms should be carefully drafted to meet the donor's estate planning objectives.

B. POLICIES

1. If the probate estate is named as the beneficiary of the retirement assets, the charitable bequest generally will not qualify for a charitable income tax deduction. Accordingly, this should be avoided.
2. Naming the Zoo or a charitable remainder trust (CRT), rather than the probate estate, on the beneficiary designation forms provided by the retirement plan ensures that the distributions will not be reported on the estate's income tax return.
 - a. If retirement assets are held in a QRP and the participant is married, the spouse must execute a written waiver before assets can be transferred to a charity or a deferred giving arrangement. In the absence of a proper waiver, the entire amount will be distributed to the surviving spouse as a matter of law.
 - b. IRAs are generally not subject to the waiver requirement.
 - c. The Zoo may be named as a sole, partial, or contingent beneficiary.
3. If a family member is named as the first successor beneficiary and the Zoo is named as the contingent beneficiary, the family member can disclaim his or her interest, thereby allowing the property to pass to the Zoo and permitting the estate to claim a charitable estate tax deduction.
 - i. The disclaimer must be made within the applicable 9-month period and meet the other requirements for a qualified disclaimer.
4. The Zoo will not prepare legal documents or beneficiary designation forms provided by the retirement plan nor will the Zoo commission their preparation though the payment of legal expenses of the donor. The Zoo would like to have a copy of the executed documents for its records.

5. Legal documents or beneficiary designation forms provided by the retirement plan should be prepared by or approved by an attorney or other tax advisor representing the donor. The Zoo representatives may provide sample language to the donor and his or her advisors for preliminary discussion and review.
6. Any proposals and tax calculations prepared by the Zoo are to be used for illustrative purposes only and should so state on any documentation provided to a donor. Ultimately, the donor must seek and rely upon the advice of his or her own advisor.

XIII. LIFE INSURANCE

A. DESCRIPTION

Many donors find themselves over-insured and capable of donating a life insurance policy. There are various methods by which a life insurance policy may be donated to the Zoo. The procedures for gift acceptance may vary depending on the nature of the donated policy.

B. POLICY AND PROCEDURES

1. **A donor who wishes to make a revocable gift of life insurance proceeds may do so by designating the Zoo as primary or successor beneficiary of a life insurance policy.** The donor will need to complete and sign the appropriate life insurance company form to evidence a change in beneficiary status naming the Zoo as primary or successor beneficiary. The donor will not receive a current income tax charitable deduction because the Zoo is not the named owner. However, an estate tax charitable deduction is available for the amount given the Zoo at the death of the insured. The donor will continue to be responsible for premium payments as the policy owner.
2. **A donor may assign irrevocably to the Zoo a paid-up life insurance policy.** The donor will need to complete and sign the appropriate life insurance company form to evidence a change in ownership and beneficiary status naming the Zoo as both owner and primary beneficiary. The donor's income tax charitable deduction equals the *cash value* of the policy, less any outstanding loans, etc. IRS form 712 must be signed by the life insurance company representative and filed by the donor with his/her IRS form 8283 to claim the deduction.
3. **A donor may assign irrevocably to the Zoo a life insurance policy on which premiums remain to be paid.** The donor will need to complete and sign the appropriate life insurance company form to evidence a change in ownership and beneficiary status naming the Zoo as both owner and primary beneficiary. The donor's income tax charitable deduction equals the *interpolated terminal reserve value* of the policy, less any outstanding loans, etc. IRS form 712 must be signed by the life insurance company representative and filed by the donor with his/her IRS form 8283 to claim the deduction. As the new owner, the Zoo will receive future premium notices and be responsible for payment. However, the donor may wish to make future charitable gifts equal to or

exceeding the premium payment amount. So long as the donor is not legally obligated to make these gifts, the donor will be entitled to an income tax charitable deduction for the value of the gift. The Zoo may also elect to “pay-up” the policy premiums or direct policy values / dividends to fund the required premiums, if such options are available.

