

WEBSTER UNIVERSITY

Gift Solicitation and Acceptance Policy

As approved by the Administrative Council and as reviewed by the Development Committee of the Board of Trustees

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Table of Contents

I. INTRODUCTION.....4

 Webster University Development/Alumni Office Purpose4

 Solicitation and Gift Acceptance Policy Purpose.....4

II. GUIDELINES FOR POLICY IMPLEMENTATION.....4

 Gift Acceptance Committee5

 Use of Legal Counsel5

III. COORDINATION OF APPEALS FOR FUNDS & APPROACHES TO DONORS 5

 Partnerships6

 Groups Funds6

IV. RECEIPTING, PROCESSING, & ACKNOWLEDGMENT OF GIFTS & PLEDGES.....6

V. TYPES OF GIFTS TO BE MARKETED & ACCEPTED7

 Cash8

 Publicly Traded Securities8

 Closely Held Securities8

 Real Property8

 Life Estate Gifts9

 Tangible Personal Property9

 Memorabilia Gifts.....10

 Intangible Personal Property11

 Gifts-in-Kind11

 Bequests11

 Charitable Remainder Unitrusts12

Determining the Unitrust Amount13

 Charitable Remainder Annuity Trusts13

Determining the Annuity Amount.....14

 Revocable Trusts14

 Charitable Gift Annuities14

 Deferred Payment Charitable Gift Annuities15

	Lead Trusts	15
	Life Insurance	15
	<i>Webster as Beneficiary</i>	15
	<i>Webster as Beneficiary and Owner</i>	16
	Retirement Accounts	17
	Government Bonds	17
	Donor-Advised Funds	17
	Donor-Directed Funds	18
	Royalties	18
	POD (Pay On Death)/TOD (Transfer On Death)	18
	Exclusions	18
VI.	USE OF GIFTS	19
	Unrestricted Gifts	19
	Restricted Gifts	19
	<i>Temporarily Restricted Gifts</i>	19
	<i>Permanently Restricted Gifts</i>	20
	Endowment Gifts	20
	<i>Matching Scholarship Award Program (June 1, 2006-December 31, 2010)</i>	20
	<i>Building an Endowment</i>	20
	<i>Spending an Endowment</i>	21
	Permanency Clause	21
	Unrestricted Designated Gifts	21
	Budget-relieving Gifts	21
	Budget-enhancing Gifts	22
	Budget-creating Gifts	22
VII.	DONOR RECOGNITION	22
	Annual Giving Clubs	22
	Milestone Recognition	23
	Planned Giving Recognition	23
	Named Recognition	23
VIII.	GENERAL POLICIES	24

	Guideline 1 – Gift Acceptance Committee	24
	Guideline 2 – Rights of Donors	24
	Guideline 3 – Conflict of Interest	24
	Guideline 4 – Undue Influence	25
	Guideline 5 – Confidentiality	25
	Guideline 6 – Authorization for Negotiation	25
	Guideline 7 – Assignment of Fiduciary Responsibilities	25
	Guideline 8 – Drafting Documents	26
	Guideline 9 – Investment of Funds	26
	Guideline 10 – Disposition of Funds	26
	Guideline 11 - Special Cases	26
IX.	RESOURCES	27
X.	APPENDIX	28
	Real Property Donor Disclosure Form	29
	Field Checklist for Initial Determination of Possible Presence of Hazardous Waste on Property to be Acquired by Webster University	32
	Sponsored Project Support Request Form	33
	Master List of Endowment Naming Opportunities (2006)	35
	Sample Scholarship Agreement Form	37
	Non-Cash Donation / Gift-In-Kind Form	39
	A Donor Bill of Rights	40
	Charitable Gift Annuity Application	41
	Charitable Gift Annuity Disclosure Statement	43
	Memorabilia Gift Agreement	48
	Binding Pledge Agreement Template	49
	Binding Pledge Agreement (Standard)	51
	Binding Pledge Agreement (Flexible)	53
	Patents	56

I. INTRODUCTION

Webster University Development/Alumni Office Purpose

In the broadest sense, the purpose of the Webster University Development/Alumni Office is twofold: (1) to develop and implement a plan to strengthen the services provided by Webster University through private gift and public grant support, and (2) to maintain and strengthen the relationship between alumni and their alma mater, and between Webster University and its friends (including organizations). To fulfill these purposes, it is the responsibility of the Development/Alumni Office to institute an organized program for obtaining gift support from alumni, friends, faculty and staff, corporations, organizations, foundations and government granting agencies.

Solicitation and Gift Acceptance Policy Purpose

The primary purpose of this Gift Solicitation and Acceptance Policy manual is to ensure that the University can respond quickly and appropriately to all gift offers while protecting the interests of Webster University and the persons and other entities that support its programs. A secondary purpose is to serve to educate the University's staff and Board about critical issues triggered by certain gifts. This policy shall also serve to maintain in one location master copies of disclosure statements and other important documents that may be required by state and federal regulatory authorities for certain gift planning arrangements.

The Gift Solicitation and Acceptance Policy shall serve to define 1) the role of the Development/Alumni Office as the central coordinating department for all types of fund raising programs and for all solicitation of funds; 2) the types of assets and gift forms that are acceptable; 3) the University's role in gift administration and stewardship; and 4) the structure, role and purpose of the Gift Acceptance Committee.

II. GUIDELINES FOR POLICY IMPLEMENTATION

This policy is established to govern the solicitation and acceptance of all gifts made to Webster University. This document focuses on both current and deferred gifts, with special emphasis on various types of deferred gifts and gifts of non-cash property.

The goal is to encourage funding of Webster University without encumbering the organization with gifts that may prove to generate more cost than benefit, or that are restricted in a manner which is not in keeping with institutional goals.

To optimize funding from individuals and other entities, Webster University must be capable of responding quickly, and in the affirmative where possible, to all gifts offered by prospective donors. It is understood that except where stated otherwise, these policies are intended as guidelines, and that flexibility must be maintained because some gift situations can be complex, and decisions only made after careful consideration of a number of interrelated factors. Therefore, in some instances the University's Gift Acceptance Committee will be convened to consider the merits of a particular gift and reach a decision on whether or not to solicit and/or accept it. The University will also seek the advice of legal counsel when appropriate.

To maximize the effectiveness and efficiency of the services provided by the Development/Alumni Office, the guidelines that govern fund raising for the benefit of Webster University and all its functional units follow.

Gift Acceptance Committee

The Gift Acceptance Committee is established and authorized to review any gift that warrants consideration as per the stated policy guidelines. Such gifts may include tangible property or gifts with specific conditions and/or restrictions. The Gift Acceptance Committee, upon referral by the vice president for development and alumni programs, may also review recommendations to recognize a donor with a naming opportunity not included on the current list of naming opportunities.

