



CALIFORNIA ENVIRONMENTAL JUSTICE ALLIANCE

Gift Acceptance Policy

I. Statement of Purpose

The Board of Directors of the California Environmental Justice Alliance (CEJA) approved this Policy at its meeting on June 10, 2025 to provide guidelines to govern CEJA's solicitation and acceptance of gifts by the organization.

CEJA's Board of Directors and its staff may solicit current and deferred gifts from individuals, corporations, foundations and others for purposes that will fulfill and further CEJA's mission. Purposes of this Policy include: (a) guidance for the Board of Directors and other constituencies with respect to their responsibilities concerning gifts to CEJA, including what authorizations are needed to accept certain gifts; and (b) guidance to prospective donors and their professional advisors when making gifts to CEJA. The provisions of this Policy shall apply to all gifts received by CEJA. Notwithstanding the foregoing, CEJA's Board of Directors reserves the right to revise or revoke this Policy at any time and to make exceptions to the Policy.

The mission of CEJA is to conduct education, research, litigation, fundraising, and advocacy for charitable, scientific, or educational purposes, promoting the protection of the environment and public health, within the meaning of Section 501(c)(3) of the Internal Revenue Code.

This Policy is binding on all corporate contributions unless the Governing Body, at its discretion, or upon the request of the Co-Executive Directors (the "Leadership Team"), authorizes an exception to the above policy when appropriate.

For the purposes of this Gift Acceptance Policy, Governing Body means the Board of Directors, or such Board Committee that has been granted oversight over gift acceptance by the Board of Directors.

This policy shall not apply to:

1. Awards of attorney's fees and/or litigation costs;
2. Litigation-related penalty payments or payments in lieu of penalties;
3. Settlements of litigation or threatened litigation;
4. Mitigation funds or payments (including technical assistance grants and similar payments);
5. Good neighbor agreements.

II. Use of Legal Counsel

1. **CEJA.** CEJA shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by legal counsel is recommended for:
 - a. Closely held stock transfers that are subject to restrictions or buy-sell agreements;
 - b. Documents naming CEJA as trustee;
 - c. Gifts involving contracts such as bargain sales, partnership agreements, or other documents requiring CEJA to assume an obligation;
 - d. Transactions with potential conflict of interest;
 - e. Gifts of real estate; and
 - f. Any gift over \$1,000 with restrictions that CEJA did not specifically solicit;
 - g. Any gift with unusual restrictions. Unusual restrictions include, but are not limited to:
 1. Requiring CEJA to do work it is not already doing
 2. Requiring CEJA to expand, limit, or eliminate work it is already doing
 3. Requiring CEJA to censor or otherwise alter its opinions or communications, internal or external, about any topic
 - a. Exceptions include
 - i. Maintaining the anonymity of the donor when requested
 - b. Temporarily embargoed information that will be shared publicly at a later date
 4. Limit current or potential relationships with other organizations
2. **Donor.** To avoid potential conflicts of interest or the appearance of conflicts of interest, CEJA will strongly encourage prospective donors to seek the assistance of their own legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences when appropriate. CEJA reserves the right to refuse gifts if donors decline to receive assistance from legal and financial advisors. Recommendations for when to encourage legal and financial advice include:
 - i. Non-standard gifts, i.e., not gifts of cash, that exceed \$1,000 in estimated or actual value
 1. This excludes in-kind donations of specialized services, such as pro bono legal work
 - ii. If there is any indication that the donor may be incapacitated
 1. The legal definition of incapacity used for the purposes of this Gift Acceptance Policy, adapted from the definition provided by the Legal Information Institute, includes
 - a. A lack of mental/cognitive ability that results in a person's inability to manage their own personal care, property, or finances
 - b. A lack of ability to understand one's actions when making a will or other legal document

III. General Policy

CEJA shall not accept gifts that:

1. Violate the terms of CEJA's organizational documents;
2. Would jeopardize CEJA's status as a 501(c)(3) tax-exempt organization under federal and state law or CEJA's status as a public charity under Internal Revenue Code Section 509(a);
3. Are determined to be too difficult or expensive to administer;
4. Are for purposes that do not further CEJA's objectives; or
5. Could damage the reputation of CEJA.

Subject to Section 4 below, all final decisions on the acceptance or refusal of a gift shall be made by the Board of Directors.