4. **All gifts of life insurance should include an in-force illustration showing all years that the policy is payable to the insured’s age 100.** These gifts should be reviewed by a life insurance expert, i.e., CLU, ChFC designation, to verify the accuracy and likelihood that the donated policy will remain in-force to serve its stated purpose.
5. **The Zoo does not endorse any insurance products, agencies or sales representatives.**
6. **The Zoo shall not accept life insurance policies that have policy loans.** Policy loans should be repaid or eliminated by surrendering additions or other appropriate measures before the gift is made to and accepted by the Zoo.

Generally, the Zoo shall only accept ownership of whole life insurance policies because term life insurance policies seldom have any cash surrender value.

7. **Charitable Reverse Split Dollar Life Insurance.** Pursuant to current IRS regulation, the Zoo shall not accept or promote gifts of charitable reverse split dollar life insurance. A common trait of a split dollar policy is the naming of more than one owner of the policy (e.g., charity and donor or donor’s children).

XIV. CHARITABLE REMAINDER TRUSTS

A. DESCRIPTION

1. A charitable remainder trust is a separately administered trust established by the donor. It provides for payments to the donor and/or other named income beneficiaries either for life or a term of years. At the end of that period the remaining assets are distributed to one or more charities. The Zoo may accept designation as a remainder beneficiary.

B. POLICY AND PROCEDURES

1. The Zoo’s representatives shall not promote charitable remainder trusts as investment vehicles or compare them to investment alternatives. A charitable remainder trust is a gift vehicle which generates income payments and other tax benefits for a donor.
2. The suggested minimum asset fair market value for establishing a unitrust is \$100,000. A lower minimum may be considered if the donor anticipates making future contributions to a unitrust type charitable remainder trust.
3. The Zoo shall not facilitate the creation of a charitable remainder trust which generates a charitable deduction which is less than 10 percent of the initial gift value. (Participation must be justified as cost-effective on a case-by-case basis.)

4. The Zoo will not serve as trustee. Trustee fees shall not be paid by the Zoo.
5. Any proposals and tax calculations prepared by the Zoo are for illustrative purposes only. Final authority rests with a donor's tax advisor.
6. The final charitable remainder trust agreement must be prepared or approved by an attorney representing the donor. The Zoo representatives may provide sample documents to the donor and the donor's advisors for preliminary discussion and review.

XV. CHARITABLE LEAD TRUSTS

A. DESCRIPTION

1. A Charitable Lead Trust is a technique under which an income stream (either a sum certain i.e. annuity trust, or a fixed percentage of the trust assets, as revalued each year, i.e. a unitrust) is paid to one or more charities either for a period of years or for the life of an individual (or the lives of individuals), at the end of which the remaining trust property is paid to designated beneficiaries (generally, the donor's family or other non-charitable beneficiaries).

B. POLICIES AND PROCEDURES

1. There is no minimum amount that can be set aside in a Charitable Lead Trust. (Participation must be justified as cost-effective on a case-by-case basis, as recommended by the Planned Giving Committee and approved by the Executive Vice President and the Senior Vice President & CFO.)
2. The Zoo shall not serve as trustee for a Charitable Lead Trust. Trustee fees shall not be paid by the Zoo.
3. The Zoo can provide examples of illustrations and tax calculations to prospective donors provided that they are clearly marked as "For illustrative purposes only. These illustrations are not intended to represent tax advice. For tax advice, please consult your tax professional." Preferably, these illustrations will be prepared and presented by a member of the Planned Giving Committee in conjunction with a representative of the Zoo. Final authority rests with a donor's tax advisor.
4. The Zoo will not prepare legal documents nor commission their preparation through the payment of legal expenses of the donor. The Zoo shall request a copy of the executed trust document for its records.

XVI. CHARITABLE GIFT ANNUITIES

A. DESCRIPTION

A Gift Annuity, also known as a charitable gift annuity, is a contract created by an individual and a charitable or nonprofit organization. The individual agrees to transfer assets to the charity, and in return, the charity agrees to pay regular, cash installments to the individual or up to two other named individuals for his/her/their lifetime.

