

**RESOLUTION  
TO APPROVE THE GIFT ACCEPTANCE POLICY**

The attached Gift Acceptance Policy has been reviewed by the Board of Trustees of The College of William & Mary Foundation.

**BE IT RESOLVED**, that the Board of Trustees of The College of William & Mary Foundation hereby approve this gift policy and

**RESOLVED FURTHER** that the aforementioned gift policy shall be effective this date.

## **Summary of Gift Acceptance Policy**

This policy has been created specifically for those gifts being accepted by the College of William and Mary (“the College”) or The College of William & Mary Foundation (“the Foundation”). We will encourage that the College’s other foundations adopt similar policies in the near future.

### **1. Three Basic Principles used in interpreting Gift Acceptance Policy**

- a. Gifts should advance the mission of the College and comply with IRS regulations and State and Federal law.
- b. Gifts will not impose upon the College or its related program or foundations burdensome administrative costs or financial risk.
- c. College employees will not portray themselves as financial or legal advisors to donors. Donors will always be encouraged to consult their own legal and/or financial advisors when contemplating a gift. A development officer should never encourage or accept a gift if he or she believes doing so is not in the donor’s best interest.

### **2. Gift Acceptance Committee**

- a. The Gift Acceptance Committee comprises the Vice President for Development, the Vice President for Finance, the Assistant Vice President of Investment Administration, the Director of Gift Planning, the Assistant Secretary of the College of William & Mary Foundation and the Assistant Treasurer of the College of William & Mary Foundation. Currently, Mr. Copan and Mr. Pieri each hold two of these titles – (ex. Mr. Pieri is VP for Development and Asst Secretary for the Foundation). Depending on the proposed recipient of the gift, these individuals will act in the appropriate capacity on behalf of the College or the Foundation as receiver of the gift.
- b. The Gift Acceptance Committee is staffed by the Office of Gift Planning.
- c. Questionable acceptability of gifts using this policy will be considered and acceptability determined by the Gift Acceptance Committee.
- d. Non-standard gifts (defined in policy) must always be reviewed and acceptability determined by the Gift Acceptance Committee.

- e. Gifts with exceptional circumstances to be presented to the Gift Acceptance Committee must have value of at least \$100,000.

### 3. Acceptance of Gifts

- a. Gifts of cash (currency, check or credit card transactions) and of publicly traded securities are accepted as outright gifts or payments on pledges.
- b. Pledges (receivables) require a specific dollar amount stated, a fixed time schedule for payment, a clearly identified gift recipient (i.e. the College or the Foundation), written documentation signed by the donor, and approval by the Vice President for Development.
- c. Non-publicly traded investments will be coordinated by the Office of Gift Planning for process of review and acceptance. Such gifts involve complex issues of valuation, marketability and the potential for creating taxable income for the College or the Foundation. The Vice President for Development in conjunction with the Director of Gift Planning will determine whether such a gift should be referred to the Gift Acceptance Committee.
- d. Additional due diligence includes:
  - i. Compliance with Federal anti-money laundering requirements and the Patriot Act is required for individual gifts in excess of \$100,000, for donors making smaller gifts totaling \$250,000 in one year, and for gifts drawn on foreign bank accounts, sent from a foreign jurisdiction, or from a donor with a foreign address.
  - ii. A donor's name and address must be provided in order for a gift to be accepted. Gifts from donors who wish to remain totally anonymous to the College or Foundation will not be accepted with the exception of cash collection boxes (ex. Collection box at the Wren Building).
- e. Gifts in Kind and Tangible and Intangible Personal Property
  - i. May include but is not limited to works of art, motor vehicles, boats, antiques, equipment, stamp and coin collections, jewelry, furniture, rare books, manuscripts, or any other item that has determinable value. Intangible gifts may include patents, copyrights, and intellectual property.
  - ii. All such gifts are subject to prior review and approval by the Gift Acceptance Committee.

