



United Way of the Bay Area

Gift Acceptance and Planned Giving Policies

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Gift Acceptance and Planned Giving Policies

Overview

I. Conflict of Interest

The interests of the prospective donor must be a primary consideration with respect to any gift to United Way of the Bay Area (UWBA). We will ensure this to be so by advising the donor to secure the advice of independent legal and tax counsel in all matters pertaining to gifts. Employees of UWBA should provide information to the donor concerning planning techniques available to achieve a donor's charitable goals, including full disclosure. Pressure techniques must be avoided and no program, agreement, trust or contract should be presented that would benefit United Way at the expense of the donor's best interests and charitable motivations.

II. Confidentiality

All information concerning prospective donors should be confidential. No information should be released to the general public without securing prior permission of the donor.

III. Legal/Tax Counsel

Donors will always be advised to secure the advice of independent legal and tax counsel in all matters pertaining to a gift. A disclaimer statement may be appropriate.

IV. Purpose

To establish administrative processes to accept and administer gifts in a prudent and efficient manner

V. Date Approved

Initially approved by the United Way of the Bay Area (UWBA) Board of Directors on May 9, 2001, as amended xxxx

VI. Policy Guidelines

Planned Giving and Gift Acceptance policy development is critical to United Way of the Bay Area's mission. The Board of Directors (Board) recognizes the importance of establishing policies and procedures to meet the development needs of UWBA and of directing vigorous efforts to attract private fund support and ultimately build permanent endowment funds.

This policy serves as a guideline to the UWBA 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 UWBA. This policy is intended as a guide and allows for some flexibility on a case-by-case basis.

Responsibility to Donors

1. In all gift matters, UWBA staff and volunteers must be aware of and sensitive to the potential donor's financial needs and concerns.
2. All representatives of UWBA shall use their best judgment to help donors make appropriate gifts. Each representative should be knowledgeable about gifts and should disclose to the donor advantages and disadvantages that could reasonably be expected to influence the decision of the donor to make a gift to UWBA. In particular, planned gift items subject to variability (such as market value and income payments) should be discussed fully. All prospective donors shall be advised to seek legal and/or tax advice from their own counsel and disclose that UWBA staff/volunteers are representing the interests of UWBA.
3. The UWBA Board will not knowingly accept a gift that is contrary to the donor's best interests.
4. The UWBA will not under any circumstances (a) furnish property appraisals or valuations to donors for tax purposes or (b) knowingly participate in a transaction in which the value of a gift is inflated above its true fair market value to obtain a tax advantage for a donor.
5. In accordance with the provisions of the *Internal Revenue Code* and related regulations, proper records will be kept and required tax returns filed by the United Way of the Bay Area Development Department (UWBADD) for all gifts processed and/or administered by UWBA. The UWBA Chief Financial Officer or his/her designee(s) shall execute all necessary IRS forms, including IRS forms 8283 and 8282, that relate to gifts processed and/or administered by the UWBADD.
6. All donations will be deemed confidential to the extent permitted by law. However, a donor may authorize public announcement of any feature of an agreement. All files will be made available upon request to agents of the Internal Revenue Service. All other requests for information will be honored only if the donor approved the release of information or if current law requires release of the information.

General Endowment Fund

Donors to UWBA may provide ongoing support to the organization through unrestricted gifts of any amount to the General Endowment Fund. These gifts may include cash, securities, real property, jewelry, real estate, and other assets, which can be converted to cash, and funds for which restrictions no longer apply. Principal may be invaded out of the General Endowment Fund (Type A Fund), but only in the event of an extraordinary emergency. An 'Emergency' shall be determined by the UWBA Board of Directors in consultation with the Finance Committee.

1. **Endowment Fund Priorities:** Available annual income from the unrestricted General Endowment Fund (Type A Fund) may be used for the following purposes, listed in order of priority:
 - To provide for extraordinary community emergencies
 - To encourage, through one-year external grants, innovative agency program development
 - To provide start-up resources for special projects within UWBA
2. **Promoting Gifts to the Endowment Fund:** In encouraging undesignated endowment gifts, UWBA staff and representatives shall use the following guiding principles:
 - Except for memorial donations, an effort will be made to solicit gifts of \$5,000 or more
 - Solicitation for the Endowment Fund will be designed to work in concert with the annual campaign effort. Therefore, Endowment representatives will refrain from soliciting campaign contributions or specifically identified campaign prospects during the period of the annual campaign (September through November). This shall not preclude year-round education and information programs by the Planned Giving Program to the General Public.