The committee is comprised of the University president, the executive vice president, the vice president for finance and administration, and the vice president for development and alumni programs. A designee may represent any of these members, assuming the designee is authorized to speak on behalf of the absent committee member. The committee shall be chaired and convened by the vice president for development and alumni programs. The committee recommends action to the president.

Use of Legal Counsel

The University reserves the right to seek the advice of legal counsel prior to accepting certain gifts/grants. The circumstances under which counsel could be engaged include, but are not limited to, the following examples:

- The review of certain gifts, such as closely held stock, or closely held stock subject to buy-sell agreements or other restrictions
- The review of certain transactions governed by contracts or legal documents
- The review of all transactions with potential conflicts of interest
- Other circumstances in which University staff, the Gift Acceptance Committee or board members believe the use of counsel is appropriate

These examples are not meant to restrict or force the University to use counsel, but rather to provide some guidance when the advice of an attorney might be prudent. Because it may be difficult to separate a board member's role from his/her role as counsel, for the purposes of this policy, the use of a board member as legal counsel is prohibited.

III. COORDINATION OF APPEALS FOR FUNDS & APPROACHES TO DONORS

It shall be the responsibility of the Development/Alumni Office to serve as the coordinating department for all types of fund raising programs and for all solicitation of funds, to protect the interests of the donor and to avoid an excessive number of solicitations in the name of Webster University. **Solicitation of gifts and grants, by any means (letter, phone, special event, etc.), made by anyone for the benefit of Webster University, or any agency thereof, shall be put in writing, prior to the solicitation of gifts, using the "Sponsored Project Support Request Form." This form is to be reviewed and signed by the appropriate Vice President and then forwarded to the Office of Development/Alumni Programs for review by the Vice President. Typically, the Vice President for Development/Alumni Programs in concert with his Management**

Team (as appropriate) can make a decision to approve, request modifications of, or reject a request. In certain circumstances, the Gift Acceptance Committee may be convened for a review and vote on approval of solicitation of gifts and grants on behalf of Webster University by others outside of the Development/Alumni Office.

Programs to be coordinated through the Development/Alumni Office include:

- a. Plans to raise funds from alumni on an annual basis.
- b. Establishment of an “associates,” “friends” or “membership” program designated to solicit financial support.
- c. Special fund raising efforts appealing to various Webster University constituencies regarding scholarships, memorial funds, fellowships, aid programs, professorships, endowed chairs, etc.
- d. Plans to raise private or public funds for the construction, expansion or renovation of a Webster University building.
- e. Requests to private and public sources for the funding of new or existing academic programs.
- f. All other programs to raise funds in the private and public sector.

Partnerships

When the Development/Alumni Office, on behalf of Webster University, enters into fund raising partnerships with other organizations, prior to the solicitation of gifts, a written memorandum of understanding will be established for each project that the partnership will undertake. This MOU should include details on 1) the timeframe for the fund raising partnership, 2) the types of gifts to be solicited and accepted, 3) the constituents who will be solicited, 4) the process by which gifts will be recorded and acknowledged, 5) the projected budgetary impact of the partnership initiative, 6) the final distribution (process and amount) of the funds raised among the partners, and 7) all other pertinent information.

Groups Funds

The solicitation of gifts for institution-maintained funds which are to be used or administered by groups of alumni or other groups or individuals is discouraged. As noted above, gifts or funds either for current use or endowment solicited by officers, faculty, staff or students should be solicited in the name of the institution only when approved in advance by the Development/Alumni Office. **Special funds to be solicited and held by deans, campus directors, department chairpersons, etc., outside the normal accounting and acknowledgment procedures are in violation of 501(c)(3) regulations which classify the University as a not-for-profit organization and are strictly prohibited.**

IV. RECEIPTING, PROCESSING, & ACKNOWLEDGMENT OF GIFTS & PLEDGES

It shall be the responsibility of the Development/Alumni Office to record and acknowledge receipt of all grants, pledges and irrevocable gifts to Webster University or any agency thereof, including cash, life-income gifts, securities, trusts, insurance policies, real estate and other gifts-in-kind. The Development/Alumni Office works in conjunction with the University’s Business Office to enter and reconcile gifts and grants to the institution’s general ledger via the university-wide CARS database, following established procedures.

All gifts, along with their original correspondence, received by any campus, school, department or administrative office are to be transmitted to the Development/Alumni Office at the earliest possible opportunity for processing. A complete and accurate record of every donor to Webster University shall be maintained by the Development/Alumni Office and shall be kept strictly confidential. Donor anonymity in publications will be protected whenever desired by the donor.

All gifts will be processed and acknowledged by the Development/Alumni Office in a timely fashion, following the procedures outlined in the Development/Alumni Office "Gift and Pledge Entry Procedures."

V. TYPES OF GIFTS TO BE MARKETED & ACCEPTED

Webster University, in keeping with the regulations of the Internal Revenue Service and charter and laws of the State of Missouri in which it is situated, may solicit and accept the following types of gifts:

- a. Outright gifts of Cash, Checks and Credit Cards
- b. Securities (marketable and closely-held)
- c. Certain Real Estate
 - Personal Residence
 - Land
 - Life Estate Agreements
 - Undivided Interest in Property
 - Vacation home/time share
- d. Tangible Personal Property (*anything other than real property that is subject to personal ownership*)
 - Personal collections of art, books, coins or movies
 - Cars, boats and aircraft
 - Equipment
 - Software, software licenses
 - Printed materials
 - Food or other items used for hosting dinners, etc.
- e. Intangible Personal Property
 - Intellectual property (patents, copyrights of cultural, artistic and literary works and computer software under development)
- f. Gifts-in-Kind of Materials or Long-Lived Assets (*usually come from companies, corporations, or vendors, in contrast to individuals, who typically give personal property, both tangible and intangible*)
 - Equipment
 - Software, software licenses
 - Printed materials
 - Food or other items used for hosting dinners, etc.
- g. Bequest or devise by will
- h. Life Income Agreements
 - Charitable Gift Annuities
 - Charitable Remainder Unitrusts
 - Charitable Remainder Annuity Trusts

- i. Charitable Lead Trusts
- j. Life Insurance
- k. Distributions from qualified retirement plans
- l. POD delivery of bank account, mutual funds, certificates of deposit
- m. Retirement Accounts
- n. Government Bonds
- o. Donor Advised Funds
- p. Donor Directed Funds
- q. Royalties
- r. Other gifts as approved by the Gift Acceptance Committee

Cash

Cash gifts of money (including cash, money orders, wire transfers, direct deposit/EFT, etc.), checks and credit/debit card charges (Visa, MasterCard and Discover) will be accepted for restricted and unrestricted purposes.

