

AGU GIFT ACCEPTANCE POLICY

The American Geophysical Union (AGU), a nonprofit, 501(c)(3) organization, welcomes donations from foundations, individuals, and corporations, both private and public, in support of a thriving, sustainable and equitable future supported by scientific discovery, innovation and action.

AGU has adopted the following guidelines for the acceptance of gifts:

1. **Gift Acceptance.** All gifts that are intended to provide funds or other property for use by AGU, whether made by outright gift, bequest, trust, or otherwise, must be made payable or transferable to the AGU, which is the corporate body that will receive, manage, and disburse such funds or property. Acceptance by AGU of a gift does not imply AGU's endorsement of the donor's policies, or products, nor does it imply that AGU will exert any influence to advance the donor's interests outside the substance of the gift itself. Donors may not use the gift for promotional purposes unless approved by the AGU Board of Directors.

AGU will not accept any gift that:

- a. obligates AGU to undertake responsibilities, financial or otherwise, which AGU might not be capable of meeting;
- b. creates a conflict of interest for AGU;
- c. directly or indirectly benefits specific individuals designated by the donor;
- d. places any restriction upon the future employment of any recipient of an award or grant funded by the gift;
- e. does not adhere to goals as expressed in AGU's current Strategic Plans;
- f. does not adhere to or uphold the practices outlined in AGU's Organizational Support Policy as approved by the AGU Board of Directors;
- g. does not abide by EEO principles and would discriminate against any person on the basis of race, color, religion, creed, national origin, sexual orientation, age, or gender; or
- h. is otherwise not in the best interests of AGU.

2. **Unrestricted Gifts.** AGU strongly encourages individual donors to provide unrestricted support for AGU's activities. Restrictions may be made as explained below. When appropriate, AGU may seek outside funding from an organization or individual to support one or more particular project, program, or aspect of AGU endeavors.

3. **Restricted Gifts.** There are three types of donors: Foundations, Individuals, and Corporations. Some donors may wish to make gifts to AGU that are restricted to certain purposes for which an operating, special project, or endowed fund already exists. Other donors may wish to establish a new fund through their gifts which may be maintained as a type of endowment as indicated in Section 6 below or spent down over a set amount of time.

In the case of restricted gifts, AGU will review the proposed restrictions with the utmost care to ensure that the restrictions are acceptable to AGU and will not unduly limit the usefulness or desirability of the

gift. If the proposed restrictions are not acceptable to AGU, the donor will be asked to remove or modify the restrictions.

Restricted gifts will be accepted only on the condition that the donor agrees that, if at some future time it becomes impractical for AGU to fulfill the purpose for which the gift was intended, AGU may use the gift for any purpose which, in its sole judgment and discretion, will as nearly as possible accomplish the donor's original charitable purpose, wishes, and intent. All gift instruments, including wills, should therefore include a clause to that effect.

4. Organizational Contributions. Contributions from organizations, foundations, government entities and other organizations in the form of project support, sponsorship, endowment are welcomed. Such support is subject to AGU's Organizational Support Policy. The Development Department coordinates all requests to and from corporations and acknowledgment of contributions.

5. Gifts-in-Kind. AGU does not accept gifts-in-kind, including real estate.

6. Endowment Funds. There are three types of restricted endowment: true, term, and restricted. Donor intent determines the type of endowment and use of funds.

- A true endowment is created when a donor stipulates that the gift principal be maintained inviolate in perpetuity.
- A term endowment is created when the donor allows invasion of principal after the gift term is satisfied.
- A restricted fund — that is, restricted gifts functioning as endowment—permits invasion or spending of principal. Donors may establish restricted endowments by authorizing use of principal.

Use and treatment of gift additions to existing funds is determined by the original designation and type of endowment. Unrestricted bequests may be treated as restricted and may or may not be used for designated purposes. Such determinations will be made by AGU Board of Directors.

All new endowment funds may not be used for at least 2 years after they are received. This can be extended in order to allow interest to be accrued. Individual funds will receive their pro rata share of AGU's investment income (realized and unrealized gains/losses, mutual fund distributions, interest, and dividends) less the actual and general administrative costs to run AGU on an annual basis. The maximum to be spent from AGU's endowment-type funds is a percentage (currently 4%) annually reviewed and reset as necessary by the Finance and Investment Committee.