IV. Policy Regarding Specific Types of Gifts

1. Gifts Generally Accepted Without Review (Unrestricted Gifts of Cash). CEJA will accept unrestricted gifts of cash or marketable publicly traded securities without prior review by the Governing Body, provided that, for donations of \$5,000 or more that are not anonymous, the identity of the donor has been vetted by CEJA's Leadership Team with respect to potential conflicts of interest or the appearance of conflicts of interest. Unrestricted gifts of cash are acceptable in any form. Checks shall be made payable to: California Environmental Justice Alliance. CEJA shall prepare and disseminate instructions to interested donors for transferring marketable publicly traded securities to an account in the name of CEJA.

- a. Through certain donation routes, personal identifying information is shared with CEJA, even if the donation is designated as anonymous. In this event, personal identifying information will only be available to restricted staff on a need-to-know basis, such as the Development Team, Finance Team, and Leadership Team.
 - i. In the event that there is personal identifying information on an otherwise anonymous donation, CEJA reserves the right for restricted staff to vet the identity of the donor as described in Section IV.1.
- b. Gifts made through Donor Advised Funds (DAFs) are treated as gifts of cash.
- c. Unless otherwise specified by the donor, all gifts will be considered unrestricted funding and be used at the discretion of the Co-Executive Directors to advance CEJA's mission.

2. Gifts Subject to Governing Body Review Prior to Acceptance. All gifts, other than unrestricted gifts of cash or marketable publicly traded securities, must be reviewed by CEJA's Leadership Team prior to acceptance. The following guidelines also apply:

- a. **Tangible Personal Property:** CEJA's Leadership Team shall review and decide whether to accept gifts of tangible personal property by considering the following factors. Please note that regardless of the following factors, CEJA's

Leadership Team may decline the gift if it determines that managing the gift would exceed CEJA's capacity.

- i. Whether the property furthers the mission of CEJA;
 - ii. The marketability of the property;
 - iii. The restrictions of the use, display, or sale of the property; and
 - iv. Carrying costs and possible liability for the property.
- b. **Closely Held Securities:** Closely held securities, including debts and equity positions in non-publicly traded companies, interests in LLPs and LLCs, or other ownership forms, can be accepted subject to the approval of CEJA's Leadership Team. They shall review and decide whether to accept closely held securities based on the following factors:
- i. Restrictions on the security that would prevent CEJA from ultimately converting the securities to cash;
 - ii. The marketability of the securities; and
 - a. If accepted, all non-marketable securities shall be sold as quickly as possible after receipt
 - b. If accepted, marketable securities may also be sold as quickly as possible after receipt
 - iii. Any undesirable consequences for CEJA from accepting the securities.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by CEJA's Leadership Team with advice of legal counsel when deemed necessary.

- c. **Bequests:** Donors may bequest to CEJA under their wills and trusts. A bequest will not be recorded as a gift until the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the gift will be recorded in accordance with the U.S. Securities and Exchange Commission's Generally Accepted Accounting Principles (GAAP) by CEJA's Finance Department.
- d. **Charitable Remainder Trusts:** CEJA may accept designations as remainder beneficiary of a charitable remainder trust. CEJA may accept appointment as trustee of a charitable remainder trust of which it represents 51% or more of the charitable interests and where such interest is irrevocable, and only after consulting legal counsel.
- e. **Charitable Lead Trusts:** CEJA may accept designations as income beneficiary to a charitable lead trust. CEJA may accept an appointment as trustee of a charitable lead trust, of which it represents 51% or more of the charitable interests and where such interest is irrevocable, and only after consulting legal counsel.

- f. **Retirement Plan Beneficiary Designations:** CEJA may accept designations as beneficiary of donors' retirement plans. Designations will not be recorded as gifts until the gift is irrevocable. When the gift is irrevocable, the gift will be recorded in accordance with GAAP by CEJA's Finance Department.
- g. **Life Insurance:** CEJA may accept designations as beneficiary and owner of a life insurance policy. The life insurance policy will be recorded as a gift once CEJA is named as both beneficiary and irrevocable owner of a life insurance policy. The gift shall be valued in accordance with GAAP rules by CEJA's Finance Department. If the donor contributes future premium payments, CEJA's Finance Department will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, CEJA may:
 - i. Continue to pay the premiums;
 - ii. Convert the policy to paid up insurance; or
 - iii. Surrender the policy for its current cash value.

Donors may name CEJA as beneficiary or contingent beneficiary of their life insurance policies. Designations will not be recorded as gifts until the gift is irrevocable. Where the gift is irrevocable, the gift shall be recorded in accordance with GAAP by CEJA's Finance Department.

