



GIFT ACCEPTANCE POLICIES AND GUIDELINES

Purpose

Girl Scouts of Southern Illinois, a not for profit organization organized under the laws of the State of Illinois, and chartered by Girl Scouts of the U.S.A., encourages the solicitation and acceptance of gifts to Girl Scouts of Southern Illinois (hereinafter referred to as GSofSI) for purposes that will help GSofSI to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to GSofSI and for the benefit of any of its programs.

The mission of GSofSI is to build girls of courage, confidence, and character, who make the world a better place.

Policy

The Board of Directors of GSofSI and its staff solicit current and deferred gifts from individuals, corporations and foundations to secure the future growth and mission of Girl Scouting. These policies and guidelines govern the acceptance of gifts by GSofSI and provide guidance to prospective donors and their advisors when making gifts to GSofSI. The provisions of these policies shall apply to all gifts received by GSofSI for any of its programs or services.

1. Use of Legal Counsel

GSofSI shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- A. Closely held stock transfers that are subject to restrictions or buy-sell agreements
- B. Documents naming GSofSI as Trustee
- C. Gifts involving contracts, such as bargain sales or other documents requiring GSofSI to assume an obligation
- D. Transactions with potential conflict of interest that may invoke IRS sanctions
- E. Other instances in which use of counsel is deemed appropriate by the GSofSI Fund Development Committee or the GSofSI Board of Directors

2. Conflict of Interest

GSofSI will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. GSofSI will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving.

3. Restrictions on Gifts

GSofSI 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. GSofSI 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, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of GSofSI. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Fund Development Committee of GSofSI or the GSofSI Board of Directors.

The Fund Development Committee is charged with the responsibility of reviewing all gifts made to GSofSI, properly screening and accepting those gifts, and making recommendations to the GSofSI Board on gift acceptance issues when appropriate.

4. Types of Gifts

The following gifts are acceptable:

- A. Cash
- B. Tangible Personal Property
- C. Securities
- D. Real Estate
- E. Remainder Interests in Property
- F. Oil, Gas, and Mineral Interests
- G. Bargain Sales
- H. Life Insurance
- I. Charitable Gift Annuities
- J. Charitable Remainder Trusts
- K. Charitable Lead Trusts
- L. Retirement Plan Beneficiary Designations
- M. Bequests
- N. Life Insurance Beneficiary Designations

The following criteria govern the acceptance of each gift form:

- A. **Cash:** Cash is acceptable in any form. Checks shall be made payable to GSofSI and shall be delivered to the fund development staff in the GSofSI service centers.
- B. **Tangible Personal Property:** All other gifts of tangible personal property shall be examined in light of the following criteria:
 - Does the property help fulfill GSofSI's mission?
 - Is the property marketable?
 - Are there any undue restrictions on the use, display, or sale of the property?
 - Are there any carrying costs for the property?The final determination on acceptance of other tangible property gifts shall be made by the GSofSI Fund Development Committee or the GSofSI Board of Directors.
- C. **Securities:** GSofSI can accept both publicly traded securities and closely held securities.
- D. **Publicly Traded Securities:** Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Investment Committee. In some cases, marketable securities may be restricted by applicable securities laws; in such instance, the final determination on the acceptance of the restricted securities shall be made by the GSofSI Fund Development Committee or the GSofSI Board of Directors.
- E. **Closely Held Securities:** Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the GSofSI Fund Development Committee or the GSofSI Board of Directors. However, such gifts must be reviewed prior to acceptance to determine that:
 - there are no restrictions on the security that would prevent GSofSI from ultimately converting those assets to cash,
 - the security is marketable, and

