

## Sierra Club Gift Acceptance Policy

### 1. Overview

The Sierra Club encourages gifts that will help it further and fulfill its mission, and which reflect the values of our organization.

This policy supplies important information for Club representatives who may be involved in the solicitation and acceptance of gifts, to outside advisors who may assist in the gift planning and solicitation process, and to prospective donors in order to help them fulfill their philanthropic intent. The policy describes the procedural and substantive screening requirements for all gifts to the Sierra Club, including its chapters and groups. These requirements are intended to ensure that the Club maintains the public's trust as it carries out its mission to preserve and protect the environment.

### 2. Definitions

A. A "gift" means a donation of money or other thing of value to the Sierra Club. This policy addresses gifts to Sierra Club, gifts to any Club entity, such as a chapter or group, as well as the Sierra Club's position regarding donations to the Sierra Club Foundation, a wholly separate nonprofit public charity.

B. A "donor" is an individual, charitable vehicle, for-profit corporation, or other business entity that makes a gift to the Sierra Club or the Sierra Club Foundation. For purposes of this policy, all gifts from spouses or from the same corporation, including subsidiaries, are considered to be from the same donor.

C. A "donor identity unknown" gift is one where the identity of the donor is unknown to the Sierra Club and the Sierra Club Foundation (i.e., the gift is delivered by a neutral third party).

D. An "anonymous" gift is one where the identity of the donor is known to the Sierra Club or the Sierra Club Foundation, but the donor wants to limit public awareness of the gift, its amount, or other terms.

E. A "corporate gift" refers to any contribution from a for-profit enterprise or one which serves for-profit enterprises, and refers to, among others, corporations, companies, limited liability companies (LLCs), limited liability partnerships (LLPs), partnerships, §501(c)(6) non-profits, and other business entities. The term "corporate gift" also includes contributions from a business executive or director where the gift appears to have originated with the business, appears to be controlled by the company, or will significantly benefit the business in question.

F. The Corporate Gift Committee ("CGC") is a committee that approves certain types of corporate gifts (as described in Section 4, below). The Board's Executive Committee

shall appoint between three and five members to the CGC, including one staff member and one Director.

### 3. Substantive Rules on Gift Acceptance

Charitable giving involves balancing philanthropic, personal, financial, and tax considerations to achieve a fair and proper balance between the interests of the donor and the purposes of the Sierra Club. This includes the following standards.

A. The principal basis for making a gift should be the desire on the part of the donor to support the mission, programs, and objectives of the Sierra Club.

B. Fundraisers shall advise donors only in areas in which they are professionally qualified and shall defer to other professional advisors as necessary. All potential donors shall be advised to use their own legal and tax counsel in matters relating to their potential gift. No gift shall be knowingly urged upon any prospective donor that would benefit the Sierra Club at the expense of the donor's interest and welfare.

C. The Sierra Club reserves the right to refuse or return any gift that is not consistent with its mission, that could introduce a conflict of interest, that is prohibitively restrictive, that could expose the Sierra Club to liability or adverse publicity, or that could violate local, state or federal law. Furthermore, gifts will be accepted only when:

(i) Undue influence would not be exerted by the donor to shape the spending of the Sierra Club nor to distort the programs of the Sierra Club (i.e., the independence of the Club's advocacy or political endorsements is not compromised by the gift); and

(ii) The gift does not endanger the public's trust in the Sierra Club to preserve and protect the environment. For example, the Sierra Club will not accept gifts from recognized major polluters; sources that make or sell, or whose name is widely associated with, a business practice or product that is unusually damaging to the environment; recent (within the last 5 years), significant violators of environmental laws; or major antagonists of environmental organizations.

(iii) The sources of the gift are lawful.

(iv) No goods, services or more than incidental benefits are provided to the donor or recommending donor if given via a donor advised fund.

D. The Sierra Club will honor all requests by donors for anonymity where anonymity would not violate any legal requirements for disclosure. Policy and procedures related to protecting the anonymity of gifts are set forth in Section 5, below.

E. The Sierra Club prefers unrestricted gifts. In drafting instruments for restricted gifts, donors and their advisors are encouraged to use language that would permit application of the gift to a more general purpose if, in the opinion of the Board, the designated purpose is no longer feasible.

