



BOY SCOUTS OF AMERICA  
NATIONAL FOUNDATION

# FOUNDATION POLICIES AND

# PROCEDURES

MAY 2018

# BOY SCOUTS OF AMERICA NATIONAL FOUNDATION

## Policies and Procedures

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**May 2018**



BOY SCOUTS OF AMERICA  
NATIONAL  
FOUNDATION

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## General Statement of Policy

### Information about the Foundation

The legal name of Foundation is THE BOY SCOUTS OF AMERICA NATIONAL FOUNDATION. It is a nonprofit corporation incorporated by the District of Columbia. The Foundation can accept gifts under its full legal name, or variations such as the Boy Scouts of America Foundation or the BSA Foundation. Donors should be instructed to make checks or transfers payable in this manner. Any further direction or restriction should be entered on the memo line of the check and/or described in donor correspondence (e.g., a gift agreement).

The Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, classified as a public charity and eligible for charitable tax deductions under Section 170(b)(1)(A)(ii). The Foundation’s Employer Identification Number is 75-2675978.

### General Purpose of the Foundation

**T**HE general purpose of the Boy Scouts of America National Foundation (hereinafter "Foundation") is to work with individual donors or their representatives to encourage and facilitate new, lifetime or testamentary gifts to benefit Scouting programs and facilities for all BSA entities, programs, facilities and initiatives.

To ensure consistency in considering the suitability of such gifts for the Foundation and for the BSA in general, these policies and guidelines identify procedures and limitations on gifts offered to the Foundation. These Guidelines are adopted as official policy by the BSA Foundation's Trustees (hereinafter “Trustees”) and Board of Directors.

These policies and procedures cannot anticipate all possible gift situations and, as a result, may be amended from time to time as the Trustees deem appropriate in their sole discretion. Any potential gift not described in this document should be discussed with appropriate Foundation staff, trustees, and the Assistant Chief Scout Executive – Development (hereinafter “ACSE-Development”).

## RESPONSIBILITIES TO OUR DONORS

**T**HE Foundation will not knowingly accept a gift that it believes to be contrary to the donor's best interests. The Foundation staff should make reasonable efforts to be aware of and sensitive to the expectations and gift intent of all donors with whom they work. Those representing the Foundation must make, or refer the donor to someone else who can provide, full disclosure to the donor on all known benefits and liabilities that may reasonably be expected to influence the donor's decision to make a gift with the Foundation.

### Gift Negotiation

Representatives, volunteers and agents of the Foundation, Scout Executives, local council staff and other appropriate BSA professionals and volunteers are encouraged to discuss major gifts, gift methods and giving strategies with prospective donors. However, only persons authorized by the Foundation may accept and formally close any gift to or through the Foundation.

No gift or gift agreement may be accepted by the Foundation unless it complies with the requirements of the guidelines herein stated. Variances may only be approved by those authorized to conduct business on behalf of the Foundation. Notice of all variances shall be provided to the Foundation Trustees.

### Tax and Legal Advice

The Foundation may provide donors with general information regarding benefits, limitations and tax implications of specific gifts and gift arrangements. However, the Foundation shall not be considered to be offering tax or legal advice to donors or prospects. All prospects and donors shall be advised to seek their own legal and tax consultation in matters relating to their gifts, tax and estate planning. Donors will also be informed that the Foundation cannot provide advice as to the effect or impact of state laws, statutes or taxes upon the suitability, timing or terms of a gift.

The Foundation strongly encourages donors to discuss all gifts and financial matters involving gifts and proposals with other family members. The Foundation strives to find gift solutions and opportunities for its donors that benefit both current family members and future generations.

To avoid conflicts of interest and liability issues, the Foundation cannot serve as the guardian of a person, or as an executor or administrator of an estate.

### Appraisals and Valuations

**T**HE Foundation is not responsible for furnishing a donor with property appraisals or valuations for gifts made by the donor. The Foundation also will not, under any circumstances, participate in a transaction in which the value of a gift is known to have been significantly inflated above its true fair market value to obtain a tax advantage for a donor.

The Foundation only agrees to gift conditions that are in the best interest of the BSA or the Foundation. It will not agree to minimum holding periods on non-cash gifts, use provisions, or other gift conditions if such conditions are solely intended to benefit the donor and/or to protect their tax deduction.

