

## **Introduction**

This document establishes donor gifting policies, including IRS rules, for the Girl Scouts of Western Ohio to use on a day-to-day basis, as well as during a campaign. These policies enable the organization's Board of Directors and the staff to determine whether or not Girl Scouts of Western Ohio will accept a gift that is offered to the organization.

Not all gifts are suitable for every nonprofit organization. Thus, these policies indicate, at this time, what gifts will be accepted by Girl Scouts of Western Ohio.

The information in this document does not constitute legal or financial advice to donors and prospective donors to Girl Scouts of Western Ohio. All prospective donors are urged to seek private, independent counsel of their choosing to determine the specific impact a gift or charitable gift agreement may have on their personal or corporate tax and financial situation.

## **1. Policy Statement**

Girl Scouts of Western Ohio recognizes the importance of charitable contributions to the financial health and stability of the institution. Gifts are received from individuals, foundations, corporations, bequests and associations/organizations. Girl Scouts of Western Ohio will actively solicit such support in the form of grants and gifts of cash, marketable securities, real property, insurance, and selected other non-cash gifts. It is the responsibility of the donor to secure an appraisal when appropriate and to engage the advice of independent legal and financial counsel for all gifts made to the organization. Any documents or other opinions rendered in the course of the relationship between Girl Scouts of Western Ohio and the donor should not be construed as legal or financial advice, and the donor should engage professional counsel to review all documents and proposals prior to the completion of a gift.

## **2. Purpose of Policy**

This policy governs the acceptance of gifts to Girl Scouts of Western Ohio and provides guidance to prospective donors and their advisors when making gifts to Girl Scouts of Western Ohio. The following policy governs fundraising activities and ensures the effective solicitation and receipt of gifts. It is intended to cover restricted and unrestricted gifts, whether received for current programs and initiatives, special projects, facilities, or endowment. The provisions of this policy shall apply to all gifts received by Girl Scouts of Western Ohio. Notwithstanding the foregoing, Girl Scouts of Western Ohio reserves the right to revise or revoke this policy at any time, and to make exceptions to the policy.

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

The goals of Girl Scouts of Western Ohio are:

- Girls understand themselves and their values and use their knowledge and skills to explore the world.
- Girls care about, inspire, and team with others locally and globally.
- Girls act to make the world a better place.

All gifts accepted by Girl Scouts of Western Ohio shall be accepted for these purposes.

### 3. Application of Policy

A guiding principle in soliciting and accepting gifts for Girl Scouts of Western Ohio is that the donor is to be treated fairly and respectfully. (See attached Donor Bill of Rights.) In all matters involving a donor or prospective donor, the interest of the donor shall come before that of Girl Scouts of Western Ohio. Seeking to further the philanthropic cause of Girl Scouts of Western Ohio shall not outweigh a proper concern for the best interest of the donor. All prospective donors will be advised to consult with their own legal or financial counsel regarding the tax implications of a gift and in matters related to estate planning. All donors will be acknowledged for their gifts within three to five days, or sooner if possible.

### 4. Use of Legal Counsel

Girl Scouts of Western Ohio encourages prospective donors to seek the assistance of their own legal and financial advisors in matters relating to their charitable gifts and the resulting tax and estate planning consequences. Additionally, Girl Scouts of Western Ohio shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Specifically, review by legal counsel is recommended for:

- A. Closely held stock transfers that are subject to restrictions or buy-sell agreements;
- B. Documents naming Girl Scouts of Western Ohio as trustee;
- C. Gifts involving contracts such as bargain sales, partnership agreements, or other documents requiring Girl Scouts of Western Ohio to assume an obligation;
- D. Transactions with a potential conflict of interest;
- E. Gifts of real estate;
- F. Pledge agreements;
- G. Any gift with restrictions; and
- H. In kind gifts.

Use of legal counsel shall also be employed in any case where legal implications of accepting gifts are unclear to Girl Scouts of Western Ohio.

### 5. General Policy

Girl Scouts of Western Ohio shall not accept gifts that:

- A. Violate the terms of Girl Scouts of Western Ohio's organizational documents;
- B. Would jeopardize Girl Scouts of Western Ohio's status as a tax exempt, nonprofit organization under federal or state law;
- C. Are too difficult or expensive to administer;
- D. Are for purposes that do not further Girl Scouts of Western Ohio's mission and goals; or
- E. Could damage the reputation of Girl Scouts of Western Ohio.

Subject to Section 6 below, all final decisions on the acceptance or refusal of a gift, shall be made by the Board of Directors.

### 6. Policy Regarding Specific Type of Gifts

- A. **Gifts Generally Accepted Without Review (Unrestricted Gifts of Cash).** Cash is currency, money orders, checks, or transfer of funds via wire to Girl Scouts of Western Ohio's bank account or by a verified credit card transaction. Unrestricted gifts may be rejected at the discretion of council administration.