Publicly Traded Securities

Securities which are traded on the New York, NASDAQ and American Stock Exchanges, or other readily marketable securities, shall be accepted by Webster University. It may be anticipated that such securities will be immediately sold by Webster University. In no event shall an employee or volunteer working on behalf of Webster University commit to a donor that a particular security will be held by Webster University unless authorized to do so by an officer of Webster University. The Development Officer for Planned Giving is responsible for notifying the Development/Alumni Office of receipt of all gifts of marketable securities and providing a value based on the average of the high and low quoted selling prices on the date the donor relinquished dominion and control of the assets in favor of the institution (as per the CASE Management & Reporting Standards). The Business Office will negotiate/coordinate any sale of publicly traded securities.

Closely Held Securities

Non-publicly traded securities, such as those from closely held businesses, may only be accepted after approval of the Gift Acceptance Committee. Such securities may be subsequently disposed of only with the approval of the Gift Acceptance Committee. No commitments shall be made by Webster University concerning the repurchase or resale of such securities prior to completion of a gift of securities.

Real Property

No gift of real property (also called real estate or realty) shall be accepted without prior approval of the Gift Acceptance Committee. The committee reserves the right to reject any gift of real property.

Before accepting any gift of real property whether outright, in trust, or a remainder interest, Webster University will examine its potential liability under environmental impact laws. Therefore, in advance of gift acceptance, a completed "Real Property Donor Disclosure Form" (copy of form in Appendix) must be completed by the donor and a qualified appraisal that meets the requirement under the Internal Revenue Code must be received by Webster University.

No gift of real estate shall be accepted without first being appraised by a party chosen by Webster University who shall have no business or other relationship to the donor. This appraisal serves three purposes: to 1) establish the donor's tax deduction, 2) give the university a reasonable value to report as part of its assets, and 3) establish an asking price for the property. It is the donor's responsibility to pay for this appraisal (donors are encouraged to check with their tax advisor to determine the deductibility of this expense).

Webster University also reserves the right to perform an on site inspection to complete a "Field Checklist for Initial Determination of Possible Presence of Hazardous Waste on Property to be Acquired by Webster University" (copy of form in Appendix).

After review of the "Real Property Donor Disclosure Form", the qualified appraisal, and all property inspections required by Webster University, a decision will be made according to "Guideline 6-Authorization for Negotiation" of the "General Policies" section (in Section VIII. below).

Gifts of real property that qualify as a charitable deduction for a donor should be counted at fair market value regardless of the value the donor may be able to take as a charitable deduction. IRS requirements for gift substantiation note that the donor has the responsibility for valuing property for tax deduction purposes.

Gifts of real property with a fair market value greater than \$5,000 should be counted at values placed on them by qualified independent appraisers. Gifts of real property with a fair market value of \$5,000 and less may be reported at the value:

- declared by the donor, or
- determined by a qualified expert on the faculty or staff of the institution or a qualified independent appraiser, or
- established by the purchaser's winning auction bid, if the fair market value of the item has not been published prior to the auction.

Life Estate Gifts

In a life estate gift, a donor deeds personal residential property (or a farm) to a charitable organization. While the donor is still living, s/he has a legal interest in the life estate with full rights to live there or to rent or sell those rights. The donor continues to take care of the property, pay the taxes, and receive any income the property generates. The donor receives an immediate income tax deduction for the present value of the remainder interest of the residence. Any appreciated value of the property avoids capital gains taxation. Since the transfer occurs outside the donor's will, it will not pass through probate.

Webster University shall accept Life Estate Gifts only with the approval of the Gift Acceptance Committee. The committee will make every effort to ensure that there has been full disclosure to the donor of the possible future ramifications of the transaction.

Tangible Personal Property

No personal property shall be accepted by Webster University unless there is reason to believe the property can be used by Webster in concert with the University's mission or sold within a reasonable timeframe. Prior approval of the Gift Acceptance Committee is required

before accepting any gift of perishable property or personal property that will require special facilities or security to properly safeguard. No personal property shall be accepted that obligates Webster University to ownership of it in perpetuity.

No gift of tangible personal property with a fair market value greater than \$5,000 shall be accepted without first being appraised by a party chosen by Webster University who shall have no business or other relationship to the donor. This appraisal serves three purposes: to 1) establish the donor's tax deduction, 2) give the university a reasonable value to report as part of its assets, and 3) establish an asking price for the property. It is the donor's responsibility to pay for this appraisal (donors are encouraged to check with their tax advisor to determine the deductibility of this expense).

Only the Gift Acceptance Committee, or persons authorized by the committee to do so, may represent to a donor that property will or will not be held by Webster University for a specific period of time or for purposes related to its tax-exempt status. Webster University will, as a matter of corporate policy, cooperate fully in all matters related to IRS investigations of non-cash charitable gifts.

Gifts of real property that qualify as a charitable deduction for a donor should be counted at fair market value regardless of the value the donor may be able to take as a charitable deduction. IRS requirements for gift substantiation note that the donor has the responsibility for valuing property for tax deduction purposes.

Gifts of personal property with a fair market value greater than \$5,000 should be counted at values placed on them by qualified independent appraisers. Gifts of personal property with a fair market value of \$5,000 and less may be reported at the value:

- declared by the donor, or
- determined by a qualified expert on the faculty or staff of the institution or a qualified independent appraiser, or
- established by the purchaser's winning auction bid, if the fair market value of the item has not been published prior to the auction.

Note that if the donor is the creator of a piece of donated artwork, the donor's deduction is limited to the cost of materials.

Memorabilia Gifts

Memorabilia Gifts are defined as personal property offered by a donor that uniquely reflects an aspect of the University's past. Memorabilia hold sentimental value to the donor, the institution, or both. All of the gift acceptance procedures set forth in the Tangible Personal Property section of this document apply to gifts of memorabilia.

Once memorabilia is donated, it cannot be reclaimed by the donor or any family member or designee of the donor. Webster University reserves the right to determine the display type, location, and duration of display. Memorabilia not currently on display will be held in storage in University archives. The University will make reasonable efforts to maintain and repair all displayed memorabilia. Webster University cannot be held responsible for theft or damage to any item on display or in storage.

Intangible Personal Property

Intellectual property is an intangible asset that has been produced through creativity and innovation. Examples of intellectual property include patents, copyrights of cultural, artistic and literary works and computer software under development. All of the gift acceptance procedures set forth in the Tangible Personal Property section of this document apply to gifts of intellectual property/intangible personal property. If the fair market value of intellectual property is not known and cannot be readily determined, Webster University will report the asset in the year the value becomes known.

Gifts-in-Kind

Gifts-in-kind are generally defined as non-cash donations, other than real or personal property, of materials or long-lived assets, that usually (although not always) come from companies, corporations or vendors, in contrast to individuals, who typically give personal property. Gifts-in-kind might include such items as equipment, software, software licenses, printed materials, food or other items used for hosting dinners, etc. The Development/Alumni Office has developed a "Gift-in-Kind" form and donors are encouraged to use it for non-cash donations (see appendix).