B. POLICIES AND PROCEDURES

1. A single donor must be at least age fifty-five (55) at the date of the gift (or if a deferred annuity, at least age sixty (60)) at the date that the payout is to commence.
2. If the annuity is for two lives (joint and survivor), the younger annuitant must be at least age fifty-five (55).
3. The minimum amount for a Gift Annuity is Ten Thousand Dollars (\$10,000). Additional gift annuities may be issued for Five Thousand Dollars (\$5,000) per annuity.
4. Gift annuities shall be managed by the Zoo, and it may employ agents and advisors to assist with the administration and investment of gift annuity assets. The Zoo may choose to reinsure the gift annuity payment obligations.
5. Income will generally be paid on a quarterly basis unless a donor or other circumstances suggest a more or less frequent payment schedule. If acceptable and appropriate, the Zoo may directly deposit payments into beneficiary bank accounts. Payment of income shall be coordinated between the Planned and Major Gifts Officer, the Senior Vice President & CFO, and any fiscal agents employed by the Zoo.
6. The American Council on Gift Annuities recommended rates current at the time of the gift will generally govern the payout rate. However, the maximum payout rate shall not exceed 9.0%. This “guideline” generally results in the donor-annuitant getting about a fifty percent (50%) lump sum transfer as a tax deduction.
7. If a prospective “gift annuitant” is considering a transfer of \$100,000 or more, the Zoo will not decline to issue a Gift Annuity, but as a matter of policy the Zoo will also present the alternative of a Charitable Remainder trust to the prospective donor, which may produce better results for both the annuitant and for the Zoo.
8. Compliance with tax reporting, e.g., IRS 1099-R forms to donors and copies to IRFS, blank IRS 8283 forms to donors, etc., shall be coordinated between the Planned and Major Gifts

Officer, the Senior Vice President & CFO, and any fiscal agents employed by the Zoo.

9.A disclosure letter shall be provided to all gift annuity donors explaining the nature of the annuity payment obligation (see Appendix for sample gift annuity disclosure letter.)

10.All gift annuity donors shall be provided with a summary explaining the potential income, and taxable nature of income, as well as potential tax implications, e.g., income tax deduction, capital gains tax savings, gift/estate tax implications, associated with the donation. Donors shall be advised to share these summaries with their independent professional advisors.

11.The Zoo's Finance Office shall be provided with the original gift annuity contracts, tax information summaries, etc.

12.The Zoo shall comply with the laws regulating gift annuities in any state in which a donor may reside. The Zoo reserves the right to refuse gift annuity donations from donors who reside in states where the gift annuity regulations are considered to be unreasonably restrictive or compliance costs are prohibitive.

Many thanks are offered to the Zoo's Planned Giving Committee for their leadership role in compiling and updating these policies. 2020Committee members include:

William T. Rosenbaum, JD – Rosenbaum Law (Chair)

Angela M. Berg, JD - The National Bank of Indianapolis

Peter H. Donahoe, JD – Donahoe Irvin

Brandon Falbe, CFP – BKD Wealth Advisors

Brant O. Gardner, JD – Faegre Baker & Daniels

Gina M. Giacone, JD – Ice Miller

Lawrence E. Lawhead, JD – Barnes & Thornburg

W. Kent Manuel, CPA – Katz Sapper & Miller

David A. McDaniel, CPA – Sikich

Marcus F. Miller, CFP, CPA – Deerfield Financial Advisors

R. Todd Musser – The National Bank of Indianapolis / Diamond Capital Management

Steven C. Robinson, JD – Robinson & Farthing

Gregory R. Sheldon – Fifth Third Bank

Tamatha A. Stevens, JD – Stevens & Associates

Brian Upchurch, JD / CPA – Column Capital

Julie S. Weaver, JD / LLM – Oxford Financial Group

J. Edward Sandifer, JD – Indianapolis Zoo

XVII. APPENDIX

Model Standards of Practice for the Charitable Gift Planner

Preamble

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. Primacy of Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. Explanation of Tax Implications

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. Full Disclosure

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. Competence and Professionalism

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. Consultation with Independent Advisers

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

VII. Consultation with Charities

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. Description and Representation of Gift

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. Full Compliance

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. Public Trust

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999. Reprinted with permission.