- iii. The Executive Director of Development for Arts and Sciences has responsibility for coordinating the review and acceptance of all tangible gifts of art with a value of \$500 or more for the College or Foundation. The Dean of University Libraries has responsibility for coordinating the review and acceptance process for all tangible gifts of books or related materials for Swem Library or other College libraries. The Office of Gift Planning has responsibility for coordinating review and acceptance for all other such gifts with a value of \$500 or more.
- iv. In general, only the College will accept gifts of books or related materials. Only under exceptional circumstances as referred to and approved by the Gift Acceptance Committee would the Foundation accept such gifts on behalf of University Libraries.
- v. Registration of gifts of intellectual property is the responsibility of the College's Office of Technology Transfer and coordinated with the Office of Gift Planning.
- vi. Gifts of tangible personal property which will not be used to further the mission of the College will generally be sold upon receipt.
- vii. Such Gifts valued at \$500 or more:
  1. Deeds of Gift are required. The Office of Gift Planning is responsible for drafting deeds of gift and coordinating acceptance processes with the following exceptions. The Executive Director of Development for Arts & Sciences shall do so for items of art given to the Muscarelle Museum and the Dean of University Libraries shall do so for books and related materials for the University Libraries.
  2. Statements of Value are required:
    - a. For gifts valued at \$500 to \$5000, donor provides a signed good faith estimate. If not, value may be determined by an on-campus professional for gift accounting purposes. In this case, value may not be shared with the donor.
    - b. For gifts valued exceeding \$5000 and Donor wishes to claim deduction, donor must provide a current, qualified, professional independent appraisal at his or her expense within in the specific time deadline imposed by the IRS and not later than July 15<sup>th</sup> following the close of the fiscal year in which the gift is accepted.

For gifts valued exceeding \$5000 and Donor declines to provide appraisal, it is the responsibility of the department receiving the gift to obtain an appraisal absorbing the cost of such appraisal. In these instances, an internal valuation is acceptable up to \$50,000 for gift accounting purposes. Documentation from the donor stating that they will not provide an appraisal and do not wish to claim tax deduction is also required.

3. For donors who wish to claim tax deductions, IRS Form 8283 is required for value of \$500 or more. Specific circumstances are identified in the policy along with the identification of “authorized” individuals to sign forms and deeds of gift.
- viii. Processes and IRS forms required in the case of disposition of such gifts are described in the policy.
  - ix. Restrictions upon acceptance of Gifts in Kind and Tangible Personal Property:
    1. The Foundation does not accept gifts of marine vessels, aircraft, fixtures or equipment where the insurance costs of operation may be prohibitively expensive.
    2. University Libraries have identified a number of types of tangible personal property that are not accepted. That list is included in the policy.
    3. Gifts of livestock are not accepted by either the College or the Foundation.
  - f. Real Property
    - i. Outright gifts of real estate, including contributions of fractional interests and remainder interests in charitable life estates, are subject to review and acceptance in advance by the William and Mary Real Estate Foundation.
    - ii. Gifts of timeshares are not accepted by the College, Foundation, or the William and Mary Real Estate Foundation.
  - g. Life Insurance The Foundation will accept gifts of life insurance policies, including whole life, variable and universal life policies, which meet the following three criteria:
    - i. The policy is either paid-up or, if not paid-up as of the date of the gift, has a minimum face value of \$100,000, a payment schedule of twelve years or less

and assumes an acceptable interest rate (as described in policy), and has a documented pledge from donor which equals or exceeds the total premiums due and states the absolute ownership of the Foundation.

- ii. The development officer will work with the donor to clarify the purpose of the gift – whether it be for endowment (existing or new), specific program or department, or unrestricted use – by attachment of a memorandum, letter, or endowment agreement to be attached to the policy. Note that such designation must be to a fund at the Foundation and may not be re-designated to another charity, including other College-related foundations.
- iii. If intended for endowment purposes, the face value of the policy meets the Foundation's minimum funding standards for endowments in effect at the time of the gift of the policy.

h. Deferred Gifts

- i. Irrevocable deferred gifts include charitable gift annuities, charitable remainder trusts, pooled income fund contributions, and gifts of real estate subject to retained life estate(s). The Office of Gift Planning has responsibility for establishing and for coordinating the process of review and acceptance of such gifts. Once the Foundation is named as irrevocable beneficiary of a deferred gift, the donor may not re-designate the remainder interest to be distributed to another charity, including other College-related foundations.
- ii. Revocable deferred gifts include wills, trusts, life insurance policies, commercial annuities, IRA and other retirement plans. The Office of Gift Planning will assist donors in naming the College and the Foundation as beneficiaries of such deferred vehicles.

i. Oil, Gas and Mineral Interests

- i. The College may accept oil and gas property interests, when appropriate. Prior to acceptance, the gift shall be approved by the Gift Acceptance Committee, and if necessary, the Office of Legal Affairs.
- ii. Criteria required for acceptance of such interests include value of \$20,000 or greater, generated royalties or other income of \$3,000 annually, no extended liabilities or other such considerations, and proof of no current or potential exposure to environmental liability.

