

United Way of Portage County, Inc.

Gift Acceptance Policy

The purpose of the Gift Acceptance Policy for the United Way of Portage County, Inc. is to establish administrative processes to accept and administer gifts in a prudent and efficient manner.

Policy Guidelines

The policy serves as a guideline to the United Way of Portage County staff and volunteers involved with accepting gifts, to outside advisors who assist in the gift planning process, and to prospective donors who wish to make gifts to United Way of Portage County, Inc., and United Way Endowment. This policy is intended as a guide and allows for some flexibility on a case-by-case basis.

Gift Acceptance Committee (GAC)

When not addressed in these policies, the Gift Acceptance Committee (hereafter "GAC") has the authority to accept or reject gifts offered to the United Way of Portage County Inc. and/or United Way Endowment. The committee is composed of the Board President, 1st Vice President, Chair of Endowment, and Treasurer. United Way CEO will serve in an ex officio capacity. An attorney for United Way of Portage County should be consulted where gifts may carry significant risks or in unique situations. The GAC may ask for Board approval or recommendations.

Cash

1. All gifts by check may be accepted by United Way of Portage County regardless of the amount.
2. No checks made payable to an individual will be accepted.

Publicly Traded Securities

1. Readily marketable securities, such as those traded on a stock exchange, may be accepted by United Way of Portage County.
2. Gift securities may be and are likely to be sold immediately following receipt.

Closely Held Securities

1. Non-publicly traded securities may be accepted only with the approval of the GAC.

2. Prior to acceptance, United Way of Portage County may explore methods of liquidation for securities through redemption or sale. A representative of United Way of Portage County may contact the closely held corporation to determine:

- An estimate of fair market value
- Any restrictions on transfer
- Liquidation opportunities

3. No binding commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

Life Insurance

1. United Way of Portage County may accept gifts of life insurance proceeds by being named as beneficiary, secondary beneficiary, or contingent beneficiary of a life insurance policy.

2. United Way of Portage County may accept gifts of life insurance as the owner of a life insurance policy so long as the policies are fully paid, or an acceptable annual funding agreement has been made with the donor.

Real Estate

1. Gifts of real estate must be reviewed and approved by the GAC before acceptance. Real estate gifts may be accepted based upon projected financial benefit to United Way to include projected sales price, anticipated time to sell the property and financial obligations associated with the property.

2. Prior to presentation to the GAC, a member of the United Way of Portage County staff must conduct a visual inspection of the property. If the property is in a geographically distant or isolated area, a qualified real estate broker may be substituted for a member of the United Way staff to conduct the visual inspection.

3. Due to the expenses associated with gifts of real estate, the GAC shall establish a minimum value of real estate to be considered.

4. Prior to presentation to the GAC, the donor must provide to United Way of Portage County the following documents:

- Real estate deed
- Schedule of financial obligations associated with the property
- Real estate tax bill
- Survey or other map of the property, if available

- Substantiation of zoning status
- Current appraisal
- Environmental assessments/testing for hazardous substances that have been conducted, if available

5. Depending on the value and desirability of the gift, the donor's connection with United Way of Portage County, and the donor's past gift record, the donor may be asked to pay for all or a portion of the following:

- Maintenance costs
- Real estate taxes
- Insurance
- Real estate broker's commission and other costs of sale
- Appraisal costs
- A survey or other map
- Environmental surveys / tests
- Special assessments
- Inspection by a licensed building inspector

Tangible Personal Property

1. Except for gifts of office furniture and equipment, any gifts of tangible personal property to United Way of Portage County might not be related to its exempt purpose. If the gift is not related to the United Way's exempt purpose, the donor's income tax deduction may be limited to the original cost rather than current market value.

2. Gifts of jewelry, artwork and collections may be accepted only with the approval by the GAC.

3. All gifts of tangible personal property may be used by or sold for the benefit of United Way of Portage County.

4. No property which requires special display facilities or security measures may be accepted by United Way of Portage County without the approval of the GAC.

5. United Way of Portage County may have a qualified outside appraiser value the gift before accepting it. Such appraisal shall be done independently of the donor's own appraisal.

6. United Way of Portage County shall adhere to all IRS requirements related to disposing of gifts of tangible personal property.

Deferred Gifts

United Way of Portage County may accept deferred (planned) gifts such as:

1. Bequests and Beneficiary Designations

- A. United Way of Portage County may accept gifts from individual retirement accounts, 401(K) accounts, donor advised funds, or the like by being named as beneficiary, secondary beneficiary, or contingent beneficiary of such account.
- B. Assets transferred through bequests that have immediate value to United Way of Portage County or can be easily liquidated are encouraged. Gifts that appear to require more cost than benefit may be discouraged or rejected.

2. Charitable Gift Annuities

- A. United Way of Portage County may, without limitation, utilize United Way Worldwide (hereafter "UWW") National Charitable Gift Annuity Program.
- B. Generally United Way of Portage County will adhere to the policies of the UWW National Charitable Gift Annuity Program and will follow the American Council on Gift Annuities suggested rates.
- C. Provided however, exceptions to such policies may be made with the approval of GAC.

3. Deferred Gift Annuities

- A. United Way of Portage County may utilize the UWW National Charitable Gift Annuity Program.
- B. Generally, United Way of Portage County will adhere to the policies of the UWW National Charitable Gift Annuity Program and will follow the American Council on Gift Annuities suggested rates.
- C. Exceptions to such policies may be made with the approval of GAC.

4. Pooled Income Funds

- A. United Way of Portage County may utilize the UWW National Pooled Income Fund.
- B. Generally, United Way of Portage County will adhere to the policies of the UWW National Pooled Income Fund.
- C. Exceptions to such policies may be made with the approval of GAC.

5. Charitable Remainder Trusts

- A. Due to the cost of drafting and administration, the minimum suggested amount to establish a charitable remainder trust is \$100,000.
- B. Investment of assets in a charitable remainder trust shall be determined by the trustee of the trust. No representations shall be made by a United Way of Portage County employee or person acting on behalf of United Way of Portage County as to the management or investment of such charitable remainder trust. United Way of Portage County may provide the donor with a list of organizations providing trustee, administrator, or investment services without recommending one.
- C. The payout rate of a charitable remainder trust shall be determined by the donor in conjunction with the donor's advisor(s). By law the payout rate cannot be lower than 5% nor greater than 50%. The value of the charitable remainder benefit must be at least 10% of the initial fair market value of the trust. United Way of Portage County may illustrate to the donor and donor's advisor(s) how proposed payout rates may impact the ultimate remainder amount received by United Way of Portage County.

5. Charitable Lead Trusts

- A. A charitable lead trust is an arrangement where assets are transferred to a trust paying income to the United Way of Portage County for a fixed number of years. At the end of the fixed term, the donor's chosen beneficiaries, such as children, will receive the trust assets.
- B. Investment of the trust shall be determined by the trustee of the trust. No representation shall be made by a United Way of Portage County employee or person acting on behalf of United Way as to the management or investment of such trust. United Way of Portage County may provide the donor with a list of organizations providing trustee, administrator, or investment services without recommending one.

6. Retained Life Estates

- A. The donor may transfer their residence, farm, or vacation home to the United Way Endowment, subject to a life estate. Under this arrangement, the donor continues to live in the property for life or a specified term of years, while continuing to be responsible for all taxes, utilities, insurance, repairs, and upkeep. The property passes to United Way when the donor life estate ends.
- B. All life estate arrangements must be approved by the GAC. Refer to the discussion above regarding real estate gifts.