Donors may expect the Foundation to follow the requirements and guidelines related to qualified appraisals as set out, and from time to time amended, by the Internal Revenue Code. A periodic review shall be conducted by the Foundation to ensure continuing compliance with IRS receipting and acceptance procedures for property gifts. Proper receipts will be provided to each donor in a timely manner, and appropriate reporting forms will be used for all property sold by the Foundation within three years of the date of contribution.

### Tax Filings

In accordance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), related regulations, and generally accepted accounting principles, proper gift receipts will be sent, records will be kept and required tax returns and IRS forms (such as Forms 8282 and 8283) will be filed by the BSA or Foundation for such trusts and gifts as needed. Such procedures shall also be subject to, and governed by, the separate BSA Accounting Policies and Procedures established by the BSA as amended from time to time.

### Confidentiality

Foundation staff will adhere to strict confidentiality with regard to any information, records and personal documents pertaining to donors and gifts. Personal information related to gifts and donors shall be internally restricted to the minimum number of Foundation and BSA staff reasonably needed for the Foundation to meet legal, administrative, recognition and compliance expectations. Gifts, gift terms and other information related to the gifts or solicitations of the gifts will be released publicly only when authorized by the donor or as required by law.

## Fee Structure

The Foundation will levy gift fees for the benefit of the Foundation, to help cover Board-approved costs and expenses in the ordinary course of business. These fees include:

1. Development Fee – for new gifts, pledge payments, or additions to an existing fund, the Foundation will assess a one-time development fee of five percent (5%) percent of the gift or pledge payment, or \$25,000, whichever is less.

For non-endowment gifts, the fee is taken at the time of the gift. For endowment gifts, 1/3<sup>rd</sup> of this fee is taken from earnings for each of the three calendar years following the gift date. For non-cash gifts, the fee is based on the net proceeds.

2. Annual Maintenance Fee – an annual fee of 1.25% (125 basis points) shall be assessed against each separate fund in the Foundation, except for:
  - a. Charitable remainder trusts, though upon the trust's termination, any portion of the remainder not designated to the Foundation is assessed the development fee at that time, as if it were a new gift.
  - b. A permanent endowment fund, until the year following the completed payments of its development fee.
  - c. Charitable lead trusts, if at least 50% of its annual income goes to the Foundation.
3. Management Fees – funds held in State Street and BSAAM accounts shall be charged for the actual investment and management costs for each fund. These fees are currently .40% (40 basis points) for State Street accounts, and .50% (50 basis points) for BSAAM accounts. Such assessments are subject to change as needed.

## ACCEPTABLE GIFT ASSETS

**T**HE following assets may be deemed acceptable as outright gifts to the Foundation. Acceptance and suitability of any such assets for specific charitable vehicles or arrangements are discussed herein in Section 3. Acceptable assets include:

### Cash

Cash gifts of any amount are accepted by the Foundation. These gifts can take the form of currency, check or credit card contribution. Cash or checks may be delivered in person, by mail, by wire transfer or by Electronic Funds Transfer (EFT). Current transfer instructions are available and confirmed through the BSA's Treasury Department.

### Securities

1. Publicly Traded Stocks and Bonds – may be accepted at fair market value of the stock on the day the gift is received by the Foundation, as determined under IRS rules.
2. Stock in a Closely Held Corporation – before accepting closely held stock, the Foundation shall:
  - a. Attempt to obtain non-binding repurchase provisions when the gift involves securities for which the donor or related parties are the primary market.
  - b. Insure there is a written gift agreement indicating the donor intends to make the gift and its purpose.
  - c. Obtain copies of any related offers to purchase the stock, as well as applicable shareholder agreements and buy-sell agreements, especially if there are any restrictions on the transfer of the stock (i.e., rights of first refusal, formulas determining stock price, etc.).
  - d. The ownership of the stock must be properly assigned to the Foundation.

### Land, Homes, and Real Estate

The Foundation may accept gifts of real property, and shall record such gifts at fair market value if, at the time of the gift, there are no outstanding mortgages, tax liens, or other forms of encumbrances upon the land. If any such encumbrances are present at the time the gift is

offered, and such encumbrances represent a nominal amount compared with the total value of the property, such property may be accepted with the approval of the Director and the Chair of the Investment Committee and/or the ACSE—Development. How the encumbrance will be removed, and by whom, shall be agreed upon by both the Foundation and the donor in writing prior to acceptance of such property.