- Planned Giving Program representatives will encourage campaign contributors to make a planned gift commitment to sustain their campaign gifts, produce additional tax advantages for the contributors, and generate principal for the Endowment Fund.
- The Endowment Fund will be developed from the following sources: new and additional planned gifts; asset appreciation; and campaign contributors, or a diversion of a specific percentage from the annual campaign, at the discretion of the UWBA Board of Directors.

Philanthropic Funds:

Donors may personalize an endowment gift by establishing a restricted fund (Type B Fund) or a Donor Advised Fund (Type C Fund).

1. **Restricted Funds (Type B):** an Endowment gift restricted by the donor for a specific purpose (e.g. geographic area of distribution; target population recipients; field of service limitation). Stipulated restrictions placed on these funds may apply for a designated period of time. Principal may not be invaded in Type B funds except as stipulated in individual donor agreements.
2. **Named Restricted Funds:** Type B funds may also include those funds which are managed and distributed in the name of the donor or the donor's designee (e.g. a memorial) as stipulated through a will. The minimum amount for a named fund shall be \$50,000, which can be given at one time or fulfilled through a three-year pledge.
3. **Donor Advised Funds (Type C):** Also called advise-and-consent funds, Donor Advised Funds are individual fund accounts, managed by UWBA, into which a donor may add periodic contributions, and from which the donor may suggest periodic contributions, and from which the donor may suggest periodic distributions to specified charitable groups operating within the counties served by UWBA. Contributions to a Donor Advised Fund may be in the form of cash, property or securities. For a permanently endowed Donor Advised Fund, UWBA requests a minimum initial contribution of \$25,000, which may be fulfilled over a three-year period. (See Addendum B for a suggested Donor Advised Fund agreement).

UWBA will provide reports to the donor, to guide donors when requested in selecting areas of distribution, fields of service causes or agencies to benefit from their fund. UWBA will make sure donors do not exceed their advisory role.

Gift Administration for Endowment Fund Gifts: UWBA will track the dollar amount contributed by donors to the Endowment Fund. The fund manager will track the percentage or unit of each donor's gift to the total fund and report both the total and the interest income attributed to the individual contributor annually. Interest income will be apportioned according to each contributor's investment. For transferring gifts into the Endowment Fund managed by a financial institution of UWBA's choosing, UWBA, upon receipt of money, will forward a check to the Endowment Fund with an acknowledgement form. UWBA will not forward the names of the contributors to the financial institution managing the Endowment Fund except when a named philanthropic fund is opened.

Gift Acceptance Guidelines

Gift Acceptance Committee (GAC)

When not addressed in these policies, the Gift Acceptance Committee (GAC) has the authority to accept or reject gifts offered to UWBA. The GAC must have the ability to respond quickly and responsibly. The committee will be appointed by the Chair of the Board and comprised of the Chief Development Officer or designee, Chief Financial Officer or designee, Chair of the Board, Treasurer, and one or two knowledgeable volunteers. Where gifts may carry significant risks or unique situations, the GAC may ask for outside experts to make recommendations and/or execute on the acceptance and/or sale of the gift. Board approval of recommendations and UWBA's General Counsel should also be consulted in the case of gifts with significant risks or extenuating circumstances.

Current Gifts

Cash

1. All gifts by check shall be accepted by UWBA regardless of amount.
2. Checks shall be made payable to UWBA. In no event shall a check be made payable to an individual who represents UWBA.

Publicly Traded Securities

1. Readily marketable securities, such as those traded on a stock exchange or a mutual fund, can be accepted by UWBA. In general we will only accept mutual funds that can be transferred into a brokerage account and liquidated there. Publicly traded stock is always acceptable.
2. Gifted securities are intended to be sold immediately by UWBA.