AFP Code of Ethical Principles and Standards



ETHICAL PRINCIPLES • Adopted 1964; amended Sept. 2007

The Association of Fundraising Professionals (AFP) exists to foster the development and growth of fundraising professionals and the profession, to promote high ethical behavior in the fundraising profession and to preserve and enhance philanthropy and volunteerism. Members of AFP are motivated by an inner drive to improve the quality of life through the causes they serve. They serve the ideal of philanthropy, are committed to the preservation and enhancement of volunteerism; and hold stewardship of these concepts as the overriding direction of their professional life. They recognize their responsibility to ensure that needed resources are vigorously and ethically sought and that the intent of the donor is honestly fulfilled. To these ends, AFP members, both individual and business, embrace certain values that they strive to uphold in performing their responsibilities for generating philanthropic support. AFP business members strive to promote and protect the work and mission of their client organizations.

AFP members both individual and business aspire to:

- practice their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust
- act according to the highest goals and visions of their organizations, professions, clients and consciences
- put philanthropic mission above personal gain;
- inspire others through their own sense of dedication and high purpose
- improve their professional knowledge and skills, so that their performance will better serve others
- demonstrate concern for the interests and well-being of individuals affected by their actions
- value the privacy, freedom of choice and interests of all those affected by their actions
- foster cultural diversity and pluralistic values and treat all people with dignity and respect
- affirm, through personal giving, a commitment to philanthropy and its role in society
- adhere to the spirit as well as the letter of all applicable laws and regulations
- advocate within their organizations adherence to all applicable laws and regulations
- avoid even the appearance of any criminal offense or professional misconduct
- bring credit to the fundraising profession by their public demeanor
- encourage colleagues to embrace and practice these ethical principles and standards
- be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy

ETHICAL STANDARDS

Furthermore, while striving to act according to the above values, AFP members, both individual and business, agree to abide (and to ensure, to the best of their ability, that all members of their staff abide) by the AFP standards. Violation of the standards may subject the member to disciplinary sanctions, including expulsion, as provided in the AFP Ethics Enforcement Procedures.

MEMBER OBLIGATIONS

1. Members shall not engage in activities that harm the members' organizations, clients or profession.
2. Members shall not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.
3. Members shall effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
4. Members shall not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations.
5. Members shall comply with all applicable local, state, provincial and federal civil and criminal laws.
6. Members recognize their individual boundaries of competence and are forthcoming and truthful about their professional experience and qualifications and will represent their achievements accurately and without exaggeration.
7. Members shall present and supply products and/or services honestly and without misrepresentation and will clearly identify the details of those products, such as availability of the products and/or services and other factors that may affect the suitability of the products and/or services for donors, clients or nonprofit organizations.
8. Members shall establish the nature and purpose of any contractual relationship at the outset and will be responsive and available to organizations and their employing organizations before, during and after any sale of materials and/or services. Members will comply with all fair and reasonable obligations created by the contract.

9. Members shall refrain from knowingly infringing the intellectual property rights of other parties at all times. Members shall address and rectify any inadvertent infringement that may occur.
10. Members shall protect the confidentiality of all privileged information relating to the provider/client relationships.
11. Members shall refrain from any activity designed to disparage competitors untruthfully.

SOLICITATION AND USE OF PHILANTHROPIC FUNDS

12. Members shall take care to ensure that all solicitation and communication materials are accurate and correctly reflect their organizations' mission and use of solicited funds.
13. Members shall take care to ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.
14. Members shall take care to ensure that contributions are used in accordance with donors' intentions.
15. Members shall take care to ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.
16. Members shall obtain explicit consent by donors before altering the conditions of financial transactions.

PRESENTATION OF INFORMATION

17. Members shall not disclose privileged or confidential information to unauthorized parties.
18. Members shall adhere to the principle that all donor and prospect information created by, or on behalf of, an organization or a client is the property of that organization or client and shall not be transferred or utilized except on behalf of that organization or client.
19. Members shall give donors and clients the opportunity to have their names removed from lists that are sold to, rented to or exchanged with other organizations.
20. Members shall, when stating fundraising results, use accurate and consistent accounting methods that conform to the appropriate guidelines adopted by the American Institute of Certified Public Accountants (AICPA)* for the type of organization involved. (* In countries outside of the United States, comparable authority should be utilized.)