To be considered for acceptance, a gift of real property must have a minimum estimated or appraised net value of \$25,000. In addition, no gift of real property may be accepted by the Foundation unless and until the following requirements are met:

- The property is personally visited by a member of the Foundation Investment Committee, the Foundation Director, or authorized agent or representative of the Foundation;
- Written analysis of the marketability and potential use of the gift property, prepared by the Foundation staff and approved by the Foundation Investment Committee, or other Foundation committee as may be established.
- Written agreement and approval from the donor as to how post-transfer expenses shall be handled (e.g., taxes, assessments, insurance and maintenance costs of the land and/or buildings) and, if being used to fund a trust, how the trust will be funded to cover property expenses and maintenance until sold;
- Completion of the Foundation’s Real Estate Gift Checklist;
- The donor is informed that it is the Foundation’s policy to dispose of all gifts of real estate as soon as possible, except for property that the Foundation specifically wants to retain;
- A third-party Phase I environmental audit under the American Society of Testing and Materials standard has been conducted. The only exception shall be for gifts of residential property used solely for residential purposes for a significant period of time (i.e., at least 20 years). In cases where this exception applies, a Foundation Real Estate Environmental Checklist shall be prepared by the Foundation;
- The donor/executor transferring the gift property may also be required to execute an environmental indemnity agreement, if deemed advisable.

Tax benefits previously derived by the donor from the gift property, and a reasonable estimate of the net value of the real estate gift, shall be considered when offering and discussing gift proposals, especially involving charitable or split interest trusts funded with real estate. Any tangible personal property associated with real property gifts (e.g., furnishings for a home or ranch) should be segregated into and handled by separate gift proposals, Deeds of Gift, or other agreements.

## Partnership Interests

The Foundation may accept gifts of limited partnership interests, subject to a thorough analysis of all available information, with the assistance and advice of the Foundation staff, Trustees, or BSA Legal Department as needed. At a minimum, the Foundation should receive copies of the limited partnership agreement, the proposed assignment of interest, and financial documentation sufficient to describe the assets of the partnership including current valuation and any future capital calls/distributions.

The Foundation will analyze a proposed gift of a limited partnership interest to confirm that any benefit to be derived by the Foundation, the BSA, a local council, or other BSA entity is commensurate with any potential risks and costs associated with the gift.

Among the factors to be considered are the following:

- The donor's relationship to the Foundation or BSA, demonstrable charitable intent, and whether the limited partnership interest is merely a tax accommodation for the donor;
- Administrative obligations to be assumed by the Foundation, such as monitoring the partnership for unrelated business income tax;
- Guaranteed distributions, annually or expected prior to the termination of the partnership interest, sufficient for the Foundation to justify the administrative costs;
- Whether the partnership agreement provides for a defined distribution/ termination event or date;
- Whether the Foundation has any obligation to make capital contributions to the partnership, or would be held liable for debts of the partnership; and
- Whether the partnership appears to be adequately capitalized in light of its activities and maintains liability insurance.

The Foundation should receive a full accounting for the partnership annually, as well as copies of any tax returns filed or required to be provided to partners pursuant to the Internal Revenue Code. Due to the risks of future liability or debt, the Foundation will not accept interests in general partnerships or joint ventures without full Board approval and approval by the BSA Legal Department.

## Oil and Gas Properties

These are acceptable gifts to the Foundation if in the form of a mineral royalty interest. Working interests should not be accepted.

## Life Insurance

The Foundation may only accept gifts of a life insurance policy if the Foundation is irrevocably named as owner and beneficiary of the policy, with all incidents of ownership intact in the policy. Gifts of paid-up policies are preferred. If a policy is accepted that is not paid up, the Foundation is under no obligation to continue premium payments, but may do so if it is found to be in the best interest of the Foundation. The Foundation has chosen to not endorse any structured charitable life insurance programs or products offered by any one company, underwriter, or promoter.

## IRAs and Retirement Plan Assets

The Foundation may accept all or any part of an individual's retirement benefits, typically through a beneficiary designation. All attempts shall be made to value such expectancies prior to their maturity, while also conserving donor anonymity, respecting donor privacy and avoiding situations that could lead to adverse donor relations or publicity. Such gifts shall be recorded as revocable gifts until they become irrevocable under applicable law.