- iii. Working interests are rarely accepted, but in such case a plan for minimizing potential liability and tax consequences must be in place.

#### **4. Special Situations**

- a. Conditional Gifts are those with some qualifier or restriction, or gifts that commit the College or Foundation to some action within a specific time or to use the gift in a specific way. Such gifts must be reviewed by the Gift Acceptance Committee. The disposition of such a gift should the conditions not be met must be specified.
- b. Corporations or private individuals may offer significant discounts on materials or service to the College. While these do not qualify for tax deduction, it is important to acknowledge and recognize these items through the College's stewardship programs.
- c. If, in any instance, a gift offered by a donor would put the College in an embarrassing or untenable position with the general public, the gift will be declined.

## **Gift Acceptance Policy**

The University Development Office does not provide legal, accounting, tax or other professional service advice to prospective donors. Under IRS regulations, gifts to the College of William and Mary (“the College”) and its related foundations are generally tax deductible if the donor does not retain control over the gift or receive personal gain. Each prospective donor is urged to seek the advice of independent legal, financial or tax counsel in the gift planning process.

The College of William and Mary is a tax-exempt organization under Internal Revenue Code Section 170(c)(1) as a public college that is a political subdivision of the Commonwealth of Virginia. The College of William & Mary Foundation (“the Foundation”) is a tax-exempt organization under Internal Revenue Code Section 501(c)(3) and not private foundations under Sections 509(a)(1) and 170(b)(1)(A)(iv). All questions concerning the Federal tax status of the College or its related foundations should be forwarded to the Gift Planning Office, which keeps IRS Letters of Tax Determination for the College and its related foundations on file.

### **Basic principles used in interpreting gift acceptance policies**

Principle 1: A gift shall not be accepted by the College or any of its related foundations unless there is a reasonable expectation that acceptance of the gift will advance the mission of the College and complies with IRS statutes and regulations and applicable state and Federal law.

Principle 2: A gift shall not be accepted by the College, or any of its related programs or foundations if such acceptance imposes upon the College or any of its related programs or foundations overly burdensome administrative or other costs or other financial risk.

Principle 3: Every development officer’s primary and ultimate responsibility is to serve the College of William and Mary and its related foundations in a manner befitting the profession. Donors should be actively encouraged both in written proposals or financial illustrations, as well as in person, to consult their own financial and/or legal advisors when contemplating a gift. The development officer (or College employee engaged in a development effort) should not portray himself or herself as financial advisor or legal advisor to a prospective donor. A disclaimer clause to this effect shall be incorporated in proposals and illustrations as appropriate.

Notwithstanding this statement of limits of accountability, no development officer should knowingly accept or encourage a gift, if, in his or her professional opinion, the making of the gift is not in the donor’s best interest.

### **Gift Acceptance Committee**

Questions concerning the acceptability of a gift should be referred to the Vice President of Development who, when necessary, will convene the Gift Acceptance Committee for review of the proposed gift. The Office of Gift Planning is the staff liaison for the Gift Acceptance Committee. All non-standard gifts must be reviewed by the Gift Acceptance Committee. The IRS defines a non-standard gift as an item that is not reasonably expected to be used to further the organization's exempt purpose (other than the need for funds) and for which there is no ready market to liquidate the contribution and the value of the item is highly speculative or difficult to ascertain.<sup>1</sup> A Gift Acceptance Committee comprised of the Vice President for Development, the Vice President for Finance, the Assistant Vice President of Investment Administration, the Assistant Secretary of the Foundation and the Assistant Treasurer of the Foundation, and the Director of Gift Planning will be responsible for making decisions concerning the acceptance of special, conditional, or non-standard gifts. Any requests for special consideration of a gift or exceptional circumstance must be presented to the Office Gift Planning prior to referral to the Gift Acceptance Committee. Exceptional circumstances will not be granted to any gift of less than \$100,000 in value except in the case of an estate provision.