Gifts of materials or long-lived assets that are directly related to the mission of the University should be reported at face (fair market) value. If an educational discount is offered, Webster University will record the educational discount value for gifts-in-kind, especially items such as equipment and software (regardless of the estimated value a vendor may place on a gift-in-kind). An educational discount value is defined as the price the University would have paid had it purchased the item outright from the vendor. The "CASE Management & Reporting Standards (Third Edition)" provide examples of the various types of gifts-in-kind and guidance on how to count each (see pgs. 34-37 and 41-43). As a matter of policy, Webster University will follow CASE's guidance on matters related to gifts-in-kind in those instances when they have been appropriately addressed within the Management & Reporting Standards.

Note that the value of a person's or organization's time is NOT considered a charitable contribution and will not be counted or recorded in the Development/Alumni Office fund raising totals.

Bequests

Bequests are provisions in a will, trust, or other testamentary legal document providing a gift to charity pursuant to applicable state law. The gift may be designated as a percentage of the donor's estate, a specific dollar amount, specific property (such as securities, real estate or other assets), or as residual (whatever remains after specific bequests have been fulfilled).

Webster University shall count and record irrevocable bequest expectancies at present value in the Development/Alumni Office fund raising totals. They shall be counted and recorded on the date the donor irrevocably establishes the instrument. Webster University will not count revocable bequest intentions or those that are not legally enforceable and therefore shall use the charitable/deferred-gift pledge agreement form whenever possible.

Gifts from the estates of donors consisting of property that is not acceptable shall be rejected only by action of the Gift Acceptance Committee. Webster University shall expeditiously

communicate the decision of the Gift Acceptance Committee to the legal representatives of the estate. If there is any indication that the representatives of the estate or any family member of the deceased is dissatisfied with the decision of the Gift Acceptance Committee, this fact shall be communicated to the Gift Acceptance Committee or to the appropriate member of the Development/Alumni Office staff as quickly as possible.

Charitable Remainder Unitrusts

A charitable remainder trust is an irrevocable qualified trust in which a donor gives cash or assets to the trust, allowing the payment of income to one or more persons for their lives or a term of years. At the end of this time, the trust's assets are given to one or more charities designated by the donor. Charitable remainder trusts are usually in one of two major forms—a charitable remainder unitrust, or CRUT, (described here) or a charitable remainder annuity trust, or CRAT (described next). Each provides periodic payments during a specified term, but each determines the payment amounts differently.

In a charitable remainder unitrust, the donor receives variable income from the trust for the rest of his life. The income to the donor is based on a specified percentage of the trust principal, revalued each year, reflecting any increases or decreases in the value of the trust's assets. More than one person may receive income. The donor may make additional contributions to the trust. Income tax deductions for the donor are based on the present value of the remainder interest going to the charitable organization. There are three variant forms of CRUT's, called "income exception CRUT's." For more information on "income exception CRUT's", please consult page 49 of the "CASE Management & Reporting Standards (Third Edition)."

When establishing a legally enforceable and irrevocable CRUT donors must irrevocably assign the remainder of the trust to one or more charitable institutions for it to qualify as a charitable remainder trust. The donor, however, may retain the right to change the charitable organization that will ultimately benefit from the trust. It is the policy of Webster University that the trust must have wording that makes the assignment to the institution irrevocable for the institution to count and report the trust as a gift. If Webster University does not have the opportunity to be involved in the creation of the trust and/or the donor(s) or a third party externally manages it, the donor typically does retain the right to change the beneficiary. In such cases, it is the policy of Webster University to enter into a written pledge agreement with the donor that states that it is the donor's intent not to change or reduce the provisions of the trust (see appendix). Once the letter of agreement is executed, the University will count the gift.

If Webster University is to serve as trustee without compensation, it will have a remainder interest in the trust and the donor does not reserve the right to change the charitable remainderman to the exclusion of Webster University. If Webster University is to serve as trustee without compensation and the trust names additional charities as beneficiaries, reasonable management fees will be deducted on behalf of the other charities prior to distribution.

No Charitable Remainder Unitrust shall be entered into with a donor when Webster University's portion is less than \$100,000. There is no maximum amount restriction. In no event shall a transfer be accepted if the value of the charitable remainder, computed using

government tables, is less than \$50,000. Recognizing that it is not the only methodology for calculating the value of CRUT's, the Development/Alumni Office will count the value of a CRUT in its fund raising totals based on the amount of charitable tax deduction that the donor is entitled to.

For the purposes of this policy, there is no maximum age restriction or minimum or maximum number of beneficiaries for CRUT's, as long as the parameters/stipulations of the trust fall within IRS regulations. The number of beneficiaries shall be negotiated by the Development/Alumni Office.

Determining the Unitrust Amount

Each donor is responsible for setting the percentage for the unitrust amount. The percentage must be at least 5% of the initial trust value (the amount required by law) and it must be set so that the present value of the remainder interest payable to the University or other charitable organizations is at least 10% of the initial trust value. The upper limit shall be negotiable by the Development/Alumni Office. These restrictions might limit the number of income recipients the donor can name when the trust term is based on the recipients' lifetimes.

Another factor for determining the unitrust payments is the timing of the payments to the recipient(s)—monthly, quarterly, semi-annually, or annually. The amount and timing of the unitrust payments affects the amount of the donor's charitable tax deductions and the amount of the taxable gift to the recipient(s), if any.

Webster reserves the right to assign management to an outside trustee. Currently, TIAA-CREF manages charitable remainder unitrusts in those instances when Webster University is named as trustee.

Charitable Remainder Annuity Trusts

A Charitable Remainder Annuity Trust (CRAT) is similar to a unitrust except that the donor and second beneficiary (if one is named) receive a fixed income from the gift for the rest of their life. The income amount is based on the original value of the trust's assets and no future contributions can be made to this type of trust.

If Webster University is to serve as trustee without compensation, it will have a remainder interest in the trust and the donor does not reserve the right to change the charitable remainderman to the exclusion of Webster University. If Webster University is to serve as trustee without compensation and the trust names additional charities as beneficiaries, reasonable management fees will be deducted on behalf of the other charities prior to distribution.

No Charitable Remainder Annuity Trust shall be entered into with a donor when Webster University's portion is less than \$100,000. For the purposes of this policy, there is no maximum age restriction, maximum amount restriction, or minimum or maximum number of beneficiaries for CRAT's, as long as the parameters/stipulations of the trust fall within IRS regulations--CRATs must have less than a 5% probability of exhaustion. The number of beneficiaries shall be negotiated by the Development/Alumni Office. In no

event shall a transfer be accepted if the value of the charitable remainder, computed using government tables, is less than \$50,000.