The Foundation shall also be mindful of "spousal right" situations and shall work with the plan administrator to obtain a written and properly executed waiver of spousal rights prior to the death of the donor. If the waiver is executed after the death of the donor spouse, in addition to the written waiver, the Foundation shall try to obtain a written disclaimer as to retirement assets passing under the donor spouse's will or by intestacy laws.

As for lifetime transfers of retirement assets to the Foundation, due to the adverse tax consequences currently associated with them, such transfers shall be discouraged, unless they fall within IRS-sanctioned exceptions for direct transfers from qualifying donors.

## Tangible Personal Property

1. Gifts of tangible personal property, or gifts in kind, including but not limited to cars, boats, art, stamp/coin collections, equipment, inventory, etc., may be accepted if there are no significant restrictions, limitations, or unreimbursed additional expenses for their present or future use, display, maintenance, transfer, sale, insurance, storage, or other fees and costs. The Foundation shall require a Deed of Gift for all tangible property gifts.

2. Such gifts are normally not accepted if there is a condition, understanding, or expectation that the items will be loaned or sold back to the donor or the donor's family or designee. The Foundation will presumptively sell all tangible personal property within a short period of time, unless specifically needed for use or consumption related to its charitable purposes. Any sale of gifted tangible personal property shall be to disinterested third parties.

3. Prior to any gift of tangible personal property, the Foundation will provide all donors or prospects written guidance on matters such as related/unrelated use of the gift property,

appraisals, and IRS Form 8283. This guidance is provided only for the convenience and general information of the donor on the reporting and tax issues relevant to such gifts, and does not constitute or imply legal advice related to tax compliance or avoidance.

4. Gifts of cars, boats and other vehicles shall be coordinated through any third-party vehicle donation program as may be utilized by the BSA at the time of gift, unless there are compelling reasons to handle such gift directly with and through the Foundation.

#### Other Acceptable Gift Assets

Upon consideration prior to acceptance, the Foundation Planned Giving Advisory Committee may consider and approve gifts to the Foundation of other types of assets not herein specified or discussed. All appropriate liability and cost/benefit issues related to the gift or gift property shall, as usual, be considered.

## ACCEPTABLE GIFT STRUCTURES AND GIFT VEHICLES

**I**n considering the acceptance of any gift and its value to the Foundation, the following factors must be taken into account (where applicable):

1. The nature of the assets contributed;
2. Total return on investment of the gift assets;
3. The length of the management or trust period; and
4. Factors that are uncontrollable but subject to estimate (e.g. investment performance, life expectancy, etc.)

Donors and Foundation representatives should consider as controlling all restrictions and minimums on the gifts and gift vehicles described in these Policies and Procedures. It is the general policy of the Foundation to sell all non-cash gifts it accepts, as soon as reasonably prudent in the discretion of the Foundation, and to reinvest the proceeds from those gifts.

Gifts may vary from these guidelines in certain circumstances: 1) as permitted by law; 2) with prior approval from those authorized to conduct business on behalf of the Foundation; and 3) if it is determined that such variance is to the advantage of both the Foundation and the donor.

### Outright Gifts

No minimum is required, except for gifts of real estate as described above. Donors may not retain any significant rights or benefits in any property or asset offered as an outright gift to the Foundation. Gifts to the Foundation of cash, securities, and tangible personal property with an aggregate value of less than \$10,000 are considered general purpose, unrestricted gifts for discretionary use by the Foundation.

### Bargain Sales, Gift Sales, and Undivided Interests

The Foundation may enter into a bargain sale with donors, to purchase property deemed appropriate for the BSA or Foundation, at less than its fair market value. Each proposed bargain sale gift must be considered on an individual basis; however, it is the policy of the Foundation to purchase such property for no more than 50% of its established or appraised value. The property must have a total fair market value of at least \$100,000 at the time the gift is made and the Foundation may only expend or commit fund assets for a bargain sale transaction that are considered undesignated or unrestricted.

The Foundation may also enter into and accept gift/sale transactions involving an undivided interest in property, as long as the value of the accepted interest would meet the same minimum gift value for an outright gift of the same type of property. The Foundation shall make reasonable efforts to provide information to the donor of any possible tax implications for pre-arranged sales or agreements prior to a gift/sale transaction.

Appropriate safeguards shall be taken with respect to any bargain sales, gift/sales and undivided interests offered to the Foundation involving real estate. All procedures as described in Section 2 herein shall be followed for such gifts.