A minimum gift of \$100,000 or more depending on the purpose of the gift is required to establish a restricted term or restricted endowment for a new program initiative. Interest from the endowment will be used to fund its work.

True endowments will only be established and maintained with a minimum gift of \$500,000.

For all endowments, establishing gifts can be made in a single payment or the donor may pledge in writing that they intend/pledges to meet this requirement as outlined in Section 7b below. Once the minimum amount in the fund is achieved, AGU may actively seek additional contributions to the principal.

Until the full amount of a restricted/endowed fund is received, and interest is allowed to vest according to AGU's Spending Policy, AGU will not institute activity with that fund. Exceptions will be considered by the Executive Committee of the AGU Board of Directors.

The naming of the fund will be subject to agreement between the donor and AGU in accordance with the policy of the AGU Board of Directors and the AGU Honors and Recognition Committee. The minimum amount to be considered for a named fund by an individual donor is \$100,000 or more depending on the purpose of the gift. The minimum amount for a named fund by an organizational donor is \$500,000 or more depending on the purpose of the gift.

A minimum fund balance of \$100,000 or more depending on the purpose of the gift must be maintained for restricted or term endowments so that the fund continues to be viable and tied to an award. If a fund balance is not maintained, balance can be included in general operations-

No donor, organizational or individual, will have authority to determine the specific use of any AGU funds, donated by themselves or others. Donors will not be placed on review committees associated with the awarding of AGU honors related to their gifts and funds, and will not have authority over those committees.

7. Forms of Gifts. AGU accepts outright gifts of cash, pledges, securities, fully-paid life insurance policies, and planned gifts.

a. Outright Gifts of Cash. Cash donations may be made by currency, check, credit card, or wire transfer.

b. Pledges. All donations made to AGU are one-time gifts and shall not imply automatic renewal unless specified in writing that there is a pledge of continued ongoing support. All pledges must be in writing, signed by the donor.

- Pledges of \$1,000 must be fulfilled within 12 months of agreement, in a maximum of 12-monthly installments;
- Pledges of \$1,500 or more must be fulfilled within 15 months;
- Pledges of \$10,000 or more may be fulfilled over a five-year period from the date that the pledge is made through written agreement.

c. Securities. AGU may accept gifts in the form of marketable securities. In such cases, the securities will be valued on the day of the transfer. The transfer will be considered (1) the day the endorsed certificate (or unendorsed certificate with a properly signed stock power) is received by AGU; (2) the day the certificate is mailed to AGU; or (3) the day the transfer is made on the corporate books if the donor or his or her agent (i.e., broker) sent the stock in for transfer. If a letter

of conveyance from the donor's broker does not establish value on the date of gift, the value will be considered the mean of the high and low prices on that day. Normally, the Chief Finance Officer will oversee sale or retention of securities based on AGU's existing financial investment guidelines.

AGU normally will not accept gifts of securities in closely held or privately held corporations but may accept them subject to certain conditions to ensure that they are legally transferable to AGU and that they are fully redeemable by AGU.

d. Planned Gifts. AGU accepts planned gifts in the following forms: outright gifts including cash, publicly traded securities, life insurance policies; and bequests including cash and securities.

Planned gifts will be accepted for unrestricted support for AGU's activities and in support of existing AGU Funds or purposes. Planned gifts cannot be accepted with restrictions which would limit the use of the funds to a new project, initiative or award not supported by existing AGU policies including naming and other processes used to approved awards, honors and lectures.

8. Cost Recovery. AGU will deduct an amount equal to the costs of accepting the gift and/or equal to an agreed upon fee structure for each major gift.

When creating new endowment funds of any type, AGU will separate an amount equal to 2% of the value of the gift and deposit those funds in the AGU general account, to offset expenses associated with the initial fund processing and set-up. In addition, AGU will charge this fund a proportional share of 1.5% on an annual basis, to offset the costs of maintaining the fund.

a. Establishing the Value of a Gift Over Time. The future value is the value of a current asset at a future date based on an assumed growth rate. A future value calculation of all gifts of \$50,000 or more will be performed to ensure appropriate funding levels that generate sufficient returns to support the purposes of the endowment can be maintained. At a minimum, a five-year calculation will be created. Findings from the calculation will be used in determining the structure and terms of the gift agreement.