Determining the Annuity Amount

Each donor is responsible for setting the percentage for the annuity amount for a Charitable Remainder Annuity Trust. The percentage must be at least 5% of the initial trust value (the amount required by law) and it must be set so that the present value of the remainder interest payable to the University or other charitable organizations is at least 10% of the initial trust value. The upper limit shall be negotiable by the Development/Alumni Office. These restrictions might limit the number of income recipients the donor can name when the trust term is based on the recipients' lifetimes.

Another factor for determining the annuity payments is the timing of the payments to the recipient(s)—monthly, quarterly, semi-annually, or annually. The amount and timing of the unitrust payments affects the amount of the donor's charitable tax deductions and the amount of the taxable gift to the recipient(s), if any.

In no event shall a transfer of mortgaged property be accepted.

Revocable Trusts

Webster University will not serve as trustee for any revocable will or trust, nor will it count revocable intentions in official fund raising totals.

Charitable Gift Annuities

In the charitable gift annuity transaction, a person irrevocably transfers to Webster University some property (cash, securities, etc.) and the University agrees in a contract to pay the donor or other beneficiaries a guaranteed annuity for life. Because the transferred property has a value larger than the value of the annuity, the transaction is in part the purchase of an annuity from the University and in part a gift. An income tax deduction (at the present value for counting and reporting purposes) is allowed for the difference between the gift value and the amount required to fund the annuity (actuarial value).

Only gifts of cash or publicly traded securities will be accepted for the issuance of a gift annuity unless express written consent is given by the Gift Acceptance Committee.

No Charitable Gift Annuity shall be issued for an amount less than \$5,000.

No Gift Annuity shall be issued to any individual under sixty-five (65) years of age without the approval of the Gift Acceptance Committee.

No Gift Annuity shall be issued for more than two lives. No exception shall be made to this requirement, otherwise Webster University will be liable for taxation according to federal regulations.

No Gift Annuity shall be issued unless the charitable gift, computed using the government tables, exceeds ten percent (10%) of the amount transferred for the annuity. No exception shall be made to this requirement otherwise Webster University shall be taxed on a large part of the gift's earnings.

Webster University shall follow the rates recommended by the American Council on Gift Annuities, unless following those rates does not allow the ten percent (10%) test to be met. A donor may, however, elect to receive a rate less than those recommended by the American Council on Gift Annuities.

The president or a designee shall sign the annuity agreement in the name of Webster University.

Deferred Payment Charitable Gift Annuities

A charitable gift annuity-deferred is almost identical in construct to the charitable gift annuity. The significant difference is that the contract stipulates some date in the future when payments to the donor or other beneficiaries will begin. This result is a larger income tax deduction to the donor in the year in which the transfer is made to the institution. In addition, because the principal compounds between the date of gift and the date the donor first receives income, the amount of income can be significantly larger than that of the standard charitable gift annuity.

No Deferred Payment Gift Annuity shall be issued for an amount less than \$5,000 or for the life of any individual under fifty (50) years of age. The period of deferral between the date of transfer and the date the annuity payments start shall be no more than fifteen (15) years.

No Deferred Payment Gift Annuity shall be issued for more than two lives and no exception shall be made to this requirement otherwise under the tax law, Webster University may be taxed on a portion of the gift's earnings.

Only gifts of cash and publicly traded securities will be accepted for the issuance of a Deferred Gift Annuity unless express written consent is given by the Gift Acceptance Committee.

Webster University shall follow the rates recommended by the American Council on Gift Annuities, unless following these rates does not allow the ten percent (10%) test to be met. A donor may, however, elect to receive a rate less than those offered by the American Council on Gift Annuities.

The president or a designee shall sign the annuity agreement in the name of Webster University.

Lead Trusts

Webster University encourages lead trusts as part of a comprehensive estate plan. The Gift Acceptance Committee will review lead trusts on a case by case basis in those instances in which Webster University is named trustee.

Life Insurance

Webster as Beneficiary

Webster University will accept gifts of whole life insurance policies. A new policy may be taken out on the life of a younger donor to create a future major gift to Webster University, with the cost of the premium being a small fraction of the value of the policy. Recognizing the vast amount of life insurance already in force for many individuals, some of which is no longer needed for its original purpose, Webster University will also encourage interested donors to simply name the University as the beneficiary (or one of the beneficiaries) of an existing life

insurance policy. One advantage of this form of giving is that it can be accomplished with a simple change of beneficiary form available from the insurance company.

Webster University will not count/report gifts of insurance prior to settlement unless it is named both owner and irrevocable beneficiary of the policy. In instances where Webster University is named beneficiary, but not owner of an insurance policy, the full amount of the insurance company's settlement at the death of the donor shall be reported as a gift on the date the University receives the proceeds. Webster University may be named the beneficiary of a life insurance policy with or without its knowledge.

Webster as Beneficiary and Owner

Gifts of life insurance policies can be considered a gift only if Webster University has been named both owner and irrevocable beneficiary of the policy. When the University is named owner and beneficiary of the policy, the donor will be asked to make payments to Webster University for the full amount of the premium payment(s). The University will then in turn make the premium payments to the insurance provider. This usually allows the donor to take a charitable contribution deduction for the full amount of the premium(s). It also provides confirmation to the University of who is making a premium payment since it will actually be receiving it, which is important because the University is obligated to provide an IRS-acceptable receipt to the donor. If the donor discontinues making the premium payments, the decision regarding the policy continuance may be made by Webster University's Gift Acceptance Committee. Additionally, the ownership of a paid-in-full policy may be transferred to Webster University.

In order to maximize the benefits of gifts of life insurance for both the donor and the University, the following guidelines shall be adhered to:

- For Webster University to accept a gift of life insurance, the minimum death benefit value shall be \$100,000
- The policy shall be fully paid within five years
- Annual lump-sum premium payments shall be made no later than 30 days before the insurance carrier's due date
- The donor, working with a qualified representative of Webster University, shall specify in writing the school/college, program, project or area to benefit when the death benefit is realized
- In instances when the ultimate purpose of the death benefit is to establish an endowment, the face value of the policy shall meet the minimum funding requirements for that type of endowment (exceptions will be made to grandfather in gifts that do not meet new minimum funding requirements that have increased)

Webster University will adhere to the following standards in reporting gifts of life insurance:

- Partially or fully paid-up life insurance policies shall be reported as outright gifts at the cash surrender value as identified in writing by the insurance provider.
- If the policy is new or not fully paid-up at the time of the gift, then any premium payments the donor makes to Webster University (which in turn pays the premium to the insurer) shall be reported as outright gifts at the full value of the premiums paid.

- Realized death benefits shall be reported as gift income for fund-raising purposes only if the University has never previously recorded the policy value or any donor-paid premiums as gift income and if the University has not been paying the premiums. If the values have already been reported, Webster University shall not report as a gift the difference between the previously reported values and the amount of the insurance company's settlement at the death of the donor (this is a gain on the disposition of the University's assets).