### **Documents Evidencing Gift Acceptance**

All documents evidencing gift acceptance, such as endowment agreements, deeds of gift, grant agreements from foundations, charitable gift annuity agreements, etc., must be signed by an authorized individual. Authorized individuals to execute Deeds of Gift and 8283 forms are stated below under the Tangible and Intangible Gifts section of this policy.

The authorized individuals to execute all other documents evidencing gift acceptance including, but not limited to, endowment agreements, grant agreements from foundations, charitable gift annuity agreements, etc., are the Vice President for Development (Assistant Secretary of the Foundation) or the Assistant Vice President for Investment Administration (Assistant Treasurer of the Foundation) for The College of William & Mary Foundation, and the Vice President of Development or the Vice President of Finance for the College of William and Mary.

### **Receipt of Gifts**

Cash: Cash gifts may take the form of currency, check, or credit card contribution. Cash may be delivered by mail, by hand, by electronic funds transfer (EFT), or by wire transfer.

---

<sup>1</sup> This non-standard gift language and definition is required to be in the Gift Acceptance Policy under IRS Form 990.

Publicly-traded securities: Securities listed on an exchange in which quotes are published daily; regularly traded in national or regional over-the-counter markets for which published quotes are available; or that are shares of a mutual fund for which quotations are published on a daily basis in a newspaper or on acceptable electronic medium (i.e., internet quote or Bloomberg) will be accepted as outright gifts or toward pledges.

Additional due diligence: In order to maintain compliance with Federal anti-money laundering requirements and the Patriot Act, certain additional procedures are needed for individual gifts in excess of \$100,000 (or for a donor making smaller gifts totaling \$250,000 in one year), and for gifts drawn on foreign bank accounts, sent from a foreign jurisdiction, or from a donor with a foreign address. As these procedures must be completed before accepting a gift, please contact Director of Gift Accounting prior to accepting a check or other gift, or providing wire instructions. In addition, totally anonymous gifts are not accepted with the exception of money in cash collection boxes for College purposes (Ex: collection box at the Wren Building). Donor name, address, and any other information required must be obtained or a gift cannot be accepted.

Pledges: Pledges (sometimes referred to as commitments or receivables) are of specific dollar amounts according to a fixed time schedule, and require specific information and documentation. The entity to which the pledge is being made must be clearly identified (i.e. College or related foundation). Changes to original pledges (e.g., pledge amount, payment schedule or changes in the designation of a pledge) must be documented in writing and approved by the Vice President for Development.

Non-publicly traded investments: The Office of Gift Planning has the responsibility for coordinating the process of review and acceptance for any proposed gifts of non-publicly traded investments, including, but not limited to closely held stock, restricted stock, partnership interests, mineral rights, interests in real estate investment trusts, options and derivatives. These gifts involve complex issues of valuation, marketability and the potential for creating taxable income for the College or its related programs and foundations. Development officers should contact the Office of Gift Planning immediately when a donor is contemplating such a gift. The Vice President for Development, in conjunction with the Gift Planning Office, will determine whether such gift is to be referred to the Gift Acceptance Committee for further review and approval.

Gifts in Kind and Tangible and Intangible Personal Property: Gifts in kind and tangible gifts may include but are not limited to works of art, motor vehicles, boats, antiques, equipment, stamp and coin collections, jewelry, furniture, rare books, manuscripts, or any other item that has determinable value. Intangible gifts may include patents, copyrights, and intellectual property. All gifts of tangible and intangible property are subject to prior review and approval by the Gift Acceptance Committee. The Office of Gift Planning has responsibility for coordinating the review and acceptance process for

all tangible and intangible gifts with a value of \$500 or more except for certain gifts to Swem Library and the Muscarelle Museum of Art as further described below:

Muscarelle Museum of Art of the College of William and Mary (*Tangible gifts of art or art related materials are made to the College of William & Mary Foundation or to the College of William and Mary*): The Executive Director of Development for Arts and Sciences has responsibility for coordinating the review and acceptance process of all tangible gifts of art with a value of \$500 or more for the Muscarelle Museum of Art for ownership by the College of William and Mary or by the College of William & Mary Foundation. Only the authorized individuals identified further below may execute acceptance documents for tangible gifts of art with a value of \$500 or more.