9. Recognition Opportunities. All new gifts, regardless of value, form, or designated use, can be acknowledged by AGU through various electronic and printed mechanisms. Individual donors have the option to opt-out of named recognition at any time.

Available recognition opportunities are determined by value of gift and its perceived impact on the general AGU community or the public. New gifts of \$50,000 and/or those impacting a smaller sub-group of the AGU community can be announced via AGUConnect (AGU's on-line member community), AGU Weekly (AGU's electronic member newsletter), and AGU IMPACT (AGU's electronic donor newsletter). Gifts of \$100,000 or more and/or those impacting a wider group of the AGU community, or the public can also be announced on agu.org and potentially through AGU press releases.

No donor will have authority to determine the specific use of any AGU funds, donated by themselves or others. Donors will not be placed on review committees associated with the awarding of AGU honors related to their gifts and funds and will not have authority over those committees.

10. Record-Keeping. Unrestricted gifts will normally be made part of AGU's general operating fund. For endowment funds, AGU will keep records sufficient to demonstrate on an annual basis: the amount of the fund, the amount of income earned by investing the principal gift(s) to the fund, and the purposes of expenditures of the income and any principal of the fund. For restricted gifts, AGU will keep records sufficient to demonstrate the use of the gift.

Donors whose fund balances are \$25,000 or more will receive an annual report sharing the impact of the fund (i.e. award recipients) during the previous year.

11. Confidentiality. AGU treats all personal and financial records relating to donors and gifts as confidential and will not release such information externally—except as required by law—without the permission of the donor involved and approval by the AGU Executive Director. Non-financial information, such as contact information, could be shared with AGU volunteers acting on behalf of AGU and working on specific fundraising campaigns.

12 Standards of Partnership. AGU maintains conflict of interest, scientific integrity, and personal ethics policies which guide our work and expect donors to follow similar guidelines in good faith. These guidelines for scientific integrity and professional ethics for the actions of the members and the governance of AGU in its internal activities, in its public persona and all program activities, including its development efforts and named awards and lectures. Further, AGU works to prevent biasing circumstances or the appearance of such in the selection of its honorees.

All donors must acknowledge that their failure to comply with AGU's Scientific Integrity and Professional Ethics Policy, including its Code of Conduct, may result in removal of name from funds and awards through action of the AGU Board. In the event of any such alleged failure to comply, the donor or a lawful representative of their estate will be given the opportunity to respond to the allegations. Any alleged violations of AGU's Code of Conduct or Ethics standards would be examined/investigated by the AGU Ethics Committee and a decision of that body could be appealed to the AGU Board of Directors. The AGU Board of Directors would have the final decision.

13 Legal Counsel. It is the responsibility of prospective donors to seek their own legal counsel regarding all aspects of a proposed gift, whether it be by outright gift, bequest, trust, or otherwise. Prospective donors should consult their own counsel and tax advisors concerning the tax consequences of any proposed gift and matters related to planning the donor's estate.

14 Termination. In addition to any rights and remedies available at law, the Board of Directors may terminate donor agreements and all rights and benefits of the donor, including terminating the naming, under these circumstances: a.) In the event of any default in payment of the gift as provided in signed donor agreements, or b.) In the event the Board of Directors finds conclusively a violation of AGU's Code of Conduct or Ethics standards by the donor.

Revised and approved by the AGU Development Board on 23 March 2023 and
the AGU Board of Directors on 22 September 2023



Upon any such termination of a gift agreement and/or related naming, the Board and AGU shall have no further obligation or liability to the donor and shall not be required to return any portion of the gift already paid. The Board, however, may in its sole and absolute discretion determine an alternative recognition for the portion of the gift already received.

15 Governing Law and Venue. Agreements between AGU and donors will be governed by and construed in accordance with the laws of the District of Columbia without regard to any conflict of laws rule or principle that might refer the governance or construction of this Agreement to the laws of another jurisdiction. Any legal proceeding brought in connection with disputes relating to or arising out of this Agreement will be filed and heard in the District of Columbia, and each party waives any objection that it might raise to such venue and any right it may have to claim that such venue is inconvenient.