COMPENSATION AND CONTRACTS

21. Members shall not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees. Business members must refrain from receiving compensation from third parties derived from products or services for a client without disclosing that third-party compensation to the client (for example, volume rebates from vendors to business members).
22. Members may accept performance-based compensation, such as bonuses, provided such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.
23. Members shall neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.
24. Members shall not pay finder's fees, commissions or percentage compensation based on contributions, and shall take care to discourage their organizations from making such payments.
25. Any member receiving funds on behalf of a donor or client must meet the legal requirements for the disbursement of those funds. Any interest or income earned on the funds should be fully disclosed.

**ENDOWMENT GIFT AGREEMENT
BETWEEN
INDIANAPOLIS ZOOLOGICAL SOCIETY, INC.**

and _____

WHEREAS, _____ (“Donor”) desires to fund a gift through the general endowment fund of the Indianapolis Zoological Society, Inc. (“Zoo”); and

WHEREAS, the Zoo is a nonprofit Indiana Corporation, exempt from taxation under Internal Revenue Code (“Code”) section 501(c)(3), and an appropriate corporation within which to establish such a charitable endowment; and

WHEREAS, it is mutually beneficial to the Donor and the Zoo to establish this general endowment gift, subject to the terms and conditions stated in this Agreement;

NOW, THEREFORE, the parties agree as follows:

1. The primary purpose of this gift shall be to establish the Building the Ark Fund (“Fund”). To help build local and global awareness of animal conservation, this Fund will support the Indianapolis Prize program activities. In the event that the Zoo no longer maintains the Indianapolis Prize program, Donor intends that this Fund will support programs or purposes that are within the scope of the Zoo’s mission and most nearly approximate, in the judgment of the Board, the original purpose of the Fund.
2. Donor intends to support this Fund through testamentary or non-probate assets owned by Donor at her death. However, Donor may opt to fully-fund this Fund during her lifetime at her discretion. The initial contribution to this Fund must be equal to or greater than \$10,000. Any and all contributions from Donor in support of this Fund shall be subject to the Zoo’s gift acceptance policies. Additionally, any individual, corporation, trust, estate, or organization may make irrevocable gifts to this Fund by a transfer of property to the Zoo. Any such gifts will be accepted solely to support the Fund’s purpose and in accordance with the Zoo’s gift acceptance policies.
3. Gifts to this Fund will be a component part of the general endowment, which is known as the Indiana Zoological Foundation Fund (“IZFF”). The Fund’s funds may be pooled or commingled with other IZFF funds and net income will be determined on a reasonable pro-rata basis. The funding level for this Fund will be a minimum of \$50,000. The Fund will commence its initial distribution during the second year after it reaches the minimum \$50,000 funding level. Donor understands that if this minimum level is not reached, all monies raised and/or collected will be added to IZFF’s corpus.
4. Gifts for endowment for any specific restricted purposes must be equal to an amount necessary to produce sufficient income to fulfill the donor’s purposes over an indefinite period of time. Endowment fund calculations shall assume a spending rate consistent with the endowment

fund spending rate approved by the Zoo's Board of Trustees ("the Board"), with the balance invested to perpetuate the fund.

5. All money and property in this Fund shall be held as general assets of the Zoo and not segregated as property of a separate fund or trust.

6. The Fund will be invested in accordance with policies as determined by the Board of Directors and financially administered by the Zoo. Donor stipulates that the Fund be allowed to grow in perpetuity through the allocation of earnings or market growth, or both, to the Fund principal. Expenditures from this Fund will also be in accordance with policies as determined by the Board and financially administered by the Zoo in a manner such that allocated earnings and/or market growth would, over time, exceed spending from the Fund. In accepting this gift, the Zoo understands and agrees to these stipulations.

7. The Zoo will assess costs to individual endowment funds for the acceptance, transfer, and management of donated property. The Zoo may also assess an annual fee to individual endowment funds to pay their proportionate share of administrative and investment costs incurred by the Zoo.

8. Any imposed conditions and restrictions on gifts by Donor will be honored subject to the authority of the Board. The Board retains the right to vary the terms of any gift if continuing the condition or restriction is, in the judgment of the Board, unnecessary, incapable of fulfillment, inconsistent with the Zoo's exempt purpose or inconsistent with the needs of the community the Zoo serves.