Webster University shall not enlist the services of any insurance agent to approach its prospective donors for insurance gifts.

Retirement Accounts

A donor may not make a gift of retirement plan assets while alive. Under current tax laws, there is no tax-advantaged way to transfer such assets directly to a charity. While some plan assets may be transferable directly, such a transfer is treated the same as a withdrawal, and taxed to the plan recipient as ordinary income. Of course, a subsequent outright gift of cash to an organization will usually provide an income tax deduction that can offset most, although sometimes not all, of the ordinary income tax liability.

NEW & UPDATED FOR 2006-2007 (Now Extended through 12/31/2009): The IRA rollover provision signed into law Aug. 17, 2006, provides tax incentives for donors age 70½ or older to contribute IRA (individual retirement account) assets to educational institutions and other nonprofits. This provision caps qualified charitable IRA distributions at \$100,000 per person per year and precludes the funding of gift annuities and similar life income plans. The IRA rollover provision now allows donors age 70½ or older to exclude from adjusted gross income the amount of "qualified charitable distributions" up to \$100,000 per year from regular or Roth IRAs, although some exclusions apply. The provision expires Dec. 31, 2007. CASE has indicated that gifts to institutions made through an IRA rollover should be included in fundraising figures including those reported to the Voluntary Support of Education Survey. Webster University encourages donors to consult with their tax and financial advisors before making distributions and to inform charities about intended gifts.

Government Bonds

Webster University will accept U.S. Treasury securities issued by the U.S. Department of the Treasury, Bureau of the Public Debt.

Donor-Advised Funds

A donor-advised fund is an account that has a registered charitable organization sponsor, which can be an established public charity, a local charitable foundation or a charitable organization established by a financial firm. A donor's contributions to donor-advised funds are irrevocable and unconditional. Donated assets are usually invested and/or distributed according to the donor's recommendations, although the fund, a charity itself, has the ultimate control.

However, contributions through donor-advised funds shall not be permitted to be applied to satisfy an individual donor's pledge(s) for the following reasons: 1) the individual donor will take a deduction when the gift to the conduit foundation is made; 2) the individual donor

cannot take a double deduction and therefore does not need a receipt; 3) if the University has recorded a pledge by the donor, then while that pledge is on record, a gift from a 3rd party (the conduit foundation/donor advised fund) which satisfies that pledge is in effect a gift to the donor by the 3rd party, which may be treated as an improper transfer by the non-profit foundation to the donor (a non-qualified donee) and may also be treated as income to the donor.

It is the responsibility of Webster University Development/Alumni Office employees to make sure individual donors with donor-advised funds understand that a pledge may not be satisfied except by a direct gift.

Donor-Directed Funds

With a donor-directed fund, the donor sends an asset to a financial institution for investment and safekeeping. The assets remain in the name, and under control of, the donor. The donor contacts the financial institution and directs it to issue a check in the name of the qualified non-profit. It is the responsibility of Webster University Development/Alumni Office to determine whether a gift was made through a donor-directed fund or a donor-advised fund.

Royalties

Webster University shall accept gifts of royalties from property it does not own (such as patents), or from property that could not be valued and thus was not counted at the time of the gift each time a payment is received. Royalties from vendor affinity agreements, such as alumni credit card programs, are exchange transactions and are not countable.

POD (Pay On Death)/TOD (Transfer On Death)

Immediate transfer of assets upon death can be accomplished by titling bank accounts, certificates of deposit, automobiles and certain other assets with a POD or TOD designation. These gifts can be completed without associated legal expenses.

Exclusions

Following is a list (not comprehensive) that delineates many of the types of transactions occasionally misidentified as gifts or specifically disallowed for CASE and CAE reporting purposes:

- Revocable and legally unenforceable gifts, pledges and bequest expectancies
- Advertising revenue
- Alumni membership fees/dues
- Appraisal costs
- Contributed services
- Discounts on purchases (not to be confused with “bargain sales”, which are countable gifts)
- Expenses associated with transferring a gift to an institution
- Government funds
- Investment earnings on gifts
- Monies received as a result of exclusive vendor relationships
- Non-gift portions of quid pro quo transactions

- Royalties from affinity agreements
- Tuition payments

VI. USE OF GIFTS

Many options are available for donors to direct how their contributions may be used for greatest benefit to the University. Gifts to the University can be divided into three classes - unrestricted, temporarily restricted and permanently restricted. Additionally, gifts may be budget-relieving, budget-enhancing or budget-creating.

Unrestricted Gifts

Unrestricted gifts are gifts for which the donor designations have been satisfied because the University is already meeting the designation at the time the donor makes the gift. For example, a gift designated to “scholarships” is considered unrestricted because the University has a budget for scholarships. With these gifts, the funds must be spent in the fiscal year in which they are received.

Any gift less than \$50,000, received from any source, excluding planned gifts, not restricted by the donor, will be applied to the general operating fund. Unrestricted gifts greater than or equal to \$50,000 or any gifts received through bequests or other estate gifts will be applied to capital projects for the duration of the campaign (prior to this Board approved change in Sept. 2006, gifts of \$100,000+ were to be applied to long term investment in the temporarily-restricted fund [formerly referred to as quasi-endowment fund], while gifts less than \$100,000 were applied to the general operating fund) unless otherwise designated by the president of the University. The president will make recommendations to the Board for alternate designation as he/she deems necessary.

Restricted Gifts

Restricted gifts impose a legal obligation on Webster University to comply with the terms established by the donor. Therefore, it is necessary that the nature and extent of this obligation be clearly expressed in writing. For this reason, the terms of each restricted gift will be reviewed by the Development/Alumni Office with the utmost care to ensure that they do not hamper the usefulness and desirability of the gift. Potential gifts/pledges with complex restrictions will be referred to the Gift Acceptance Committee, prior to acceptance, for review and a determination.

If a gift is deemed unacceptable because of a donor's restrictions, the donor will be counseled to remove or modify the restrictions. Gifts will be refused or returned when the purpose 1) is inappropriate or not in the best interest of the University, 2) is clearly a commercial endeavor, or 3) would obligate Webster University to undertake responsibilities, financial or otherwise, which it may not be capable of meeting.

Temporarily Restricted Gifts

These are contributions with donor restrictions that can be satisfied by board action, the passage of time, or expenditure for a specified purpose. With these gifts, the fund balance is rolled over from year to year until the fund is depleted.

Permanently Restricted Gifts

These are contributions with donor restrictions that will never expire. With these gifts, the fund balance is rolled over from year to year; only a portion of the fair market value is spent annually. Permanently restricted gifts are more commonly known as endowed gifts.