- h. **Charitable Gift Annuities:** CEJA may not offer charitable gift annuities.
- i. **Real Estate:** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest.

Environmental Review. Prior to acceptance of real estate, CEJA shall require an initial environmental review of the property to ensure that the property has no environmental problem. If the initial inspection reveals a potential problem, CEJA shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental review and audit shall be an expense of the donor.

Title Binder. A title binder shall be obtained by CEJA prior to the acceptance of the real property gift when appropriate. The cost of this title binder shall be an expense of the donor.

Factors for Acceptance. The Board of Directors, CEJA's Leadership and Finance Teams, and legal counsel shall review and decide whether to accept real property based on the following factors:

- i. Whether the property is useful for the purposes of CEJA;
- ii. The marketability of the property;
- iii. Any encumbrances, leases, restrictions, reservations, easements, or other limitations associated with the property;

- iv. Any carrying costs associated with the property, including insurance, property taxes, mortgages, notes or other costs;
- v. Any concerns which the environmental audit revealed.

If accepted, CEJA may sell the property as soon as possible after receipt.

- j. **Remainder Interests in Property:** CEJA will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of this Paragraph. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the life tenant(s), CEJA may use the property or reduce it to cash. Expenses for maintenance, real estate taxes, and any property indebtedness shall be paid by the donor or primary beneficiary.
- k. **Corporation Limitations:** CEJA shall not accept contributions from the following categories of corporations:
 - i. Oil, petrochemical, chemical, privately owned utilities, or cement corporations;
 - ii. Corporations known to have a history of environmental violations;
 - iii. Waste disposal corporations;
 - iv. Other corporations which may pose actual, potential, or perceived conflicts of interest for CEJA.
- l. **In-Kind Donation of Specialized Services:** Acceptance of in-kind specialized services (pro bono services) shall be contingent on approval by CEJA's leadership team.
- m. **Named Funds:** A donor, or group of donors, may contribute and name a fund and restrict the use of the income or principal of the fund. Named funds are subject to the Governing Body's approval.

V. Additional Provisions

1. **Gift Agreements.** Where appropriate, CEJA shall enter into a written gift agreement with the donor, specifying the terms of any gift, which may include provisions regarding donor recognition. Recommendations for utilizing a gift agreement include:
 - a. Restricted gifts of any type and value
 - b. Unrestricted cash gifts valued over \$5,000
 - c. Non-cash gifts with an estimated value over \$2,500
2. **Pledge Agreements.** Acceptance by CEJA's Finance Department of pledges by donors of future support of CEJA (including by way of matching gift commitments) shall be contingent upon the execution and fulfillment of a written charitable pledge agreement specifying the terms of the pledge.
3. **Fees.** CEJA will not accept a gift unless the donor is responsible for (1) the fees of

independent legal counsel retained by donor for completing the gift; (2) appraisal fees; (3) environmental reviews/audits and title binders (in the case of real property); and (4) all other third-party fees associated with the transfer of the gift to CEJA.

4. **Valuation of Gifts.** Gifts shall be recorded when received at their valuation on the date of gift, except that, when a gift is irrevocable but is not due until a future date, the gift may be recorded at the time the gift becomes irrevocable in accordance with GAAP by CEJA's Finance Department.
5. **IRS Filings upon Sale of Gifts.** To the extent applicable, CEJA shall file IRS Form 8282 upon the sale or disposition of any charitable deduction property sold within three (3) years of receipt by CEJA. "Charitable deduction property" means any donated property (other than money and marketable publicly traded securities) if the value claimed by the donor exceeds \$5,000 per item or group of similar items donated by the donor to one or more donee organizations (e.g., the property listed in Section B on IRS Form 8283). CEJA shall file this form within 125 days of the date of sale or disposition of the asset.
6. **Written Acknowledgement.** CEJA's Development Department shall provide written acknowledgement of all gifts made to CEJA and comply with the current IRS requirements on acknowledgement of the gifts.
7. **Policy Review.** The Board of Directors will review this Gift Acceptance Policy after the first full year, and afterwards every three years, or sooner if conditions warrant. If the Board of Directors wishes to change this policy, it will hold a meeting with CEJA's Co-Executive Directors, Development Director, and any other staff deemed necessary, to collectively develop the desired changes. The Board of Directors will then update and approve this policy.