9. Donor acknowledges that this Fund is subject to the terms of the Zoo's articles of incorporation and bylaws, as amended from time to time; and, within such parameters, the Zoo shall at all times endeavor to administer this Fund consistent with the Donor's intent.

10. Donor will be afforded recognition consistent with recognition of the Zoo's named endowed funds. Donor may be profiled in publications of the Zoo relating to this gift. Any method of recognition, including articles in any of the aforementioned publications, will be subject to Donor's input and approval, as well as to comport with the Zoo's gift recognition policies.

11. Donor will be provided membership in the Laura Githens Smith Society. Unless specifically directed by the Donor to the contrary, she will be listed in the annual report of the Zoo and in all listings for the Laura Githens Smith Society.

12. The Zoo anticipates that this Fund shall continue in perpetuity. In the unlikely circumstance that the purposes stated herein can no longer be served, the Board shall devote the distributions from this Fund for purposes that are within the scope of the Zoo's mission and most nearly approximate, in the judgment of the Board, the original purpose of the Fund.

13. The law of the state of Indiana exclusively shall govern and apply to all legal proceedings pertaining to this Agreement, or otherwise concerning the subject matter of the Agreement, and under no circumstance shall reference be made to law of any other jurisdiction for any purpose.

14. All legal proceedings pertaining to the Agreement, or otherwise concerning the subject matter of this Agreement, shall be heard exclusively in the state or federal courts with subject matter jurisdiction sitting in Marion County, Indiana.

_____ Date

Dr. Robert W. Shumaker Date
President & CEO
Indianapolis Zoological Society, Inc.

FURTHER, the Zoo has caused this Agreement to be approved by its Board of Trustees and to be executed by a duly authorized officer this _____ day of _____, 20____.

Indianapolis Zoological Society, Inc.

_____, Secretary
Indianapolis Zoological Society Board of Trustees

Account # _____ Complete Name: _____

Quantity: _____ Security: _____

Reason for Power:

_____ Security sold for Settlement _____

_____ Security to be transferred into firm name.

_____ Other: _____

Note: If security is registered in joint name, all parties must sign the power.

IRREVOCABLE STOCK OR BOND POWER
FOR VALUE RECEIVED, the undersigned does (do) hereby sell, assign and transfer to

_____ (social security or taxpayer identifying no)

If stock,
Complete
This
Portion



_____ Shares of the _____ stock of _____
represented by Certificate(s) No(s). _____ inclusive,
standing in the name of the undersigned on the books of said company.

If bonds
Complete
This
Portion



_____ bonds of _____
in the principal amount of \$ _____. No(s). _____ inclusive,
standing in the name of the undersigned on the books of said company.
The undersigned does (do) hereby irrevocable constitute and appoint _____
attorney to transfer the said stock or bond(s),
as the case may be, on the books of said company, with full power of
substitution in the premises.

Dated _____

(Person(s) EXECUTING THIS POWER SIGN(S) HERE)

SIGNATURE CERTIFICATION
Stifel, Nicolaus & Company, Incorporated

BY _____
Authorized Certifier

DEED OF GIFT

I, the undersigned Donor, hereby donate and convey to _____

_____ all rights, title, and interest that I possess in the following materials.

Description:

Date Material Received on Site (to be supplied by library unit) _____

Appraised Value (if Donor has had gift appraised): _____
Please attach copy of independent appraisal if available. Please note that the IRS requires appraisals for all gifts valued at over \$5,000.

If you do not intend to take a tax deduction, please initial here: _____

I understand that the location, retention, cataloging, and preservation of the materials or other considerations relating to their use or disposition are at the discretion of the _____ in accordance with institutional policy. Materials added to the collections shall be accessible to all persons qualified to use materials in the _____, subject to the terms and conditions, if any, stated below.

Terms and Conditions:

Copyright Interests:

_____ I represent and warrant that I control the copyright in some or all of the donated materials. (Please indicate below the materials for which you control the copyright and the nature of your copyright control, e.g., sole/joint owner, heir, literary, executor, trustee.)