B. **Gifts Subject to Board of Directors Review Prior to Acceptance.** All gifts, other than unrestricted gifts of cash, must be reviewed by the Board of Directors prior to acceptance, unless the Board of Directors authorizes certain de minimis gifts or categories of gifts to be accepted without its review. Acceptance of such gifts that take effective at the death of the donor must also be approved by the Board of Directors.

- 1) **Tangible Personal Property:** Tangible personal property (moveable) is any tangible property other than real property (immovable). For acknowledgement/recognition, the financial value of tangible property is determined by fair market value.
- 2) **Marketable Securities:** Publicly traded securities, including stocks, bonds and other debt or equity instruments, are securities regularly traded on a public stock exchange.
- 3) **Closely-Held Securities:** Closely-held securities, including debt and equity positions in non-publicly traded companies, interest in LLPs and LLCs, or other ownership forms, can be accepted subject to the approval of the Board of Directors of Girl Scouts of Western Ohio.
- 4) **Bequests:** A bequest is a gift to Girl Scouts of Western Ohio of cash, personal property or other asset made in a donor's will or living trust. 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 generally accepted accounting principles. Donors may also establish, by bequest with Girl Scouts of Western Ohio, a testamentary Charitable Remainder Trust or a testamentary Charitable Gift Annuity.
- 5) **Charitable Remainder Trusts:** Girl Scouts of Western Ohio may accept designations as remainder beneficiary of a charitable remainder trust.
- 6) **Charitable Lead Trusts:** Girl Scouts of Western Ohio may accept designations as lead beneficiary of a charitable lead trust.
- 7) **Retirement Plan Beneficiary Designations:** Retirement plan beneficiary designations are gifts to Girl Scouts of Western Ohio through a contractual arrangement between the donor and their retirement plan administrator listing Girl Scouts of Western Ohio as a beneficiary of their retirement account. Girl Scouts of Western Ohio 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 generally accepted accounting principles.
- 8) **Retirement Plan – Lifetime Gift:** If a donor is age 70 ½ or older, she or he can transfer up to \$100,000 each year directly from their IRA. Girl Scouts of Western Ohio may accept Lifetime Retirement Plan gifts.
- 9) **Life Insurance:** Life insurance policies are contracts between a life insurance company and a policy owner which pay a specified sum to the life insurance beneficiary upon the death of the insured. Girl Scouts of Western Ohio may accept designations as beneficiary and owner of a life insurance policy. The life insurance policy will be recorded as a gift once Girl Scouts of Western Ohio is named as both beneficiary and irrevocable owner of a life insurance policy. The gift shall be valued in accordance with generally accepted accounting principles rules. If the donor contributes future premium payments, Girl Scouts of Western Ohio 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, Girl Scouts of Western Ohio may:

- a. Continue to pay the premiums;
- b. Convert the policy to paid up insurance, or
- c. Surrender the policy for its current cash value.

Donors may name Girl Scouts of Western Ohio 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 generally accepted accounting principles.

- 10) **Charitable Gift Annuities:** Girl Scouts of Western Ohio may offer charitable gift annuities through Girl Scouts of the USA's Charitable Gift Annuity program.
- 11) **Real Estate:** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest.
- 12) **Remainder Interests in Property:** Girl Scouts of Western Ohio may accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions outlined in Paragraph 4 "Use of Legal Counsel," as referenced in this document. 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), Girl Scouts of Western Ohio 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.
- 13) **Remainder Interests in Charitable Gift Annuities:** Remainder interests in charitable gift annuities are ownership interests of the value of the gift annuity principal at the end of the term of the annuity.
- 14) **Oil, Gas, and Mineral Interests:** Girl Scouts of Western Ohio may elect to accept oil, gas, and mineral interests, including ownership of rights to income, royalties or rents from subsurface matter when appropriate and will review such gifts on a case by case basis.
- 15) **Restricted Gifts:** A gift with restrictions will be accepted only if and when the restrictions are approved by the Board of Directors. The Board of Directors will rely upon the recommendation by the Fund Development Task Group. This policy is intended only for gifts outside of those made through the annual fund.
- 16) **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 require a minimum contribution of \$50,000 and are subject to Board of Directors' approval like any other restricted gift.
- 17) **In Kind Gifts:** Girl Scouts of Western Ohio may accept contributions of goods or services that can be used to advance its mission or may be converted readily into cash. It is the sole responsibility of the donor to determine the value of a contributed item; the receiver cannot assign a value to the donated item(s).

## 7. Additional Provisions

- A. **Gift Agreements.** Where appropriate, Girl Scouts of Western Ohio shall enter into a written gift agreement with the donor, specifying the terms of any restricted gift, which may include provisions regarding donor recognition.