### Life Estate Agreements

The Foundation may enter into a life estate agreement on homes, vacation homes, farms, ranches, or other real property interests that the Foundation deems suitable, beneficial, or advisable for use or investment by the Foundation. At the time of such gift, the estimated, minimum present value of the interest to pass to the BSA must be at least \$100,000 and those who are measuring lives for the interest must be at least 60 years of age. Life estate agreements shall not be entered into for more than two measuring lifetimes.

During any life estate, the donor(s)/life tenant(s) will be responsible for all expenses of maintenance, taxes and insurance. At the time the life estate interest is created, the donor must sign a separate agreement with the Foundation to clarify responsibility for maintenance, taxes, insurance and other issues during the term of the life estate.

Prior to acceptance of any life estate agreement, the guidelines and restrictions on real estate gifts in general, as described in Section 2 herein, shall be followed by the Foundation. No life estate agreement shall be entered into in exchange for any annual income or annuity amount payable by the Foundation.

### Wills, Bequests, and Testamentary Gifts

The Foundation may, in its sole discretion, accept any gifts offered to it through bequests, will substitutes or testamentary trusts and instruments. Such gifts are subject to the same guidelines and restrictions described elsewhere in these Policies as if the gift were made to the Foundation during the donor's lifetime. The Foundation may, however, disclaim any bequest or testamentary gift if it determines that it is in its best interest to do so.

When the Foundation is notified of the death of a person who has named as beneficiary the BSA or any of its councils, facilities, etc., the Foundation shall promptly notify that entity of the bequest. The Foundation will provide instructions to estate executors and administrators regarding the disposition of estate assets bequeathed to it. Any tangible personal property not liquidated by the executor should be shipped directly to the Foundation. Unless otherwise requested by the donor or the BSA entity, bequests received by the Foundation shall be considered unrestricted.

Staff members of the Foundation should not serve as witnesses to a will if the Foundation or the BSA is to be named as a beneficiary. Also, the Foundation will not draft final wills and other testamentary documents for donors, or serve as a donor's attorney of record. However, the Foundation may provide sample language to be considered by the donor and his/her advisors. Any Foundation staff member to whom an individual's will is furnished must protect the confidentiality of its contents to the extent allowed by law.

### Revocable Gifts

The Foundation may accept gifts, or serve as trustee for trusts, that are subject to amendment or revocation by the donor. Such gift, however, must be established by a donor who has, in the past, demonstrated significant support of Scouting either in contributions of service or financial gifts. Revocable gifts are subject to the same minimums and restrictions as described herein for irrevocable gifts and trusts of similar nature.

### Gift Annuities and Pooled Income Fund Gifts

The Foundation may accept gifts in exchange for a gift annuity or pooled income fund payment as administrator for the BSA National Gift Annuity Program and the BSA Pooled Income Fund, pursuant to the terms separately established for those two programs.

### CHARITABLE TRUSTS

The Foundation may accept charitable remainder trusts that: a) last for no more than two measuring lives; b) for a selected term of years, if such term is no longer than 20 years; or c)

for an appropriate combination of both. For a one or two life remainder trust, all income beneficiaries must be at least 50 years of age at the time the trust is created. For a term of years trust, there is no minimum age for beneficiaries.

The annual percentage payable to the trust beneficiaries shall be stated in the trust document to be no less than 5%, and no more than 50%, of the value of the trust assets. The maximum annual unitrust payment may not exceed IRS guidelines (i.e., a calculated minimum of 10% of the trust's value must be left when the income payments end).

For charitable trusts where the donor retains the right to change and/or name multiple charitable beneficiaries, the Foundation may serve as trustee only if the Foundation or another BSA entity will receive irrevocably the greater of: (a) at least 33% of the remainder or lead interest; or (b) a minimum of \$100,000, to be determined as of the trust's original funding date. All other charitable beneficiaries named under the trust must also agree to the trust provisions of such trusts.

The Foundation will not accept into a charitable trust any assets with the potential to create unrelated business income tax liability, nor will it accept into the trust stock in an S Corporation without the written consent of all other shareholders. The Foundation is not authorized to administer or manage trusts unless it serves as trustee.

For trusts where it serves as trustee, the Foundation may request reimbursement from the trust for any third party costs incurred by the trust. Such costs may include, but are not limited to, bank custodial fees, real estate expenses such as appraisals, surveys, environmental assessments, maintenance and repairs, and legal fees.