University Libraries (*Tangible gifts of books and related materials are made to the College of William and Mary in almost all cases. In general, University Libraries does not accept tangible gifts of books or related materials for ownership by the College of William & Mary Foundation*): The Dean of University Libraries has responsibility for coordinating the review and acceptance process for all tangible gifts of books, or related materials for Swem Library or other College libraries. In the exceptional circumstance that a tangible gift of books or related materials would seem appropriate for the College of William and Mary Foundation to accept, the recommendation would be referred to the Gift Acceptance Committee for decision.

Intangible gifts: The Office of Technology Transfer has responsibility for registration of intellectual property with the United States Patent Office. The Gift Planning Office coordinates with the Office of Technology Transfer and the Office of Legal Affairs regarding intangible gifts.

It is the general policy to sell upon receipt all gifts of tangible personal property which will not be used to further the mission of the College.

Deed of Gift: Gifts-in-kind valued at more than \$500 must be accepted by the College or Foundation by execution of a deed of gift by the donor(s) and the authorized individual of the College or Foundation as further described below. The Office of Gift Planning has the responsibility for drafting this deed of gift and for coordinating this acceptance process, with the exception of books and/or related materials for University Libraries and art and/or related materials for the Muscarelle Museum. The Executive Director of Development for Arts and Sciences shall coordinate the deed of gift and acceptance process with the Office of Gift Planning with respect to items of art given to the Muscarelle Museum. The Dean of University Libraries shall prepare the deed of gift and coordinate the acceptance process with respect to books and related materials given to the University Libraries.

Statement of Value for Gifts Valued \$5,000 or Less: In addition to the Deed of Gift, if the value of the tangible or intangible gift(s) is between \$500 and \$5,000, the donor must provide a signed statement of the donor's good faith estimate of fair market value of the item(s) for gift documentation purposes. Determination of value of the gift(s) for income tax deduction purposes is a matter between the donor and the IRS. While the donor's written estimate of value may be used for internal gift accounting purposes, a written, signed statement of value obtained from an on-campus professional may be used, but must not be shared with the donor. Gift receipts from the office of gift accounting and acknowledgements to the donor from others employed by the College or Foundation for a tangible or intangible gift will not state the value placed on the gift.

IRS Form 8283: The IRS requires the donor to file Form 8283 for non-cash gifts in excess of \$500, but the charity does not sign the 8283 Form unless the value of the tangible or intangible gift exceeds \$5,000. For gifts of any item or group of similar items exceeding \$5,000, the IRS requires a current qualified appraisal<sup>2</sup> and an executed 8283 form from the Donor. The 8283 form may only be executed by an authorized individual as further described below.

Gifts Valued at More than \$5,000 and the Donor Wishes to Claim a Charitable Federal Income Tax Deduction for his/her Gift: If the article(s) exceed \$5,000 in value, and the donor wishes to claim a charitable Federal income tax deduction for the gift, the development officer involved with the donor should ensure that the donor is aware that a current, qualified, professional independent appraisal<sup>3</sup> must be obtained at the expense of the donor within specific time deadlines imposed by the IRS and no later than July 15 following the close of the fiscal year in which the gift was accepted. The qualified appraiser must execute the appraiser portion on the second page of the IRS 8283 form in order for the donor to claim the charitable deduction.

Gifts Valued at More than \$5,000 and the Donor either Does Not Wish to Claim a Charitable Federal Income Tax Deduction for his/her Gift or Fails to Provide a Copy of his/her Appraisal to the Office of Development: If the donor either does not wish to claim a tax deduction, or does not provide a copy of their appraisal, it is the responsibility of the department receiving the gift to obtain an appraisal – absorbing the cost involved. In these instances, internal valuations may be used for the purpose of recording gifts up to \$50,000, but there must be written documentation from the donor that they either are not taking a tax deduction or will not provide a copy of the appraisal. No IRS 8283 Form will be executed under these circumstances.

---

<sup>2</sup> Current qualified appraisal as defined by the Internal Revenue Service in IRS Publication 561, Determining the Value of Donated property (4/2007), as amended

<sup>3</sup> Id.