#### 4. Procedures on Gift Acceptance

##### A. Review by the Executive Director

The Executive Director, or his/her designee, is responsible for reviewing all gifts of \$100,000 or more, using publicly available information to determine whether the gift complies with this policy's substantive requirements. This review will be conducted prior to solicitation of the donor, or prior to acceptance for unsolicited gifts.

##### B. Additional Review and Approval by Volunteers

The Corporate Gift Committee ("CGC") shall provide additional oversight over large corporate gifts. The CGC will review all corporate gifts of \$5,000 or more (including anonymous corporate gifts) prior to solicitation of a corporate donor, or prior to acceptance for unsolicited gifts, to determine whether the gift complies with this policy's substantive requirements. The CGC will complete its review and decision on all outstanding corporate gifts within a month after it is presented with the information. The Club, including its chapters and groups, may accept corporate gifts of less than \$5,000 that comply with this policy without review and approval of the CGC.

In the event the CGC approves a corporate gift of \$100,000 or more by a divided vote, either the Executive Director or a member of the Committee who voted against the approval may appeal that decision to the Board. In the event the CGC rejects a corporate gift of \$100,000 or more (or, in the case of a gift to a chapter, group, or state entity of the Club, \$25,000 or more), the entity that would have received the gift may appeal that decision to the Board.

##### C. Disclosure to the Board

The Board of Directors has a fiduciary responsibility to ensure that gifts align with the Club's mission and comply with its policies. Furthermore, any Director, under California law, has a right to review all Club records. To achieve these objectives, all gifts of \$100,000 or more during the prior fiscal year must be disclosed annually at the first Board of Directors meeting after the completion of the Club's fiscal year. In addition, the following gifts must be disclosed quarterly to the Board: (1) gifts of \$100,000 or more that are corporate, "donor identity unknown," or anonymous; and (2) gifts of \$1,000,000 or more.

For each gift, this disclosure will include:

- (1) Name of the donor. In the case of non-corporate anonymous gifts, the name of the donor will be disclosed orally by the Executive Director or Chief Advancement Officer to the Executive Committee. Upon request by a Director, the name of the donor will be disclosed orally by the Executive Director or Chief Advancement Officer to the requesting Director.
- (2) Amount of his/her aggregate annual gifts.
- (3) Any restrictions as to the use of the gifts.

(4) A description, appropriate to the scale of the gifts, summarizing the appropriate decision-maker's analysis regarding why this gift complies with our gift policies.

For each "donor identity unknown" gift, this disclosure should include:

- (1) Amount of each gift.
- (2) Any restrictions as to the use of the gift.

#### D. Recordkeeping

Any determination, consultation, or notification required by this policy will be recorded in writing (paper or electronic), to a degree of detail appropriate to the magnitude of the gift and any applicable circumstances, and such records shall remain accessible to the Board.

#### 5. Sierra Club's Responsibility to Respect Donor Privacy and Confidentiality

A. All parties involved in soliciting, accepting and managing anonymous gifts, including but not limited to the Board of Directors, staff and volunteers, will abide by the terms of the donation and make all reasonable efforts not to disclose any information about the donor or the donation that is not required by law.

B. The Executive Director or his/her designee will review with each Director and member of the CGC the applicable confidentiality obligations, the form that delineates them, and the agreement that establishes their duty to comply with these obligations. All Directors, CGC members, and staff that receive confidential donor information are expected to sign this agreement each year.

C. Any intentional violations of donor confidentiality shall be subject to disciplinary action.

#### 6. Past Policies Rescinded & Relationship to Other Policies

This policy refines and consolidates all the Club's previous gift acceptance policies. It preserves the components of the pre-existing policies that have served the Club well, and rescinds those that no longer serve the Club's needs. It applies to corporate philanthropy, as distinguished from the cause-related marketing and licensing relationships that are the subject of the Business Partnership and Cause-Related Marketing Policy, adopted by the Board 5/16/2009. All past gift acceptance policies, written or unwritten, are rescinded.

Adopted 04/07/11