#### **Unitrusts**

The minimum initial gift to fund a Charitable Remainder Unitrust ("CRT") shall be cash or marketable securities with a face value of at least \$100,000. For a CRT funded with real property or other assets (as approved by the Foundation) the minimum initial gift shall be \$250,000. Subsequent additions to a CRT may be made at any time, with a minimum value of \$10,000 for each addition.

The Foundation discourages the establishment of unitrusts funded with gifts of tangible personal property, closely held stock, or gifts in kind, but shall consider such trusts depending on the nature and marketability of the assets being offered.

#### **Annuity Trusts**

The minimum initial gift to fund a Charitable Remainder Annuity Trust ("CRAT") shall be cash or marketable securities with a face value of at least \$100,000. No additions to the CRAT may be made at any time.

The Foundation will not establish an annuity trust funded with real property, either developed or undeveloped. The Foundation discourages the establishment of annuity trusts funded with gifts of tangible personal property, closely held stock, or gifts in kind, but shall consider such trusts depending on the nature and marketability of the assets being offered.

#### Lead Trusts

The minimum initial gift to fund a Charitable Lead Trust (either a lead unitrust or a lead annuity trust) shall be cash or marketable securities with a face value of at least \$100,000. For a lead unitrust funded with real property or other assets (as approved) the minimum initial gift shall be \$250,000. Subsequent additions to the lead unitrust may be made at any time, with a minimum value of \$10,000 for each.

The percentage to be paid annually by the lead trust to the Foundation, BSA local council, or other charitable designee shall represent no less than 5% each year of the value of the trust assets, as revalued annually. There is no maximum annual payout rate. Payments shall be made quarterly to lead trust (charitable) beneficiaries.

The Foundation may accept lead trusts of any length or term. The Foundation discourages the establishment of lead trusts funded with gifts of tangible personal property, closely held stock, or gifts in kind, but shall consider such trusts based on the nature and marketability of the assets being offered.

## ENDOWMENTS, SCHOLARSHIPS, ETC.

**E**NDOWMENTS and other separate, segregated, stand-alone funds may be established with a combination of gifts, pledges, and other funds to benefit a local council, High Adventure base, any BSA entity, or to establish scholarships or camperships at those entities. A written agreement signed by the donor(s) is required for each new fund established. Unless there are compelling reasons otherwise, each agreement must include the following:

- Donor name(s) and name of the endowment fund;
- Gift or pledge description, amount and due date (if relevant);
- Local council, BSA program/entities to benefit and description of the intended use or purpose for funds distributed from the fund;
- A statement to the effect that, if, in the opinion of the Foundation, (a) the use or purpose for the fund has become impractical, wasteful, or impairs the management of the fund, or (b) because of circumstances not anticipated by the donor, a modification of the restriction will further the purposes of the fund or (c) a restriction on the use of the fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the Foundation may modify the use of the monies in a manner that will be consistent with the fund's original charitable purpose;
- A statement providing that all future additions to the endowment, regardless of source, shall be subject to the provisions of the fund agreement; and
- Other provisions that the Foundation determines to be necessary or appropriate.

For scholarship or campership funds, the donor may designate funding for or to a specific camp, High Adventure base, local council, college/university, or others as may be reasonable. Such designation shall be broad enough to allow for consistent and regular distributions of the scholarship or campership and to avoid appearances that the funds are "targeted" to a particular individual(s). All camperships or scholarships should be paid directly to a charitable entity on behalf of the recipients, but not to any individual. To protect the gift deductibility, the Foundation strongly recommends that the donor not participate in the final selection of the recipient(s).

The minimum required funding for a separate, stand-alone or named endowment, scholarship or campership fund shall be \$50,000. Donors shall also be advised about the limited impact that a fund can have at this funding level. Specific purpose gifts below this minimum and those considered unlikely to meet the minimum, shall be commingled in an existing endowment or special purpose fund with a purpose that most closely meets the desired intent of the donor.

If not fully funded at the time the fund is established, the Donor has five years after the date of the signed agreement to fully fund it. Under unusual circumstances, and with the approval of the ACSE-Development, this period may be extended. If the donor is unable to fully fund the Advised Fund within this period, and/or circumstances or actions make it clear that the fund is not likely to reach the minimum funding level, the Foundation shall notify the ACSE-Development to determine an appropriate course of action.