Only authorized individuals for the College or the foundation receiving the gift may sign 8283 forms and deeds of gift acknowledging receipt. For the College of William & Mary Foundation, authorized persons are the Assistant Treasurer or the Assistant Secretary (contact the Office of Gift Planning for further information); for Swem Library and other College libraries, the authorized person is the Dean of University Libraries; for the Virginia Institute of Marine Science of the College of William and Mary ("VIMS"), the authorized person is the Dean of VIMS; and for the College, the authorized person is the Vice President of Development. No other persons, including Directors or Department heads, are authorized to sign 8283 forms. No signature may be made on an 8283 Form unless the professional appraiser portion of Section B, Part III of the 8283 form has been executed by a professional appraiser first, and the form has been reviewed by the Office of Gift Planning.

IRS Form 8282 and Form 1098C: If the gift is disposed of within three years, Form 8282, which provides information about the disposal (including sales price), must be filed by the charity (the College or the Foundation) with the IRS and a copy provided to the donor. It is the general policy to keep all gifts of tangible personal property used to further the mission of the College for at least three years. The College and its related foundations reserve the right to sell or otherwise dispose of tangible and intangible gifts at any time. Please note that a gift of an automobile, boat, or airplane also requires transfer of title with the appropriate state agency and an IRS 1098C form executed by an authorized individual as identified above.

Restrictions on Gifts of Personal Property:

Tangible gifts not accepted by The College of William & Mary Foundation: The College of William & Mary Foundation does not accept gifts of marine vessels, aircraft, fixtures or equipment where the insurance costs of operation may be prohibitively expensive. Such gifts may be used by the College, and development officers may explore having these items gifted to the College or to VIMS, in consultation with the office of Gift Planning. The College of William & Mary Foundation does not accept books or related materials for Swem Library or other University Libraries, except as authorized by the Gift Acceptance Committee as an exceptional circumstance (see above).

Livestock is not accepted by either the College or The College of William & Mary Foundation

Tangible Gifts for University Libraries: The administrative contact for, and the authority to accept, donations of books and materials for University Libraries, including Swem Library and/or its Special Collections Research

Center, is restricted to the Dean of University Libraries and whomever she has authorized as stated in policies of the University Libraries. This includes drafting and execution of any documentation including, but not limited to, Deeds of Gift, and other forms for donations approved in College library policies. For tangible gifts valued in excess of \$5,000, only the Dean of University Libraries has the authority to accept the tangible gift on behalf of the College of William and Mary by execution of the Deed of Gift and the 8283 form. The Dean of University Libraries has no authorization to accept any gifts on behalf of the College of William & Mary Foundation.

The following restrictions apply to any proposed tangible gifts for University Libraries, including Swem Library and/or its Special Collections Research Center ("SCRC").

Generally, University Libraries do not collect:

- Large collections unrelated to the College's academic mission.
- Photocopies of materials held in other repositories
- Collections that are primarily in foreign languages
- Duplicate items already in the collections, that are in poor physical condition.
- Fractional shares of tangible gifts.
- Gifts of tangible property on the condition that the items will be permanently exhibited or that the collections will be maintained and shown as such.

In addition to the restrictions listed above, the SCRC does not collect:

- Photocopies or other reproductions of original material, unless the originals are no longer in existence or are unavailable to the public
- Images of museum objects
- Duplicates of material already in the SCRC collections, except when the duplicate is in better condition than the SCRC copy
- Research notes, unless included as a sub-unit of a collection of related primary material or unless largely focused on local genealogy
- Current local, state, and federal government records
- Autographs (signatures with no historically significant information), in most cases

Real Property: Outright gifts of real estate, including contributions of fractional interests and remainder interests in charitable life estates, are subject to review and acceptance in advance by the William and Mary Real Estate Foundation. The Office of Gift Planning has responsibility for coordinating the process of review and acceptance of all outright gifts of real property in consultation with the William and Mary Real Estate Foundation and other administrative units as appropriate.

Real property intended to fund a charitable remainder trust is subject to review and acceptance in advance by the designated corporate trustee in consultation with other administrative units as appropriate. The Office of Gift Planning has responsibility for coordinating this review and acceptance process.

Gifts of timeshare interests are not accepted by the College, The College of William & Mary Foundation, or the William and Mary Real Estate Foundation.