Closely Held Securities (also known as Non-Publicly Traded Securities)

1. Closely Held Securities may be accepted after approval of the Gift Acceptance Committee (GAC) in consultation with the General Counsel.
2. Prior to acceptance, UWBA shall explore methods of liquidation for the securities through redemption or sale. A representative of UWBA shall try to contact the closely held corporation to determine:
 - An estimate of fair market value
 - Any restrictions on transfer
3. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

Real Estate

1. UWBA will actively solicit partnerships and vendors within the real estate, charitable services, and/or fiduciary community to assist with any and all real estate transactions.
2. Gifts of real estate must be reviewed by the GAC before acceptance. Review should be based upon the information listed in Appendix A, Checklist for Gifts of Real Property. Gifts should also be reviewed by an outside real estate professional (for example a licensed real estate broker, real estate attorney or real estate consulting firm). It should be assumed that all real estate gifts will be sold as quickly as possible. Real estate gifts will be accepted based upon projected financial benefit to the United Way of the Bay Area to include projected sale price, anticipated

time to sell the property, and financial obligations associated with the property. It is the policy of UWBA to sell the property as soon as market conditions allow.

3. No real estate will be accepted prior to completion of an environmental audit. The expense of this audit is a negotiated item between UWBA and the donor. The audit should be performed by an independent firm qualified to conduct such audits.
4. The donor is responsible for obtaining an appraisal of the property. The cost of the appraisal is borne by the donor.
5. Prior to presentation to the GAC, a member of the staff must conduct a visual inspection of the property. If the property is located in a geographically distant or isolated area, a licensed real estate broker can substitute for a member of the staff in conducting the visual inspection.
6. Due to the time and expenses associated with gifts of real estate, only gifts with an estimated value to UWBA in excess of \$50,000 will be accepted.
7. Prior to presentation to the GAC, the donor must provide the following documents:
 - a. Real estate deed
 - b. Real estate tax bill
 - c. Plot plan
 - d. Substantiation of zoning status
 - e. Environmental survey/testing for hazardous substances that has been conducted
8. Although it is the policy of UWBA to sell the property as soon as market conditions allow certain expenses may accrue between the time that the property is received by UWBA and it is sold. Depending on the value and desirability of the gift, the donor's connection with UWBA, and the donor's past gift record, the donor may be asked to pay for all or a portion of the following as long as the property is the possession of UWBA:
 - a. Maintenance costs
 - b. Real estate taxes
 - c. Insurance
 - d. Real estate broker's commission and other costs of sale
 - e. Appraisal costs
 - f. Environmental survey
9. Retained life estates cannot currently be accepted by UWBA. Bargain sales must be reviewed by the GAC and must be reasonably expected to net UWBA in excess of \$100,000.

Life Insurance

1. UWBA may be named as a beneficiary, secondary beneficiary or contingent beneficiary of a life insurance policy and donors will receive soft dollar recognition. A definition of the term 'soft credit' can be found in Addendum C.
2. Hard dollar gift credit will only be provided for life insurance policies when UWBA is named as the owner and beneficiary of 100% of the policy. A definition of the term 'hard credit' can be found in Addendum C.
3. Exclusive participation with one Life Insurance Company or program is discouraged and will only be permitted when approved by the UWBA Board of Directors.
4. UWBA must be named both as beneficiary and irrevocable owner of an insurance policy before a policy can be recorded as a gift before the death of the insured. UWBA will accept gifts of life insurance for which the organization becomes the irrevocable owner and beneficiary and for which annual premiums are either paid-up or will be paid by the contributor or paid from the net earnings of the policy. When the gift is not self-sustaining, either because the contributor does not pledge to pay the premiums or net policy earnings are not equal to or greater than the premiums, UWBA will accept the policy only if there is a net positive cash value. In such a case, UWBA will terminate the policy and receive the net cash value as the gift. Exceptions to this

policy will be considered by the Gift Acceptance Committee on a case-by-case basis. UWBA will record the cash surrender value of the policy when given, rather than its face value, as the amount of the gift and will carry it in the Endowment Funds.

Retirement Accounts

To the extent that it is allowed under current law, UWBA will promote and facilitate the use of retirement account distributions prior to the death of the owner as described in the Pension Protection Act of 2006.

