



UNIVERSITY  
*of* MOBILE

## Gift Acceptance Policy

- University of Mobile seeks outright gifts and future gift commitments that are consistent with its mission. Donations generally will be accepted from individuals, partnerships, corporations, organizations, government agencies, or other entities without limitations—unless acceptance of gifts from a specific source is inconsistent with the organization’s beliefs, values, and mission. University of Mobile will not accept gifts from companies whose products may be harmful to our clients or from donors whose requests for public recognition are incompatible with our philosophy of appreciation.
- In processing, all gifts will be coded in the donor database for the constituency source from which the gifts were given (e.g., individual, corporation, foundation organization, etc.).
- Multi-year pledges for major gifts are encouraged, but for no more than three to five years. Donors should complete and sign a gift agreement or pledge commitment letter detailing the purpose of the gift, payment schedule, and how they wish their name to appear in donor recognition materials.
- Donors are encouraged to support areas reflecting their interests. University of Mobile’s priorities include gifts for unrestricted, restricted, and endowment purposes.
- A selection of named or commemorative gift opportunities may be made available to each donor. Such opportunities represent a tangible means of demonstrating an individual donor’s investment in University of Mobile.
- When gifts with restrictions are accepted, restrictions will be honored. These restrictions will be detailed in the donor’s gift or pledge commitment letter.
- Donor information that should be private and confidential will not be made public. Certain types of gifts must be reviewed prior to their being accepted because they will create liabilities or impose special obligations on the University of Mobile. The types of gifts which will require review are as follows:
  - **Publicly Traded Securities** Stocks, bonds, and other securities may be accepted only upon approval of the Associate Vice President or Vice President for Advancement or President. A gift of stocks or bonds held more than six months, which has grown in value, not only qualifies for a charitable-contribution deduction (based on the fair market value) but also avoids tax on the appreciated portion of the gift. Valuation of stocks and bonds will be determined as the mean between the high and the low price on the date of the gift. The date of the gift will be calculated as: 1) the date the certificate is personally handed to a representative of University of Mobile; 2) the date on the certificate if changed to the name of the University of Mobile or its designated fiscal agent; or 3) the postmark date if mailed or the date and time of transfer if electronically transferred to an account at the University of

Mobile's broker's office.

- **Closely Held Securities** Nonpublicly-traded securities may be accepted after a consultation with the treasurer and/or legal counsel. A qualified appraiser must determine the fair market value of the securities. Prior to acceptance, the University of Mobile should explore methods of immediate liquidation of the securities through redemption or sale. No commitment for repurchase or sale of closely held securities should be made prior to completion of the gift of the securities, as the transaction might be viewed by the IRS as a sale rather than a gift, with adverse tax consequences for the donor.

- **Real Estate**

Gifts of real estate should be reviewed by University of Mobile board of directors or gift acceptance committee before acceptance. The donor should be responsible for obtaining and paying for an appraisal of the fair market value and an environmental audit of the property. Prior to presentation to the board or gift acceptance committee, a member of the staff must conduct a visual inspection of the property. If the property is located in a geographically isolated area, a local real estate broker can substitute for a member of the staff in conducting the visual inspection. Property that is encumbered by a mortgage should not be accepted.

- **Life Insurance**

The Associate Vice President or Vice President for Advancement or President of the University of Mobile can accept a life insurance policy as a gift only when the organization is named as the owner and beneficiary of the policy.

- **Tangible Personal Property**

Gifts of tangible property to the University of Mobile should have use related to the organization's tax-exempt purposes. Gifts of jewelry, art- work, collections, equipment and software may be accepted after approval by the gift acceptance committee. Such gifts of tangible personal property defined above shall be used by or sold for the benefit of the organization. The organization must follow all IRS requirements in connection with disposing of gifts of tangible personal property and filing of appropriate tax reporting forms. An authorized appraisal of the contributed property paid for by the donor is required for any gift over \$5,000. The board will have final approval for acceptance of all gifts of personal property.

The University of Mobile may elect to refuse gifts of cash, securities, real estate, or other items of value if there is reason to believe that such gifts are incompatible with the mission of the organization, conflict with its core values or would create financial, administrative, or programmatic burden. The Associate Vice President or Vice President is directed to refer questionable gifts to the President for guidance on a case-by-case basis.

**Planned Giving:** While an outright gift is always best for the University of Mobile, some donors may find that they can support the organization at a more substantial level with a planned gift. Mechanisms such as charitable remainder trusts, unitrusts, charitable gift annuities, bequests, and gifts of life insurance policies often provide the donor with significant tax relief while at the same time providing for the future of the University of Mobile.

The following gifts offer benefits to the donor that may include receiving an income or passing assets onto heirs.

- **Charitable Gift Annuity**—a contract between the University of Mobile and the donor paying a guaranteed lifetime income to one or two beneficiaries in return for a gift of cash, securities, or real estate. The rate of payout on gift annuities will follow the rates established by the American Council on Gift Annuities. There shall be no more than two beneficiaries. The minimum gift accepted to establish a charitable gift annuity is \$10,000. No income beneficiary for a charitable gift annuity shall be younger than 50 years of age.
- **Deferred Gift Annuity**—an annuity tailored to meet the needs of the donor who prefers to receive income at a future date (at least one year after the date of the gift), but who claims a substantial charitable contribution in the year of the gift. The principal value of a charitable deferred gift annuity can be pledged over a period of years prior to when payments are scheduled to begin. The donor will not receive income until the entire pledge is fulfilled. There will be no more than two beneficiaries. The minimum gift accepted to establish a deferred gift annuity is \$10,000. No income beneficiary for a deferred gift annuity shall be younger than 40 years of age.
- **Pooled Income Fund**—a fund that operates much like a mutual fund. Administrative fees shall be paid from the income earned on the pooled income fund. No income beneficiary in the fund shall be younger than 55 years of age. No more than two income beneficiaries may be named. The minimum initial contribution to the fund shall be \$10,000. Additional gifts may be added for amounts beginning at \$1,000.
- **Charitable Trusts**—a trust of which the University of Mobile does not act as trustee. The administration of these trusts should be performed by a bank trust department or other trustee selected by the donor.
- **Charitable Remainder Unitrust**—an individual trust providing for annual income to a donor and/or named beneficiaries that can increase or decrease year to year, depending on annual valuation of the trust's assets. A unitrust is well suited to a donor seeking income growth, though with some downside risk. A net income only unitrust is well suited to donors of real estate.
- **Charitable Remainder Annuity Trust**—a trust offering the assurance of a fixed dollar income. The donor and/or beneficiary receive annually an amount of dollars fixed irrevocably at the time the gift is established and stated in the trust agreement. The minimum gift is \$100,000.
- **Lead Trust (Income to Charity for a Term Certain)**—a trust whose income or “lead” interest is given to the University of Mobile and the remainder interest is given to one or more non-charitable beneficiaries, which can be the donor or his or her family. This gift option offers current income to the University of Mobile and is a method where assets can be retained by the donor or passed to heirs at a later time, often at considerable tax savings.
- **Bequest**—a gift bequeathed to University of Mobile in a donor's will. Unless its use is specified by the donor, the University of Mobile will direct this gift to the organization's endowment fund.