Life Insurance: The Office of Gift Planning has responsibility for coordinating the process of review and acceptance of all outright gifts of life insurance. The College of William & Mary Foundation will accept – without the necessity of review and approval by the Gift Acceptance Committee – gifts of life insurance policies, including whole life, variable and universal life policies, which meet the following three criteria:

1. The policy is either paid-up or, if not paid-up as of the date of the gift, has a minimum face value of \$100,000; has a payment schedule not to exceed twelve years; assumes an interest rate not to exceed one percent below the prevailing prime interest rate as reported in the Wall Street Journal (for existing policies an “in force” illustration will be required); and requires a written pledge of a charitable contribution from the donor to the Foundation in a total amount which equals or exceeds the total premiums due; and with pledge payments scheduled so as to equal or exceed each policy premium payment as that payment becomes due. This written pledge also will acknowledge the absolute ownership of the Foundation and its right at any time to accept the paid up portion of the policy or to cash-in the policy and apply the proceeds of the same for the benefit of Foundation in accordance with an existing endowment agreement, if any; and if there is no endowment agreement in effect, or if minimum funding levels for the same are not attained with the proceeds, the pledge shall provide that the proceeds shall be applied as the Board of Trustees of the Foundation may deem appropriate, giving due consideration to the intent of the donor.
2. While the insurance policy will identify the College of William & Mary Foundation as the beneficiary, the development officer should work with the donor to clarify the purpose of the gift – whether it be for endowment (existing or new), specific program or department, or unrestricted use – by attachment of a memorandum, letter, or endowment agreement to be attached to the policy. Note that such designation must be to a fund at the Foundation and may not be re-designated to another charity, including other College-related foundations.
3. If intended for endowment purposes, the face value of the policy meets the minimum funding standards for endowments for its stated purpose(s) established by the Board of Trustees of the Foundation in effect at the time of the gift of the policy.

The Foundation does not accept life insurance policies that involve premium financing.

Deferred Gifts

Irrevocable Deferred Gifts: Irrevocable deferred gifts include charitable gift annuities, charitable remainder trusts, pooled income fund contributions, and gifts of real estate subject to retained life estate(s). The Office of Gift Planning has responsibility for assisting donors and their professional advisors in establishing such gifts and for coordinating the process of review and acceptance in consultation with the designated corporate trustee, constituent schools, related foundations, and other administrative units as appropriate.

Once the College of William & Mary Foundation is named as irrevocable beneficiary of a deferred gift, the donor may not re-designate the remainder interest to be distributed to another charity, including other College-related foundations. This applies to charitable gift annuities, charitable remainder trusts, life insurance policies which are owned by the Foundation, gifts to the Foundation's pooled income fund, and other such gifts.

Revocable Deferred Gifts: The Office of Gift Planning has responsibility for assisting donors and their professional advisors in naming William and Mary and its affiliated programs and foundations as beneficiary of a will, trust, life insurance policies, commercial annuities, IRA and other retirement plans in consultation with other constituent schools, related foundations and administrative units as appropriate.

Oil, Gas, and Mineral Interests. The Office of Gift Planning has responsibility for coordinating the process of review and acceptance of all outright gifts of oil, gas, and mineral interests. The College of William and Mary may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest, the gift shall be approved by the Gift Acceptance Committee, and if necessary, by the Office of Legal Affairs. Criteria for acceptance of the property shall include:

- Gifts of surface rights should have a value of \$20,000 or greater.
- Gifts of oil, gas, and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
- A working interest is rarely accepted. A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.
- The property should undergo an environmental review to ensure that the College has no current or potential exposure to environmental liability.

June 24, 2009

Page 17 of 17

Special Situations:

Conditional Gifts: Conditional gifts are those gifts that, because of some qualifier or restriction, are considered non-routine. Conditional gifts may commit the College or The College of William & Mary Foundation to act within a specified time or use a gift for a specific purpose. All conditional gifts must be reviewed by the Gift Acceptance Committee. Gift acceptance agreements should specify a time period for meeting the conditions for the gift and should also indicate what will happen to the gift if the conditions are not met.

Recognition of Discounts and Services: The College of William & Mary recognizes that corporations or private individuals may offer significant discounts on materials or services to the College. While these “gifts” do not qualify as tax-deductible donations, it is important to acknowledge and recognize these items through the College’s formal stewardship programs. Donor acknowledgement of a significant discount on materials or services will be made by the University Development Office and the receiving department at its discretion. See form for Recognition of Donations of Discounts and Services.

If, in any instance, a gift offered by a donor would put the College in an embarrassing or untenable position with the general public, the College and the Foundation will decline acceptance.