Tangible Personal Property

1. Gifts of tangible personal property to UWBA will, in all likelihood, not be related to UWBA's exempt purpose. It should be assumed that all tangible personal property gifts will be sold as quickly as possible.
2. Gifts that will not be used by UWBA (for example: jewelry, artwork, collections) shall be accepted only after approval by the GAC. Gifts that will be used by UWBA (for example: furniture, equipment, and software) shall be accepted only after approval by the Chief Financial Officer or designee and the appropriate Department Head (i.e. Facilities, or Information Technology).
3. No property which requires special display facilities, insurance provisions or security measures shall be accepted by UWBA without consultation with the GAC.
4. Depending upon the anticipated value of the gift, UWBA shall have a qualified outside appraiser value the gift from the perspective of resale value before accepting it. This will be done independently of the donor's own appraisal.
5. UWBA adheres to all IRS requirements related to disposing of gifts of tangible personal property and filing appropriate forms.
6. Gifts of tangible personal property valued at less than \$10,000 that are not expected to be used by UWBA will not be accepted.

Deferred Gifts

UWBA will participate in the following deferred planned gift options. Definitions of all of these types of gifts can be found in Addendum C.

1. Charitable gift annuities
2. Deferred gift annuities
3. Pooled income funds
4. Charitable remainder trusts
5. Charitable lead trusts
6. Bequests

Charitable Gift Annuities

1. UWBA will utilize United Way of America (UWA) National Charitable Gift Annuity Program.
2. UWBA will adhere to the policies of the UWA National Charitable Gift Annuity Program, to include:
 - a. There shall be no more than 2 beneficiaries on a charitable gift annuity.
 - b. The minimum gift accepted to establish a charitable gift annuity is \$10,000.
 - c. No income beneficiary for a charitable gift annuity shall be younger than 60 years old.
 - d. UWA follows the American Council on Gift Annuities suggested rates.

Deferred Gift Annuities

1. UWBA will utilize the UWA National Charitable Gift Annuity Program.
2. UWBA will adhere to the policies of the UWA National Charitable Gift Annuity Program, to include:
 - a. The minimum gift accepted to establish a deferred gift annuity is \$10,000.
 - b. The minimum age for deferred gift annuity payments to commence is 60.
 - c. UWA follows the American Council on Gift Annuities suggested rates.

Pooled Income Funds

1. UWBA will utilize the UWA National Pooled Income Fund.
2. UWBA will adhere to the policies of the UWA National Pooled Income Fund, to include:
 - a. The minimum initial contribution to the fund shall be \$2,500. Additional gifts may be added for amounts beginning at \$1,000.
 - b. The minimum age is 50.

Charitable Remainder Trusts

1. Investment of a charitable remainder trust shall be determined by those hired by the donor. No representations shall be made by a UWBA employee or person acting on behalf of UWBA as to the management or investment of such charitable remainder trust. UWBA may provide the donor a list of organizations providing trustee/administrator/investment services without recommending one.
2. The payout rate of a charitable remainder trust shall be determined by the donor in conjunction with the donor's advisor(s). UWBA may illustrate to the donor and donor's advisor(s) how a proposed payout rate may impact the ultimate remainder amount received by United Way of the Bay Area.

Charitable Lead Trusts

1. Investment of a charitable lead trust shall be determined by those hired by the donor. No representations shall be made by a UWBA employee or person acting on behalf of UWBA as to the management or investment of such charitable trust. UWBA may provide the donor a list of organizations providing trustee/administrator/investment services without recommending one.
2. The payout rate of a charitable lead trust shall be determined by the donor in conjunction with the donor's advisor(s). UWBA may illustrate to the donor and donor's advisor(s) how a proposed payout rate may impact the ultimate remainder amount received by United Way.

Bequests

1. Assets transferred through bequests (whether via named beneficiary or named in a will) that have immediate value to UWBA or can be liquidated shall be encouraged by the development staff. Gifts that appear to require more cost than benefit shall be discouraged or rejected.
2. Donors who have indicated that they have made a bequest to UWBA may, depending upon the individual situation, be asked to disclose, in writing or by copy of the will, the relevant clause that benefits UWBA as evidence of their gift. This information is used for internal financial purposes and is not binding on the donor.
3. Donors are requested to notify UWBA of subsequent changes to the will that affect the bequest.

Administrative Issues

1. UWBA shall not act as an executor (personal representative) for a donor's estate.
2. UWBA will not act as trustee or co-trustee on any charitable trust.
3. UWBA may pay for the drafting of legal documents for a charitable remainder trust when UWBA is named as an irrevocable beneficiary of 50% or more of the trust. The donor's own counsel must review the documents at the donor's cost.