Endowment Gifts

Endowed funds may be established with gifts of cash or negotiable securities. Gifts of personal property, real property and closely-held stock may be accepted only if the Gift Acceptance Committee approves the gift prior to receipt. The minimum amount required to establish an endowment fund is \$25,000, except in the case of the Community Music School of Webster University, which shall be \$5,000. The minimum amount required to establish an endowment fund via a life-income gift shall be twice the required minimum endowment amount. Minimum endowment requirements by type are stated in the appendix.

Matching Scholarship Award Program (June 1, 2006-December 31, 2010)

Outright gifts from individuals, groups of individuals, foundations and corporations of \$25,000+ and irrevocable deferred gifts with a current face value of \$50,000+ directed to Webster University for scholarships for either new freshman or transfer undergraduate students studying at the Webster University home campus are eligible for a matching scholarship award amount from Webster University. These gifts must be received between June 1, 2006 and December 31, 2010, and the match shall continue throughout the donor's/donors' lifetime. For foundations and corporations, the match shall continue through the 2016-2017 academic year. For both outright and deferred gifts, the amount of the Webster-provided matching award shall be determined in the year of the initial scholarship distribution and that annual amount shall remain fixed for the duration of the matching period as follows:

- a. For Outright Gifts: The annual matching award amount shall equal 4.5 percent of the endowment fund balance valued on December 31 of the year the fund attains endowment level. For example, a newly-endowed scholarship fund with a \$25,000 balance on December 31 shall be entitled to a \$1,125 [$\$25,000 \times .045$] annual matching award. This matching amount will be reported annually to the donor(s) through the Development Office as part of the donor's/donors' annual endowment performance report.
- b. For Deferred Irrevocable Gifts: The annual matching award amount shall be based upon one-half the initial face value of the deferred gift. For example, a donor creates a \$50,000 charitable gift annuity or an irrevocable promise of \$50,000 through a bequest. The annual matching award amount shall be calculated based on one-half that amount, or \$25,000. The donor's scholarship is entitled to a \$1,125 [$\$25,000 \times .045$] annual matching award. This matching amount will be reported annually to the donor through the Development Office as part of the donor's annual endowment performance report.

Gifts other than cash or negotiable securities must be approved by the Gift Acceptance Committee prior to gift agreement implementation and deferred gifts of life insurance are specifically excluded. Matching scholarship awards provide no tax benefit to the donor.

Building an Endowment

Webster University may establish an endowment fund with amounts less than those stated in the appendix, provided that within a reasonable time (three years) from the date of the

receipt of the first resources, the original and additional gifts, shall equal at least one half of the stated minimum. If one-half of the minimum fund has not been provided in three years, the fund may be terminated, as determined by the Gift Acceptance Committee, and the amounts given used for the general purposes of the institution nearest to the donor's. If the minimum level of funding has not been reached in five years, the fund will be terminated by the Gift Acceptance Committee and the amounts given used for the general purposes of the institution nearest to the donor's. A full disclosure of these terms shall be included in the endowment agreement provided to the donor. Income from an endowment may be distributed before the pledge amount is fulfilled, assuming that the stated minimum for the endowment has been reached.

Spending an Endowment

Spending is defined as the rate at which funds are released to the designated purpose of the endowment. The rate of spending is to be based on a three-year rolling average. The current spending rate is 4.5 percent of portfolio market value as of December 31. Any return in excess of 4.5 percent will be reinvested in the fund.

Permanency Clause

As appropriate, the terms of any restricted or endowed fund must include language to permit the Board of Trustees to assign different, alternative, modified but related use of such funds as conditions dictate in some distant future. Such action should be authorized by the donor by including a variation of the following clause in the transfer of assets while living or by bequest:

“If, in the opinion of the Webster University Board of Trustees, all or part of the earnings of the fund cannot be usefully applied to the purpose designated (or in the manner requested), the Board may use the same for any purpose within its corporate powers to decide or for any other purpose which, in its opinion, will most nearly accomplish my purposes, wishes and intent.”

Unrestricted Designated Gifts

Unrestricted designated gifts are gifts designated to a school/college, academic program, a campus, the athletic department, etc. One hundred percent of designated monies will be available to the designated division (budget-enhancing). These designated funds are available in the fiscal year in which they are raised, and can be accumulated from year to year. These funds cannot be spent on wages, benefits or other ongoing obligations, such as lease or rentals, which have terms crossing over fiscal years. Designated funds will be allocated to the appropriate sub-fund at the time the gift is made through the gift entry process. The Development/Alumni office will provide each dean, campus director, or University division head with a report showing the funds designated to each area.

Budget-relieving Gifts

Budget-relieving gifts are gifts that offset the cost of general University operations. The reallocation of this relief is at the discretion of the President. The following types of gifts shall be considered budget-relieving:

- All undesignated, unrestricted gifts.
- Gifts that are designated for programs or initiatives that have a current operating budget, except in the case where the donor explicitly states that the gift is intended to be budget-enhancing.

- The distributions received from permanently restricted gifts that endow existing programs or initiatives.

Budget-enhancing Gifts

Budget-enhancing gifts are gifts that add to one or more current operating budgets of the University. The following types of gifts shall be considered budget-enhancing:

- Gifts that are designated for programs or initiatives that have a current operating budget, and the donor explicitly states that the gift is intended to be budget-enhancing.
- Temporarily restricted gifts.
- In accordance with the Unrestricted Designated Gift Policy, gifts designated to a school/college, academic program, a campus, the athletic department, etc.

Budget-creating Gifts

Budget-creating gifts are gifts that are restricted for programs or initiatives that do not have a current operating budget. The Gift Acceptance Committee will assure the University's approval of the creation of these programs or initiatives prior to gifts being accepted.

VII. DONOR RECOGNITION

It is the policy of Webster University to appropriately recognize all gifts to the University. For the purposes of recognition, corporate matching gifts will be credited to the donor securing the gift. Recognition will be done through the annual giving clubs, the milestone recognition program, the Legacy Society and, when appropriate, through named recognition.

Annual Giving Clubs

The Webster University Giving Clubs include donors who annually contribute \$100 or more to the University. These donors are recognized in an annual listing of donors and through invitation to the Giving Clubs Lecture Series. The Lecture Series is designed to offer social and educational opportunities to all giving club members. In addition to the annual listing and invitation to the Lecture Series, donors at the Daniel Webster Society level are also recognized with invitations to special events, lectures and the annual recognition dinner.

The giving clubs are listed below:

Giving Clubs		Daniel Webster Society	
Century Club	\$100 - \$249	Cum Laude	\$1,250 - \$2,499
Deans' Club	\$250 - \$499	Magna Cum Laude	\$2,500 - \$4,999
Loretto Circle	\$500 - \$749	Summa Cum Laude	\$5,000 - \$9,999
President's Circle	\$750 - \$1,249	Trustee Circle	\$10,000 - \$24,999
		Leadership Circle	\$25,000 and above

Milestone Recognition

In addition to annual gifts, Webster University recognizes donors who have reached milestone marks in their cumulative giving. Each donor who reaches these levels will be appropriately recognized by the University.

