



UMF Gift Acceptance Policy

I. PURPOSE

The purpose of this statement is to articulate the policies of the Board of Directors of the University of Mississippi Foundation (the Foundation) concerning the acceptance of charitable gifts to the Foundation.

II. RESPONSIBILITY TO DONORS

A. General

The Foundation, its staff and representatives shall endeavor to assist donors in accomplishing their philanthropic objectives in providing support for the University of Mississippi (the University).

B. Confidentiality

Information concerning all transactions between a donor and the Foundation shall be held by the Foundation in strict confidence and may be publicly disclosed only with the permission of the donor. The Foundation may recognize a donor's total giving by including their name in the appropriate giving level in an honor roll of donors. (see Donor Recognition)

C. Anonymity

The Foundation shall respect the wishes of donors wishing to support the Foundation anonymously and will take reasonable steps to safeguard those donors' identity.

D. Donor Advisory.

The Foundation does not provide legal, financial, tax compliance or other professional advice for donors. While gift officers may provide a perspective donor with gift illustrations, including calculation, and draft documents, donors should seek the assistance of their own legal counsel or other professional advisors in matters relating to the legal, tax and estate planning consequences of the proposed gift to the Foundation.

III. GIFT RESTRICTIONS

A. Unrestricted Gifts

To provide the Foundation with maximum flexibility in the pursuit of its mission, the Foundation shall accept unrestricted gifts.

B. Restricted Gifts

The Foundation accepts gifts that are restricted as to their use if the gifts are designed for an endowment, scholarship, established program or school within the Foundation or the University community. For restricted gifts, donor intent will be documented in an applicable Memorandum of Understanding or Memorandum of Agreement.

IV. DONOR RECOGNITION

A. General

The Foundation may establish criteria for the recognition and honoring of a donor with certain honors or benefits based on various giving levels achieved by a donor and the type of gift. These honors or benefits may include the listing of the donor's name on a roll or plaque of significant donors or the opportunity to receive invitations to donor recognition events.

B. Buildings and Other Facilities

Development staff shall make no commitments to a donor concerning the naming of buildings or other facilities without the approval of the University of Mississippi Naming Committee.

V. PLEDGES

A. Binding Commitment

The development staff will encourage donors wishing to make their gifts in installments over time to document their commitment to the Foundation in a written Pledge Agreement.

B. Duration

Unless a longer period is approved by the President/CEO of the Foundation, the Pledge Agreement will specify the installments in which the gift is to be paid over a period, generally, not to exceed five years. The Foundation is responsible for recording, acknowledging, billing and monitoring the status of all pledges and payments.

C. Minimum Amount

Pledges payable over more than one year shall be at least \$100.

VI. NAMED FUNDS

A. General

A donor may establish a named endowment fund or named restricted fund. The named endowment fund is subject to the Foundation's endowment, investment and spending policies, for general purposes of the Foundation and University in

accordance with these procedures. The named restricted fund is for restricted purposes but not subject to any minimum contribution limitation. A named endowment fund requires a minimum commitment of \$25,000. Any variations to this policy requires approval of the President/CEO of the Foundation.

B. Administration of Named Funds

The assets contained within each named endowment fund shall be commingled, invested and administered with the endowment fund of the Foundation. All policies applied to those endowment funds, including the formula for spending from endowment funds, shall apply to all named funds.

C. Variance Power

Unless otherwise approved in advance by the President/CEO of the Foundation, the Foundation will reserve the right, in the gift agreement creating the named endowment fund, to broaden or alter restrictions as to the use of the endowment fund, should it be determined in the future that the original restricted purpose of the named endowment no longer meets the needs or serves the mission of the Foundation or the University.

D. Termination of Named Fund

A named endowment fund may be terminated if the Executive Committee of the Foundation, upon recommendation of the President/CEO of the Foundation determines that the market value of the assets remaining within the fund is uneconomically low in relation to the cost of administering the fund. In such case, all remaining assets within the named fund shall be transferred to the general endowment fund of the Foundation to be administered pursuant to its terms.

VII. MARKETABLE SECURITIES

A. General

The Foundation will assist in the transfer of custody of marketable securities from the donor (or his or her custodian) to the Foundation. If the securities are in street name, the donor's broker may transfer them to a brokerage account designated by the Foundation. If the securities are to be mailed, the stock certificates should be mailed separately from the signed stock power with signature guaranty. If the share certificates are hand delivered, the stock power maybe attached.

B. Restrictions

If the donor is a member of the Foundation's Board of Directors, or a corporate officer of the Foundation, the development officer will notify the President/CEO of the Foundation for the purpose of determining whether sale of securities might be restricted under Rule 144 or other provisions of securities law.

C. Reporting Policy

Gifts of marketable securities will be accounted for at their value on the date the gift is made, determined by taking the mean between the high and low quotes on the date of the gift.