Gift Credit and Recognition

In general, donors will receive credit and recognition for the hard dollar value of their gift. The hard dollar value is the amount of the gift that qualifies for an IRS income tax charitable deduction (the market value at the time of the gift.)

Example, a \$10,000 gift of cash or \$10,000 gift of marketable securities would receive credit and recognition for \$10,000.

In cases of deferred gifts (i.e. gifts of life insurance, charitable gift annuities, and charitable remainder trusts) a donor may receive both hard dollar campaign credit and soft dollar Legacy Society (Definitions of all of Legacy Society can be found in Addendum C.) recognition for the actual expected value of the gift to UWBA.

The hard dollar value of an irrevocable deferred gift will be used to credit the value of the contribution (in general this is the amount that qualifies for an income tax deduction). United Way of America will also provide national recognition for the hard dollar value of gifts (a) National Tocqueville Society (\$100,000 gift recognition in year of gift) or (b) Million Dollar Roundtable (recognition in perpetuity once \$1 million level achieved). United Way must be named as the irrevocable beneficiary in order for the donor to receive hard dollar credit.

In addition, soft dollar gift recognition is available in the UWBA Legacy Society. The gift may be revocable or irrevocable. Soft dollar recognition is provided in the following way:

- When donors have made a commitment but no dollar amount is known or disclosed, donors will be listed as members of UWBA Legacy Society.
- Donors who have notified UWBA of commitments in excess of \$200,000 will be listed in the UWBA Legacy Society as Tocqueville Legacy Circle Donors.
- Donors who have notified UWBA of commitments in excess of \$1 million will be listed as Million Dollar Legacy donors.

Example: A donor signs a letter of intent indicating United Way has been named in his/her will. No amount is mentioned. The donor receives NO hard dollar credit but is recognized as a member of UWBA Legacy Society.

Million Dollar Legacy recognition will be afforded donors with soft dollar commitments of \$1 million or more.

Example: A donor purchases and owns a \$1,000,000 life insurance policy and names United Way as the revocable beneficiary. The donor receives NO hard dollar credit but receives Million Dollar Legacy recognition in the UWBA Legacy Society

NOTE: When the policy matures and the \$1 million is received by United Way, the donor would receive "hard" dollar credit, posthumously, in United Way of America's Million Dollar Roundtable.

APPENDIX A: CHECKLIST FOR GIFTS OF REAL ESTATE

PROSPECTIVE GIFT INFORMATION:

Name of Contributor: _____

Resident Address: _____

Phone Number: _____

Property Address: _____

Type of Property: Residential: _____ Farm: _____
Commercial: _____ Undeveloped: _____

Zoning: _____

To the extent possible, the following information should be ascertained from the contributor during the early stages of gift consideration.

Owner's Interest in the Property: Full: _____ Partial: _____
Free & Clear: _____ Encumbered by: _____

Owner's Estimate of Value: \$ _____

Land Value: \$ _____

Improvements: \$ _____

Itemized Improvements: _____

Date Acquired: \$ _____

Acquisition Cost: \$ _____

Previous Owners: _____

Annual Current Property Income and Expenses:

Taxes:	\$ _____	Paid through: _____
Insurance:	\$ _____	
Utilities:	\$ _____	
Maintenance:	\$ _____	
Other:	\$ _____	
Rental Income:	\$ _____	
Operating Expenses:	\$ _____	
Net Cash Flow:	\$ _____	

APPRAISAL – Gifts of real property valued in excess of \$5,000 are subject to federal tax regulations requiring an appraisal. The appraisal should include:

1. a description of the property
2. a statement of the value, and the date as of which valued
3. the factors and basis on which the appraisal was made
4. the appraiser's signature and tax identification number

Gift Analysis – a representative of UWBA should personally inspect the property. Copies of the following documents are needed:

1. Deed and legal description of the property
2. abstract, or other evidence of legal title or title insurance
3. property tax bill
4. conditions, covenants, easements, restrictions and/or association agreements, liens
5. lease or rental agreements
6. three years income & expense on commercial properties
7. notes and trust deeds or mortgages (current mortgage statements)
8. property insurance policy
9. appraisal

During the inspection of the property, critique the following:

1. Character of real property in relation to surrounding properties and the general area.
2. Access to utilities, relative value of neighboring properties, etc.
3. Physical condition of the improvements
4. Apparent liabilities (i.e. unfenced swimming pool, uncovered well, etc)

Environmental Risk Assessment – Under the Comprehensive Environmental Responsibility, Compensation and Liability Act (CERCLA) and other applicable laws, the owner of a cleanup site may be held jointly and severally liable for the costs involved. To protect the UWBA from such risk, the following procedures should be followed and documented:

Inquire into the use of the property by all previous owners.

