



Celebrating 20 Years of Excellence

FSA Scholarship Foundation
SCHOLARSHIPS FOR THE RETAIL FOOD INDUSTRY

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**FSA SCHOLARSHIP FOUNDATION
GIFT ACCEPTANCE POLICY**

The FSA SCHOLARSHIP FOUNDATION ("FSASF") is a Texas nonprofit corporation and Internal Revenue Service Code Section 501(c)(3) tax exempt organization which qualifies as a public charity under Section 509(a)(1).

I. Purpose of the Gift Acceptance Policy.

The purpose of this gift acceptance policy ("Policy") is to govern the solicitation and acceptance of gifts by FSASF, and to provide guidance to prospective donors and their advisors when making gifts to FSASF.

II. General Policy Statement

As a general rule, FSASF intends to accept and receive gifts and donations from members, corporations, foundations, nonprofit organizations and individuals in accordance with the guidelines established by this Policy. However, FSASF shall not accept gifts that:

1. Are inconsistent with FSASF's mission, purposes, goals and priorities;
2. Violate the terms of FSASF's organizational documents or any written policy;
3. Would jeopardize FSASF's status as a tax exempt organization under federal law or as a nonprofit corporation under Texas state law;
4. Are too difficult, expensive or burdensome to administer; or
5. Could damage FSASF's reputation.

FSA SF officers, directors, employees, members and their families shall not benefit personally from any gift received by FSA. Further, FSA should not pay a finder's fee or other commission based compensation to anyone as a result of such person's involvement in acquiring gifts for FSA.

FSA a 501(c)(3) promoting careers in the food retail industry by providing scholarships to high school seniors and adults in the retail food industry while building relationships between manufacturers, suppliers, brokers and retailers. www.FSAScholarshipFoundation.org

FSA SCHOLARSHIP FOUNDATION

1224 N. Hwy 377, #303-139, Roanoke, TX 76262

Cell: 469-877-1350 Fax: 682-502-4098 Contact: Pamela@FSAScholarshipFoundation.org



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III. Finance Committee Charged with Responsibility to Review and Accept Gifts

The Finance Committee of the Board of Directors (“Finance Committee”) shall be the body primarily responsible for reviewing, evaluating and accepting gifts in accordance with this Policy. The advice and/or approval of the full Board of Directors will be sought where (i) specifically required by this Policy, (ii) deemed advisable by the Finance Committee or (iii) recommended by legal counsel.

The Finance Committee shall also have the authority to review potential gifts not specifically covered by this Policy, and to make exceptions to this Policy, when it determines that an exception would be in the best interests of FSASF. Decisions to deviate from or otherwise make an exception to this Policy with regard to any gift shall be documented in writing with supporting rationale, and the Board of Directors shall be promptly notified of same.

The Finance Committee shall be responsible for reviewing this Policy on an annual basis to determine if any amendments are necessary. Upon conclusion of the annual review, the Finance Committee shall present the Board of Directors with a recommendation to either modify the Policy or continue using the Policy without modification.

IV. Use of Legal Counsel.

A. Donor’s Use of Legal Counsel.

All prospective donors shall be encouraged to seek the assistance of competent, independent legal counsel or other professional financial advisors of their choice in matters pertaining to their gifts, including tax and estate planning consequences.

B. Use of Legal Counsel.

FSASF shall seek legal advice in matters relating to acceptance of gifts when appropriate, including, but not limited to, the following circumstances:

1. Gifts of closely-held business interests, including those subject to buy-sell agreements or other restrictions;
2. Gifts governed by contracts or legal documents requiring FSASF to assume an obligation;
3. Transactions involving potential conflicts of interest or that may result in adverse tax consequences to FSASF;

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4. Restricted gifts;
5. Gifts of real property; and
6. Gifts which involve FSASF assuming trustee responsibilities.

V. Restrictions on Gifts.

All gifts, other than unrestricted gifts of cash or cash equivalents, must be reviewed by the Finance Committee prior to acceptance. FSASF may accept gifts for the Endowment Fund or the Scholarship Fund and other restricted gifts for specific FSASF initiatives and purposes, provided that it is determined that such gifts are consistent with this Policy and further provided that any restrictions would not require undue administrative burden. FSASF reserves the right to refuse a restricted gift deemed unusable or impractical, as determined by the Finance Committee or Board of Directors.