_____ I do not control copyright in any of the donated materials.

_____ To the best of my knowledge, the copyright is controlled by:

Name:
Address:

Donor's
Signature _____ **Date:** _____

Donor's Address: _____

City: _____ **State:** _____ **Zip Code:** _____

Home Phone: _____ **Work Phone:** _____

Library Representative: _____ **Date:** _____

INDIANAPOLIS ZOO

Real Estate Gift Consideration Checklist

Prospective Donor: _____

Location of Property: _____

Type of Property (personal, residence, farm, commercial, etc.): _____

Proposed Gift Arrangement: ___ Outright ___ Estate ___ CRT ___ GA ___ Remainder ___ BS

1. Ownership

_____ Title – Donor's current ownership interest

_____ Warranty Deed

_____ Quitclaim Deed

_____ Sheriff's Deed

_____ Other (please specify) _____

_____ Copy of Deed in Indianapolis Zoo File: ___ yes ___ no

_____ Warranty Deed prepared on behalf of Indianapolis Zoo: ___ yes ___ no

_____ Current Updated Abstract: ___ yes ___ no

_____ Title Insurance owned by donor: ___ yes ___ no Copy in file: ___ yes ___ no

_____ New Title Insurance to be purchased on behalf of Indianapolis Zoo by Donor:
_____ yes ___ no

2. Environmental Review

Types of Review to be conducted

_____ Personal Inspection by Indianapolis Zoo Staff: date _____

_____ Inspection by qualified home inspector: date _____

_____ Pre-Phase I Review: date _____

_____ Phase I EA: date _____

_____ Phase II EA: date _____

_____ Phase III EA: date _____

3. Marketability

_____ Current Qualified Appraisal _____ yes _____ no Date: _____

_____ New Qualified Appraisal to be completed by date _____

_____ Describe recent efforts to dispose of property (eg. Efforts to sell, donate, etc.):

_____ Name all listing agents used for property within the last two years: _____

_____ Any current mortgage, lien, debt, encumbrance, on property within the last two years: _____

_____ Current zoning classification/description of property: _____

_____ Describe condition of property: _____

_____ Describe surrounding neighborhood, properties, etc: _____

_____ Are property taxes paid to date: _____ yes _____ no (Amount owed: \$ _____)
(Approximate annual property tax liability: \$ _____)

_____ Property insurance currently on property: _____ yes _____ no
(Approximate annual coverage amount: \$ _____)

4. Counsel

_____ Indianapolis Zoo Legal Counsel for transfer: _____

_____ Donor Legal Counsel for property transfer: _____

_____ Indianapolis Zoo Listing Agent for property: _____

Indianapolis Zoological Society
Sample Disclosure Letter for Charitable Gift Annuities

Dear _____,

Thank you for your charitable gift annuity contribution to the Indianapolis Zoological Society. With a gift annuity, you simultaneously make a charitable gift and provide guaranteed payments for life to yourself and /or another person. Due to the fact that a charitable gift is involved, you may be entitled to income, gift and estate tax deductions. However, the annuity rates offered by the Indianapolis Zoological Society are lower than those available to you through commercial annuities offered by insurance companies and other financial institutions.

Pursuant to the gift annuity agreement, guaranteed payments in the amount of *(state amount and frequency of payments)* will be paid to *(state name(s) of annuitants)* for life. These payments are a general obligation of our organization, and they are backed by all of our assets. At *(indicate date)* our total invested funds exceeded \$ _____ *(indicate book or market value)*, and they are invested in _____ *(name of account)*, as well as _____ *(name of account)* fixed income funds.

The Indianapolis Zoological Society was established in _____ *(year)*. Responsibility for governing the organization is vested in a Board of comprised of persons, who are duly elected in accordance with the by-laws of the Indianapolis Zoological Society.

Common investment funds managed by our organization are exempt from registration requirements of the federal securities laws, pursuant to the exemption for collective investment funds and similar funds maintained by charitable organizations under the Philanthropy Protection Act of 1995 (P.L. 104-62). Information in this letter is provided to you in accordance with the requirements of that Act.

We would be pleased to provide any additional information at your request.

Very truly yours,