For exclusively residential property:

1. Make a visual inspection of the property

2. Inquire whether the owner knows of any buried toxics on site
3. Obtain a detailed written representation from the donor regarding the condition of the property (including any liens or material disclosures about the property)
4. Record the environmental condition of the property
5. Obtain an Indemnification Agreement if needed

For commercial property (in addition to above):

1. Request information about any past or present problems involving compliance with environmental laws from EPA and appropriate state and local regulatory agencies
2. Liens
3. Inspect the property
4. Phase I Environmental Study
5. Phase II Environmental Study if indicated
6. Obtain an Indemnification Agreement

Administrative (subsequent to approval):

1. Acknowledgement letter to donor
2. IRS Form 8283 for donor to file. An appraisal may be needed.
3. Deeds signed and recorded
4. Notifications to tenants or other parties
5. IRS Form 8282 for UWBA to file, if applicable

Resale (subsequent to approval):

1. Anticipated time frame for sale
2. Determination of listing agent
3. Necessary repairs
4. Apportionment of taxes, management fees and expenses
5. Other

ADDENDIX B: DONOR ADVISED FUND SUGGESTED AGREEMENT

Sample Donor Advised Fund Agreement

DONOR ADVISED FUND AGREEMENT

This Donor Advised Fund Agreement (this “Agreement”) is made on the date specified below by and between _____ and _____ of _____, _____ (city, state) (hereafter referred to as the “Donor”) and United Way of the Bay Area, a California nonprofit charitable organization (hereafter referred to as “UWBA”).

I. Donor Advised Fund Creation

The Donor hereby contributes to UWBA the property specified in Attachment “A” as the initial contribution to the _____ Donor Advised Fund (the “Fund”). The Donor represents that either (i) the value of the initial contribution is equal to or greater than the minimum required Donor Advised Fund amount of \$25,000; or (ii) the value of the initial contribution plus all future gifts which the Donor has pledged to make to the Fund within the next three years will be equal to or greater than the minimum required Donor Advised Fund amount of \$25,000.

II. Advisers

The Donor may advise UWBA in writing regarding distributions from the Fund during his/her/their life. UWBA will accept instructions from any and all of the named donors to this account (those signing on page 3). After the death or incapacity of these individuals, the following named individual(s) may serve as advisers to the fund: _____, _____. In the event that no written advice is received by UWBA with respect to distributions for three (3) consecutive years, UWBA may deem that no person has further interest in advising with respect to the Fund. In this circumstance, UWBA may give written notice to the last known designated adviser that the right to give further advice and counsel is terminated.

III. Distributions from the Donor Advised Fund

UWBA shall make distributions of income and/or principal from the Fund at such times, to such recipients, and in such amounts as the Board of Directors deem appropriate after consultation with the adviser to the Fund. The adviser shall recommend at least annually appropriate distributions. All recommendations shall be for distributions in amounts equal to or in excess of the minimum distribution amount of \$300.00. No person may receive any tangible benefit or privilege in return for a distribution from the Fund, and no distribution shall be made to fulfill anyone’s legally binding pledge. Distributions shall be made to qualified nonprofit organizations which are described in Internal Revenue Code section 501(c)(3) and which are not private foundations within the meaning of Internal Revenue Code Section 509(a) and shall include the following specified percentages: at least 50% to current programs in UWBA counties and operating in a way and having a purpose consistent with UWBA’s mission; 50% or less to programs of other qualified nonprofit organizations. All programs shall be consistent with UWBA’s mission statement as adopted by the UWBA Board of Directors. UWBA has the sole and absolute discretion to accept, decline, or modify the distributions recommended by the adviser. The adviser may not cause UWBA to make or not make any particular distribution from the Fund.