- B. **Pledge Agreements.** Acceptance by Girl Scouts of Western Ohio of pledges by donors of future support of Girl Scouts of Western Ohio (including by way of matching fit commitments) shall be contingent upon the execution and fulfillment of a written charitable pledge agreement specifying the terms of the pledge, which may include provisions regarding donor recognition.
- C. **Fees.** Girl Scouts of Western Ohio 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 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 Girl Scouts of Western Ohio.
- D. **Valuation of Gifts.** Girl Scouts of Western Ohio shall record gifts 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 general accepted accounting principles.
- E. **IRS Filings upon Sale of Gifts.** To the extent applicable, the Board of Directors shall file IRS Form 8282 upon the sale or disposition of any charitable deduction property sold within three (3) years of receipt by Girl Scouts of Western Ohio. "Charitable deduction property" means any donated property (other than money and 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 done organization (e.g., the property listed in Section B on Form 8283). Girl Scouts of Western Ohio shall file this form with 125 days of the date of sale or disposition of the asset.
- F. **Written Acknowledgement.** Girl Scouts of Western Ohio shall provide written acknowledgement of all gifts made to Girl Scouts of Western Ohio and comply with the current IRS requirements in acknowledgement of the gifts.
- G. **Changes to or Deviations from the Policy.** This Policy has been reviewed and accepted by Girl Scouts of Western Ohio's Board of Directors, which has the sole power to change this Policy. In addition, the Board of Directors must approve, in writing, any deviations from this Policy.
- H. **Donor Recognition.** Girl Scouts of Western Ohio shall establish and maintain gift clubs for the purpose of recognition. Specifics of gift clubs are established by Girl Scouts of Western Ohio staff and do not require approval of the Board of Directors to alter.
- I. **Naming Opportunities.** A commemorative name recognizes a private or a corporate gift of exceptional generosity and is typically reserved for major donations. The approval process for a commemorative naming is managed by staff and does not require approval of the Board of Directors to alter.
- J. **Policy for Processing Accepted Gifts.** All gifts will be acknowledged within three to five days, with a goal of 48 hours after receipt.
- K. **Legalities and Ethics.**
- 1) **Legal Counsel.** Girl Scouts of Western Ohio shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate.
  - 2) **IRS.** Girl Scouts of Western Ohio's responsibility is to provide donors with a receipt for all tax-deductible gifts made to the organization and to comply with reporting requirements of the IRS.

Tax deductions will be provided by the IRS at the time a gift is made to Girl Scouts of Western Ohio with a receipt from the organization reflecting the amount of the gift. A tax

deduction receipt will not be provided to a donor who gave in January yet requests a deduction for the previous year. However, if a donor's check arrives in an envelope that has been posted in December of the previous year, a deductible receipt may be provided to the donor.

Girl Scouts of Western Ohio does not give tax advice and in no way presents itself as giving financial or tax information. It recommends that all donors seek such advice or information from their qualified advisors.

- 3) **Services.** Services are donations of professional time or labor. Services are typically accepted by Girl Scouts of Western Ohio but are not eligible for an IRS tax deduction at this time. Donors of professional time or labor may be recognized by Girl Scouts of Western Ohio.
- 4) **Confidentiality.** Donor and prospective donor files of Girl Scouts of Western Ohio are strictly confidential. Unless the donor grants permission to the contrary, each gift will be treated as strictly confidential information, and amounts of gifts will be revealed only to the Chair of the Board of Directors, the CEO, the Development staff, and, if applicable, the campaign chair and fundraising consultant. Moreover, Girl Scouts of Western Ohio will neither sell nor loan its donor lists to any other organization, institution or commercial firm.

Staff giving is an exception to this policy. The Director of Development in charge of staff giving will coordinate with HR and Finance staff to determine which staff members are eligible for benefits of giving or incentives offered.

- 5) **Authorization for Expenditure of Gifts and Sponsorships.** The Girl Scouts of Western Ohio Board of Directors is responsible for the expenditure of gifts according to the specifications of donors. Individual staff/volunteers are not authorized to approve expenditures for funded programs, although they do carry out the instructions of the Board through budget authorization.

- L. **Other Provisions.** Any proposed gift to Girl Scouts of Western Ohio not covered above in this policy will be reviewed by the Fund Development Task Group and approved by the Board of Directors prior to acceptance and administration of the proposed gift.

Adopted by the Board of Directors on 1/22/19



gsw.org



888.350.5090



# A DONOR BILL OF RIGHTS

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## DEVELOPED BY:



Association of Fundraising Professionals (AFP)



Association for Healthcare Philanthropy (AHP)



Council for Advancement and Support of Education (CASE)



Giving Institute: Leading Consultants to Non-Profits

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**PHILANTHROPY** is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

**I**

To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

**II**

To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

**III**

To have access to the organization's most recent financial statements.

**IV**

To be assured their gifts will be used for the purposes for which they were given.

**V**

To receive appropriate acknowledgement and recognition.

**VI**

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

**VII**

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

**VIII**

To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

**IX**

To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

**X**

To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.