## DONOR ADVISED FUNDS

**A** Donor Advised Fund (“DAF”) permits a donor to establish a philanthropic fund to support the BSA and other qualified organizations. The donor may specify the beneficiaries at the time of the gift or at a later date. The donor may provide advice to the Foundation related to the amount, timing, and beneficiaries of the Fund, but the owner of the fund is the Foundation, which has ultimate control over all distributions from the Fund. A separate document establishing specific Terms and Conditions of all such Funds shall be provided to all donor prior to establishing their Fund. The current version of such Terms and Conditions, as amended, is herein incorporated by reference.

### *Establishing an Advised Fund*

The donor must irrevocably transfer the assets to the Foundation, and establish a governing fund document with the BSA Foundation. A minimum gift of \$50,000 is required to establish an Advised Fund. If not fully funded at the time the fund is established, the Donor has five years after the date of the signed agreement to fully fund it. Under unusual circumstances, and with the approval of the ACSE-Development, this period may be extended.

If the donor is unable to fully fund the Advised Fund within this period, and/or circumstances or actions make it clear that the fund is not likely to reach the minimum funding level, the Foundation shall notify the ACSE-Development to determine an appropriate course of action.

The Foundation will accept cash, securities, distributions from mutual funds and similar accounts and, at its discretion, other types of property that conform to the general gift acceptance policies as stated in Section 2 herein.

### *Donor Advice and Advisory Period*

Grants may be recommended at any time by the Original Donor or any Alternate Fund Advisors as may be selected by the Donor. Recommended annual distributions from each fund shall be at least 5% of the new value of the fund, revalued each year, or \$1,000 to each grant recipient, whichever is greater. Distributions are made in the name of the Fund but may be anonymous at the request of the donor.

All advice provided by the Original Donor or his/her Alternate Fund Advisors is reviewed and considered by the Foundation. The Foundation makes every effort to follow the advice from donors and/or fund advisors, but such advice is considered to be only a recommendation. The

Foundation reserves the right to vary from this advice, and the final approval and decision for all grants is the legal right and sole responsibility of the BSA Foundation

## Grant Recipients

Annual distributions from a named Fund will be made to BSA local councils, Scouting entities of national or international nature, or other non-Scouting charitable organizations. Any non-Scouting organization that receives a distribution from a named Fund must be recognized as tax-exempt under IRC Section 501(c)(3), or its foreign equivalent, and have a mission and charitable purpose similar to that of the Boy Scouts of America.

The Foundation will not make grants from its Advised Funds for non-operating private foundations, membership dues, event tickets or goods purchased at a charitable auction, political candidates or parties, any pre-existing and legally enforceable pledge or obligation made by the donor or related parties, tuition payments, grants or travel expenses paid directly to an individual, or to an organization whose mission and purposes are incompatible with or in direct opposition to the principles, values, or religious, charitable, and educational mission of the Boy Scouts of America.

## Administration of Fund

The Foundation is responsible for all administrative activities regarding the Fund. This includes acknowledging the gift, sending receipts and annual statements for each Fund, sending checks to charitable beneficiaries and confirmations to the donor of all grants made by the Foundation from the named Fund.

Investment of the Fund is at the discretion of the Foundation and as further described in its separate Investment Policies and Procedures. Information on investment performance and portfolio mix shall be provided to donors and/or fund advisors at regular intervals or upon request.

## Final Distributions

A donor may specify a final distribution of the DAF balance upon termination of the advisory period. The decision regarding final distributions from a DAF will be made by the Foundation, taking into consideration the donor's advice. If no advice is given as to the termination of the Fund, the Foundation at its sole discretion may distribute the balance or place it in its discretionary fund.

## INVESTMENT POLICIES AND PROCEDURES

**A** separate Investment Policy and Procedure document has been created and approved by the Foundation's Investment Committee. It is subject to amendment as needed, in the discretion of that Committee, and the current version, as amended, is herein incorporated by reference.

## AMENDMENT OF POLICIES AND GUIDELINES

**A**LL Gift Acceptance and Policy Guidelines for the Foundation are subject to amendment, upon appropriate resolution and vote by the Foundation. Such amendments may not be used to defeat or infringe upon the rights or expectations of any donor who may have made a gift, or entered into a gift agreement, prior to any amendment.