The terms and conditions—including the purpose—of any restricted gift (including gifts to the Endowment Fund and Scholarship Fund) shall be documented in a written agreement and signed by the donor, or his or her appointed representative. Restricted gift agreements will be prepared and reviewed by the Finance Committee prior to gift acceptance, with advice of legal counsel as may be deemed advisable.

VI. Types of Gifts and Criteria for Acceptance.

1. Gift Types.

FSASF may accept the following types of gifts, according to the criteria set forth in this Policy:

1. Cash
2. Securities
 1. Publicly Traded Securities
 2. Closely-Held Securities
3. Tangible Personal Property
4. Real Estate
5. Life Insurance Interests
6. Trusts

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(a) Charitable Remainder Trusts

(b) Charitable Lead Trusts

7. Bequests
8. Retirement Plan Beneficiary Designations
9. Other Property.

2. Criteria for Acceptance.

1. Cash.

FSASF may accept monetary gifts in any form, including, but not limited to, cash, credit card, or check. Checks should be made FSA Scholarship Foundation, unless otherwise specified. Under no circumstance should a check be made payable to an individual representative or agent of FSASF.

2. Securities.

FSASF may accept both publicly-traded and closely-held securities, in accordance with the following criteria:

(a) Publicly Traded Securities.

FSASF may accept marketable securities, such as those traded on an established national or regional stock exchange. Gifts of publicly-traded securities will be sold by FSASF immediately upon receipt or as soon as feasible.

(b) Closely-Held Securities

Closely-held securities, which include debt and equity positions in non-publicly traded companies, as well as interests in LLPs, LLCs or other ownership forms, may be accepted upon review and approval of the Finance Committee. Such gifts must be reviewed prior to acceptance to determine, among other considerations, that: (i) there are no restrictions on the security that would prevent FSASF from ultimately converting the asset to cash; (ii) the security has a readily determinable market value; (iii) the security is marketable; and (iii) the security will not generate undesirable tax consequences or liability for FSASF.

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Prior to acceptance, the value of the gift should be established by an independent appraisal. The donor is responsible for securing a qualified appraisal in compliance with IRS regulations, and paying any fees associated with obtaining it. The donor shall consent to having a copy of the appraisal sent directly to FSASF from the appraiser. FSASF retains the right to obtain its own qualified appraisal at its own expense.

Gifts of closely-held securities will be sold as soon as feasible; gifts that require a holding period may be accepted and sold when the holding period has expired.

3. Tangible Personal Property.

Gifts of jewelry, artwork, collections, equipment, vehicles and other items of tangible personal property may be accepted upon review and approval of the Finance Committee. In determining whether to accept any such gift, the Finance Committee will consider: (i) whether acceptance of the property furthers FSASF's charitable purposes; (ii) whether the property is suitable for the FSASF's use, or is otherwise readily marketable; (iii) whether there will be unduly burdensome costs associated with accepting and/or selling the property; (iv) if the property cannot be sold expediently, whether there will be carrying costs (i.e. storage, maintenance, insurance, taxes, etc.) or potential liability to FSASF; and (v) whether there are any undue restrictions on the use, display or sale of the property. Gifts of tangible personal property may be used by FSASF if suitable or sold for the benefit of FSASF as soon as feasible.

The donor is responsible for securing a qualified appraisal of the property as may be necessary to comply with IRS regulations, and for paying any fees or other expenses associated with obtaining same. The donor shall consent to having a copy of the appraisal sent directly to FSASF from the appraiser. FSASF retains the right to obtain its own qualified appraisal at its own expense.

4. Real Estate.

Gifts of real estate may be accepted upon review and approval of the Finance Committee, with advice of legal counsel. The Finance Committee shall consider: (i) whether acceptance of the property furthers FSASF's charitable purposes; (ii) whether the property is readily marketable; (iii) whether there are any current or potential liabilities associated with the property (iv) whether there are any restrictions, reservations, easements, or other limitations associated with the property; (v) whether there are carrying costs to be incurred, including but not limited to, insurance, property and/or transfer taxes, homeowners

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association dues or other similar fees; mortgages, or notes; (vi) whether there is evidence of environmental concerns related to the property; and (vii) such other criteria as the Finance Committee shall deem advisable.