D. Disposition

The Foundation will instruct its brokers that all marketable securities will be sold upon receipt. The President/CEO of the Foundation is authorized to override this general rule and direct the securities should not be sold, following consultation with the Executive Committee of the Foundation Board of Directors.

VIII. CLOSELY HELD STOCK

A. General

Stock that is not regularly traded on an established national exchange such as NYSE or NASDAQ may not be accepted without the prior written approval of the President/CEO of the Foundation.

B. Opportunities for Sale

Criteria to be applied in evaluating the closely held stock include the long-term prospects for the company and if there is an opportunity for the Foundation to sell the stock for cash in the foreseeable future, for example pursuant to a planned sale of the company. If the company in question is a Subchapter S corporation, other criteria shall be the UBTI consequences of holding and selling the stock.

IX. INTERESTS IN PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

A. General

Interests in partnerships and limited liability companies may only be accepted with the prior written approval of the President/CEO of the Foundation.

B. Limited Liability

The principal factor to be evaluated by the responsible development officer in recommending the gift for approval by the President/CEO of the Foundation, shall be a determination that the Foundation will not incur liability as a result of holding this asset. The Foundation's legal counsel will review the governing documents of the partnership or limited liability company to determine if capital call provisions might require the Foundation to contribute funds to the partnership or LLC. Assuming there are no such capital call provisions, the development officer must determine that the entity is either a limited liability company or a limited partnership and, if the latter, the interest the Foundation will receive is a limited partner interest. The Foundation will generally not accept general partner interests.

C. UBTI

The Foundation's tax professional or legal counsel will review the possibility that UBTI will be attributed to the Foundation as a result of ownership of the interest in the partnership or LLC.

X. TANGIBLE PERSONAL PROPERTY

A. General

The Foundation may accept gifts of tangible personal property. While the donor will receive acknowledgement of receipt of the property, no value will be assigned in the acknowledgement. A reasonable estimate of the value of the gift will be assigned in the donor's file for donor recognition purposes only.

B. Related Use

The Foundation must determine if the tangible personal property will be retained by the Foundation or the University for use in its programs. If so, the development officer shall determine, with assistance of the department or office within the University that would be responsible for the continuing use of the tangible personal property, the estimated carrying costs, including insurance, storage, curatorial series, maintenance, etc. for the property. The development officer shall also evaluate whether any restrictions on use of property that are required by the donor are consistent with the institutional needs of the Foundation and University.

C. Unrelated Use

If the property will not be retained for use by the Foundation, a plan for selling the property for cash, including the anticipated time frame and marketing expense for the proposed sale must be determined by the Foundation.

XI. LIFE INSURANCE POLICIES

A. General

Donors are encouraged to name the Foundation as a primary or contingent beneficiary of their life insurance policies.

B. Recording the Gift

To be recorded as a gift, the Foundation must be named as both the beneficiary and owner of the life insurance policy. The Foundation will also record gifts of cash by the donor to be used by the Foundation to pay premiums on a life insurance policy that it owns.

XII. REAL PROPERTY

A. Approval

Acceptance of all real estate gifts requires approval by the President/CEO of the Foundation.

B. Information

The responsible development officer shall assist the Foundation staff in compiling relevant information regarding the real estate including:

1. The copy of the deed conveying the property to the donor
2. The copy of the current property tax bill
3. A preliminary title insurance report
4. A copy of each promissory note, mortgage, deed of trust or other liens on the property
5. A copy of each lease or other contract affecting the property
6. If the property is income producing, a copy of the profit and loss statements for the two most recent years.
7. A summary of current insurance coverage for the property
8. Copies of correspondence with governmental authorities, tenants or prospective purchasers concerning the property
9. A current market analysis of the property

C. Environmental Review

If after reviewing this information the President/CEO of the Foundation determines that sale of the real estate is likely to provide significant proceeds to the Foundation he/she shall determine, based on physical inspection of the property, whether further evaluation of environmental hazards on the property is required to protect the Foundation from liability.

D. Title Insurance

The Foundation shall obtain the policy of the insurance protecting its title to the real property received from a donor.

E. Remainder in Residence

The Foundation may accept the gift of personal residence subject to the donor's retained life estate. The estimated value of the residence, net of encumbrances, must exceed \$100,000. The retained interest can extend beyond no more than two (2) lives. The gift shall be documented with a deed and life estate agreement approved by the Foundation's legal counsel, with the life estate agreement clearly delineating responsibility for expenses of taxes, insurance and maintenance of the property. While the Foundation should not accept responsibility for contributions for capital improvements such as plumbing or roof repairs, it should retain the right to perform maintenance or make required repairs if the Foundation determines it is necessary to protect its economic interest in the property.

XIII. RETIREMENT PLAN ASSET

General

The Foundation will accept funds it receives as the designated beneficiary of a retirement plan (for example, an IRA, a 401(k) plan or a defined contribution plan). The Foundation should obtain a copy of the executed designation form that the donor has submitted to the retirement plan administrator to name the Foundation as the beneficiary.