- the security will not generate any undesirable tax consequences for GSofSI. 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 the GSofSI Fund Development Committee or the GSofSI Board of Directors and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.
- F. **Real Estate:** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, GSofSI shall require an initial environmental review of the property to ensure that the property has no environmental damage. Environmental inspection forms are attached as an appendix to this document. In the event that the initial inspection reveals a potential problem, GSofSI shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.
- When appropriate, a title binder shall be obtained by GSofSI prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor. Prior to acceptance of the real property, the gift shall be approved by the GSofSI Fund Development Committee or the GSofSI Board of Directors and by GSofSI's legal counsel.
- Criteria for acceptance of the property shall include:
 - Is the property useful for the purposes of GSofSI?
 - Is the property marketable?
 - Are there any restrictions, reservations, easements, or other limitations associated with the property?
 - Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
 - Does the environmental audit reflect that the property is not damaged?
- G. **Remainder Interests In Property:** GSofSI will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, GSofSI may use the property or reduce it to cash. Where GSofSI receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.
- H. **Oil, Gas, and Mineral Interests:** GSofSI may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the GSofSI Fund Development Committee or the GSofSI Board of Directors and if necessary, by GSofSI's legal counsel. Criteria for acceptance of the property shall include:
 - Gifts of surface rights should have a value of \$20,000 or greater.
 - 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).
 - The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate
 - 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.
 - The property should undergo an environmental review to ensure that GSofSI has no current or potential exposure to environmental liability.
- I. **Bargain Sales:** GSofSI will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of GSofSI. All bargain sales must

be reviewed and recommended by the GSofSI Fund Development Committee and approved by the Board of Directors. Factors used in determining the appropriateness of the transaction include:

- GSofSI must obtain an independent appraisal substantiating the value of the property.
 - If GSofSI assumes debt with the property, the debt ratio must be less than 50% of the appraised market value
 - GSofSI must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months of receipt
 - GSofSI must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.
- J. **Life Insurance:** GSofSI must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, GSofSI 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, GSofSI may:
- continue to pay the premiums,
 - convert the policy to paid up insurance, or
 - surrender the policy for its current cash value.
- K. **Charitable Gift Annuities:** GSofSI may offer charitable gift annuities. The minimum gift for funding is \$5,000. GSofSI's Board of Directors may make exceptions to this minimum. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity. Annuity payments may be made on a quarterly, semi-annual, or annual schedule. GSofSI's Board of Directors may approve exceptions to this payment schedule. GSofSI will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. GSofSI may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a 5-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the GSofSI's Board of Directors approves the arrangement. Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to GSSI's general endowment funds, or to such specific fund as designated by the donor.
- L. **Charitable Remainder Trusts:** GSofSI may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the GSofSI Fund Development Committee or the GSofSI Board of Directors. GSofSI will not accept appointment as Trustee of a charitable remainder trust.
- M. **Charitable Lead Trusts:** GSofSI may accept a designation as income beneficiary of a charitable lead trust. The Board of GSofSI will not accept an appointment as Trustee of a charitable lead trust.
- N. **Retirement Plan Beneficiary Designations:** Donors and supporters of GSofSI will be encouraged to name GSofSI as beneficiary of their retirement plans. Such designations will not be recorded as gifts to GSofSI until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
- O. **Bequests:** Donors and supporters of GSofSI will be encouraged to make bequests to GSSI under their wills and trusts. Such bequests will not be recorded as gifts to GSofSI

until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

- P. **Life Insurance Beneficiary Designations:** Donors and supporters of GSofSI will be encouraged to name GSofSI as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to GSSI until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

5. Miscellaneous Provisions

- A. **Securing appraisals and legal opinions regarding gifts to GSofSI:** It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel opinion for all gifts made to GSofSI.
- B. **Valuation of gifts for development purposes:** GSofSI will record a gift received by GSofSI at its valuation for gift purposes on the date of gift.
- C. **Responsibility for IRS Filings upon sale of gift items:** GSofSI is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by GSofSI when the charitable deduction value of the item is more than \$5,000. GSofSI must file this form within 125 days of the date of sale or disposition of the asset.
- D. Acknowledgement of all gifts made to GSofSI and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Board of GSofSI assisted by the CEO.

6. Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed by the Policy Committee and accepted by the Board of Directors of GSofSI. The Board of Directors of GSofSI must approve any changes to or deviations from these policies.

Administration Procedures

The Chief Executive Officer is the policy administrator; implementing processes and procedures ensuring this Policy is followed: making certain it complies with local, state and federal laws, including the appropriate documents and record categories for GSofSI, and recommending modifications/changes and submitting to the Board of Directors for consideration/action.

Board Approved
01.27.2011
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