The donor must secure a qualified appraisal of the property in compliance with IRS regulations at the donor's expense. The donor shall consent to having a copy of the appraisal sent directly to FSASF from the appraiser. Other documents that must be provided include, but are not limited to: real estate deed, plot plan, tax bills, and documentation of zoning status. A visual inspection of the property must be conducted by an experienced real estate professional of FSASF's choosing on behalf of the FSASF. A title insurance binder shall be obtained by FSASF prior to acceptance of the gift, at the donor's expense. If the title of the property is not cleared, the donor must incur expenses in clearing the title so that the property can be sold. FSASF shall require an environmental site assessment, which will ordinarily be a Phase I environmental inspection, at the donor's expense. If this requirement is waived for any reason, the donor shall sign an agreement to indemnify FSASF from environmental liability.

As a general rule, FSASF will not accept a gift of real property if the FSASF would be required to incur more than \$10,000 in expenses with regard to the transfer. FSASF will not accept a gift of real property that would cause FSASF to assume obligations as a landlord.

5. Life Insurance Interests.

A gift of ownership of a life insurance policy may be accepted if FSASF is named as the owner and irrevocable beneficiary of 100% of the policy. FSASF will only accept whole, universal or variable life insurance policies. FSASF should generally not accept any insurance policy where the intent of the donor is for FSASF to pay future premiums unless specifically approved, on a case by case basis, by the Board of Directors. If so approved by the Board of Directors, FSASF may: (i) continue to pay premiums on the policy; (ii) convert the policy to paid-up insurance; or (iii) surrender the policy for its current cash value.

The Foundation shall not accept ownership of term insurance, but may be named as a beneficiary of such policies. Upon notification of a donor's intent to name FSASF as a beneficiary, FSASF shall request a copy of the actual designation form.

6. Trusts

(a) Charitable Remainder Trusts.

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FSASF may accept designation as the remainder beneficiary of a charitable remainder trust (“CRT”).

(b) Charitable Lead Trusts

FSASF may accept designation as an income beneficiary of a charitable lead trust (“CLT”).

As a general rule, FSASF shall not accept appointment as a trustee of CRT, CLT or other type of trust. In exceptional circumstances, as determined by the Board of Directors, FSASF may accept such an appointment, but only after full evaluation, written approval of the Board of Directors, and with advice of legal counsel.

7. Bequests.

FSASF may accept designations as the beneficiary of wills or trusts. FSASF shall not prepare wills or other estate planning documents for donors. Donors should, however, be encouraged to use designation language supplied by FSASF and reviewed by legal counsel. Furthermore, donors should be encouraged to describe the specific purposes, if any, of their bequests as broadly as possible to avoid unduly burdensome limitations and restrictions.

FSASF and its staff shall not act as an executor for a donor’s estate. Upon notification of a donor’s intent to name FSASF a beneficiary, the Foundation shall request a copy of the portion of the donor’s will or trust instrument naming the Foundation a beneficiary.

8. Retirement Plan Beneficiary Designations.

FSASF may accept designations as beneficiary of donors’ retirement plans. Upon notification of a donor’s intent to name FSASF a beneficiary, FSASF shall request a copy of the actual designation form.

9. Other Property.

Other property not otherwise described in this section, whether real or personal, tangible or intangible must be reviewed and approved by the Finance Committee or Board of Directors prior to acceptance.



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VII. Administrative Matters.

a. Federal Tax Reporting and Gift Acknowledgement.

FSASF will acknowledge receipt of gifts in accordance with the requirements of federal tax law. The donor shall be responsible for providing FSASF with IRS Form 8283 as may be required for acknowledgement of certain gifts of property.

FSASF is responsible for filing IRS Form 8282 if FSASF should sell, exchange, or otherwise dispose of donated property within three years of receipt where the donor’s charitable deduction required a qualified appraisal (generally property other than publicly-traded securities with a value of \$5,000 or greater). FSASF is required to furnish Form 8282 to the IRS and the donor within 125 days of the date of sale or disposition of the property.

b. Donation-related Expenses.

Prospective donors shall be responsible for their own legal, accounting, appraisal, and other fees for all gifts made to FSASF.

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This Policy was approved by the FSA Scholarship Foundation Board of Directors on the _____ day of _____, 2014.

Date

Secretary,
FSA Scholarship Foundation

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