IV. Administration

UWBA shall accept contributions and administer the Fund in accordance with the Articles of Incorporation and By-laws of UWBA and the resolutions of the UWBA Board of Directors, as they may be amended from time to time. All Donor Advised Funds shall be component funds (Donor advised funds are required to be segregated from the sponsoring non-profit institution’s funds either physically and within the non-profit institution’s accounting records or exclusively within the accounting records. This segregation of funds is referred to as component funds.) and the exclusive property of UWBA, subject to the control of UWBA. While the Fund is a component fund of UWBA, the assets may be commingled for investment purposes and invested in units of any common investment fund of UWBA. UWBA shall have the right to convert any gifted property to securities or other assets of a common fund. The Fund shall be assessed charges and fees similar to those applicable for similar funds managed by UWBA.

V. Donor Advised Fund Remainder

The Fund is intended to be operational during the life/lives of the Donor. If the Donor designates another person as successor adviser for life in Section II, then the Fund shall continue for those lifetimes. After the death of the Donor or the Donor’s appointed advisers, or other termination of the advise power, as applicable, the Fund assets shall become part of UWBA’s unrestricted Board Designated Endowment Fund. Further, the Fund may terminate if its balance falls and stays below 50% of the specified minimum balance and the Donor chooses not to replenish the Fund.

VI. Donor Advised Fund Provisions

This Agreement is irrevocable. This Agreement may not be amended, except in writing and signed by UWBA and the Donor. Nevertheless, solely to ensure that the Fund is a qualified component of UWBA for federal tax purposes, UWBA, acting alone, shall have the power to modify the terms of this Agreement to the extent necessary to ensure such qualification. The laws of the State of California shall govern this Agreement. No person or entity, except UWBA, shall have a right, title or interest in the Fund.

IN WITNESS WHEREOF, UWBA and the Donor(s) have executed this Agreement as of _____
_____.

United Way of the Bay Area

By: _____
Title: _____

By signing below, we acknowledge that any signers may advise UWBA on distributions without the express permission of the other party.

Name of Donor 1: _____ Signature: _____

Name of Donor 2: _____ Signature: _____

ATTACHMENT A

The _____ Fund
(Name of Fund)

Description of property donated:

ADDENDIX C: DEFINITIONS

Bequest- donor leaves money or assets to UWBA in their will or living trust.

Component Funds – Donor advised funds are required to be segregated from the sponsoring non-profit institution's funds either physically and within the non-profit institution's accounting records or exclusively within the accounting records. This segregation of funds is referred to as component funds.

Charitable Gift Annuity- donor gives assets to a non-profit in exchange for a fixed, annual pre-determined payment to the donor for life. The income commences immediately.

Charitable Lead Trust- donor establishes a trust, funds it with assets, income from the trust is distributed to non-profits, at termination of the trust remainder assets are distributed to named individuals.

Charitable Remainder Trust- donor establishes a trust, funds it with assets, income from the trust is distributed to named individuals, at termination of the trust remainder assets are distributed to non-profits as determined by the donor.

Deferred Gift Annuity- donor gives assets to a non-profit in exchange for a fixed, annual pre-determined payment to the donor for life. The income to the donor commences at some later date.

Hard credit- the hard credit value is the amount of the gift that qualifies for an IRS income tax charitable deduction. Generally it is the amount of the gift received by UWBA at the time ownership changes hands.

Legacy Society- our recognition program for individuals who have notified us that we are the beneficiary of their estate or from whom we have received a testamentary gift.

Pooled Income Fund- donor gives assets to a non-profit in exchange for a variable, annual payment to the donor for life. The income commences immediately.

Soft Credit – the soft credit value is the amount of the gift that UWBA feels the donor should be recognized as having given. Generally the soft credit and the hard credit are the same number. Soft credit is only used for recognition purposes, not for tax receipt purposes.

Common examples are found in stock gifts or gifts that result in no current value to UWBA but do have an expected future value. With a stock gift a donor may donate stock with an expected value of \$10,000 however, due to market conditions the stock's value is actually \$9,900. In this case although the true funds received by UWBA are \$9,900 we would recognize this donor as if they had donated \$10,000.

When we receive notification that UWBA is the beneficiary of a life insurance policy there is no current value to UWBA. There is no monetary value to UWBA until the policy matures. However, institutionally we would like to recognize this donor. We would give soft credit to the donor for the amount of the expected future value of the policy, thereby including the donor in our recognition programs.