XIV. OTHER ASSETS

A. General

Acceptance of any other type of property as a gift to the Foundation shall require the prior approval of the President/CEO of the Foundation.

B. Vehicles

The Foundation will generally not accept gifts of automobiles, boats or other vehicles.

XV. CHARITABLE GIFT ANNUITIES

A. Rates

For charitable gift annuities issued for contribution of cash or marketable securities, the Foundation will utilize the rates published from time to time by the American Council On Gift Annuities.

B. Minimum Gift

For charitable gift annuities with payments starting immediately, the minimum gift shall be \$50,000.

C. Minimum Age

The minimum age when payments begin for a current or deferred gift annuity (or the earliest age for an annuity providing a flexible starting date) shall be 60.

D. Charitable Use

Upon maturity, the balance in the gift account shall be allocated between the donor's agreed upon area(s) of support within the University and the Foundation's unrestricted funds.

XVI. CHARITABLE REMAINDER TRUSTS

A. General

Where appropriate, the Foundation will encourage its donors to establish charitable remainder trusts providing an irrevocable remainder interest to the Foundation, and will assist prospective CRT donors by providing calculations illustrating tax benefits and projecting distributions and by providing a draft of the CRT agreement using a form approved by the Foundation's legal counsel.

B. Trusteeship

The Foundation shall propose to serve as trustee of a CRT with assets of at least \$100,000 and the trust names the Foundation irrevocably as a beneficiary of at least 50% of the remainder.

XVII. BARGAIN SALE TRANSACTIONS

A. General

Bargain sale transactions other than charitable gift annuities may be accepted by the Foundation only with the prior written approval of the President/CEO of the Foundation. Since bargain sale transactions require the outlay of funds by the Foundation, these transactions should be approved only in very limited circumstances.

B. Use of Acquired Property

One such circumstance involves property that the Foundation or University intends to keep for use in its programs that may be acquired on beneficial terms in a bargain sale transaction.

C. Marketable Assets

In limited circumstances, the Foundation with the approval of the Executive Committee may consider bargain sales transactions to acquire property that would not be retained for use in the Foundation's programs, if it is determined in the approval process that the property can be sold for cash in a timely manner.

XVIII. FIDUCIARY RELATIONSHIPS

A. General

Unless approved in advance by the president/CEO of the Foundation, the Foundation will not agree to serve as executor of a decedent's estate nor as a trustee of a living trust or other trust intended to serve as a person's primary estate planning document.

B. Trusteeship

The Foundation may serve as trustee of trusts to maintain its gift annuity reserve accounts, as required by relevant state insurance law, in connection with the Foundation's gift annuity program. The Foundation may serve as trustee of charitable remainder trusts, provided that no less than 50% of the remainder interest in the trust is irrevocably dedicated to the Foundation, and the charitable remainder trust meet the minimum standards established from time to time by gift planning procedures of the Foundation. The Foundation may serve as trustee of trusts only in circumstances in which its investment authority as trustee is unrestricted. The Foundation will not serve as co-trustee of a trust.

XIX. REPORTING AND VALUATION STANDARDS

A. Reporting

For campaign and other reporting purposes, the Foundation shall use the Council for Advancement and Support of Education Guidelines for Reporting and counting Gifts.

B. Valuation of Planned Gifts

To evaluate the Foundation's planned giving program and to compare the relative value of various planned gift approaches, the Foundation shall utilize the Council for Advancement and Support of Education Guidelines.

XX. DELEGATION AND APPROVAL OF EXCEPTIONS

Implementation of these policies is delegated to the President/CEO of the Foundation, who shall be responsible for oversight of the acceptance of all gifts by the Foundation. Acceptance of gifts to the Foundation in a manner that is in any way inconsistent with this statement of policy must be approved in writing by the President /CEO of the Foundation, who shall report such exceptions to the Executive Committee at its next regular meeting.

XXI. PERIODIC REVIEW

A. General

These policies will be reviewed annually and updated as needed and will be available on the Foundation website

Specified Review

These policies shall also be reviewed upon the enactment or promulgation of legislation or regulatory rules affecting fundraising and gift acceptance by the Foundation, to assure continued compliance by the Foundation with relevant legislation and rules.

XXII. REPORTING REQUIREMENTS TO THE UNIVERSITY

A. General

The Foundation provides the University with the following reports:

-monthly reports are sent via email to the schools/departments for all restricted accounts detailing the gift information and expenses for the month. These reports are sent in detail for the month with a year-to-date summary.

-quarterly endowment reports are sent via email to the schools/departments for all endowment accounts reflecting all activities for the respective endowment accounts.

-annually, projection calculations are sent to the schools/departments in March detailing the recommended distribution for each endowment for the upcoming fiscal year.

-all of the aforementioned reports and calculations are also sent to the Office of the Provost.