1915 Society

Silver Member	\$25,000 - \$49,999
Gold Member	\$50,000 - \$99,999
Fellow	\$100,000 - \$249,999
Patron	\$250,000 - \$499,999
Benefactor	\$500,000 - \$999,999
Founder's Council	\$1,000,000 and above

Planned Giving Recognition

Webster University also values gifts planned through a donor's estate and recognizes these gifts through the Legacy Society. Society members can be recognized for either: 1) Future gifts planned by bequest, beneficiary designation or POD (pay upon death) designation, or 2) Split Interest Gifts (charitable remainder trusts, charitable lead trusts, charitable gift annuities, etc.).

Named Recognition

In the event of meaningful philanthropic contributions to the University, Webster may choose to recognize a donor's generosity by naming a part of the University in honor of the donor.

Recommendations to recognize a donor with a naming opportunity not included on the current list of naming opportunities are made to the vice president for development and alumni programs who refers the matter to the Gift Acceptance Committee.

Naming opportunities include, but are not limited to, buildings, property, or any space therein (classrooms, laboratories, lounges, etc.); schools or colleges, departments, titled positions (i.e., chairs, professorships), lectureships, scholarships, travel and research funds, academic programs and endowment funds.

Criteria to be used to determine which naming opportunity will be used to recognize the donor include the size of the gift, the prominence of the space or program, and the importance to the University.

While a donor selected for named recognition will have the privilege of choosing the name associated with the recognition, the University reserves the right to approve the chosen name.

The University recognizes that deferred gifts often allow benefactors to maximize their philanthropy. Similarly, the University recognizes that its right to receive future assets is reduced by inflation and/or income due to the donor. To fairly represent the interests of both benefactor and the University, the Present Value of deferred gifts shall be utilized in awarding naming opportunities*. The University shall use standardized accounting principles to determine the Present Value—and in all cases shall fully disclose the calculation.

**Endowed Scholarship Funds are addressed separately in this policy. (See "Endowment Gifts" in Section VI. Use of Gifts.)*

VIII. GENERAL POLICIES

Guideline 1 – Gift Acceptance Committee

The Gift Acceptance Committee is established and authorized to review any gift that warrants consideration. Such gifts may include tangible property or gifts with specific conditions and/or restrictions. The Gift Acceptance Committee, upon referral by the vice president for development and alumni programs, may also review recommendations to recognize a donor with a naming opportunity not included on the current list of naming opportunities.

The committee is comprised of the University president, the executive vice president, the vice president for finance and administration, and the vice president for development and alumni programs. A designee may represent any of these members, assuming the designee is authorized to speak on behalf of the absent committee member. The committee shall be chaired and convened by the vice president for development and alumni programs. The committee recommends action to the president.

Guideline 2 – Rights of Donors

The role of the Development/Alumni Office is to serve as an advocate for the donor, and in doing so, adheres to the Donor Bill of Rights (copy of form in Appendix).

Guideline 3 – Conflict of Interest

The interests of the donor shall have priority over the interests of Webster University. No program, agreement, trust, contract or commitment shall be knowingly urged upon any prospective donor that would benefit Webster University at the expense of the donor's interests and welfare. No agreement shall be made between Webster University and any agency, person, company, or organization on any matter related to investments, management, or otherwise, which would knowingly jeopardize the donor's interest.

When deemed necessary by the development officer for gift planning, the Board of Trustees authorizes the use and advice of legal counsel in all matters pertaining to its planned giving program. Charitable Gift Annuity agreements can be executed utilizing agreements approved by counsel as exhibited in the Appendix of this document (agreements updated as necessary).

All agreements in which Webster University is trustee shall follow the format of the specimen agreements approved by applicable federal and state laws, subject to final approval by counsel.

Prospective donors shall be urged to seek their own counsel in matters related to planned giving instruments such as drafting of wills, trusts, agreements, contracts and others. They will be advised to consult with their attorney or accountant on matters related to the tax implications and estate planning aspects of a planned gift agreement.

If a representative of Webster University makes a referral to an attorney, it shall be understood that the attorney is retained to represent the donor-client's interest. When making such referrals it is advisable to provide the donor with a list of at least three attorneys, in alphabetical order, allowing the donor to make the selection.

A representative of Webster University shall never provide legal or financial advice to its donors or prospective donors.

Guideline 4 – Undue Influence

Representatives of the Webster University Development/Alumni Office shall exercise extreme caution to avoid the use of any undue pressure or persuasion when dealing with prospective donors. The role of such a representative is to inform and assist the donor in estate planning concerns, including the exercise of prudent consideration of the donor's personal interests as well as in fulfilling charitable objectives.

No person employed by Webster University to contact prospective donors or to promote the gift planning program shall receive commissions or other payments that would give such personnel a beneficial interest in any agreement. The Philanthropy Protection Act of 1995 specifically prohibits the marketing of certain gift plans by persons not regularly engaged in the overall development activities of the university (as paid staff or volunteer) or by persons receiving any form of commission based on the number or the size of such gifts.

Guideline 5 – Confidentiality

Biographical and financial records stored in any computer data base or written file will be treated as confidential information and will not be released or accessed without specific written approval of the president, vice president for development and alumni programs or designated officials in the Development/Alumni Office. Selected information for purposes of referral, testimonial or example will be used with the permission of the donor. Webster University will not sell address lists to outside vendors.

Guideline 6 – Authorization for Negotiation

The president and only those others specifically authorized to do so shall negotiate planned giving agreements with prospective donors following these guidelines.

In accordance with the University bylaws, the president or his/her designee shall have the authority to sign legally-binding gift agreements on behalf of Webster University.

Guideline 7 – Assignment of Fiduciary Responsibilities

It shall be the responsibility of the Development/Alumni Office to procure and acquire gifts for Webster University.

It shall be the responsibility of the Board of Trustees to administer any assets accepted in keeping with the guidelines for investment.

When necessary, it shall be the responsibility of the Development/Alumni Office to procure, acquire and report to donors such information that is required by the donor or granting agency. It shall be the responsibility of the Business Office to prepare and issue all

reports due to the Internal Revenue Service. Preparation of reports, checks, etc. may be accomplished by outside professional firms on behalf of Webster University.

Payments on life income obligations shall be made monthly, quarterly, semiannually, or annually at the donor's choice. The final determination regarding the frequency of payments will be made after considering the amount of the annual payment since checks will be issued only for the amount of \$100 or more unless the payment is to be made annually.

Guideline 8 – Drafting Documents

As the Charitable Gift Annuity Agreement has been previously reviewed by counsel, future gifts, with identical terms, can be made to these funds without further review.

When documents are prepared by the donor's legal counsel that require a Webster University signature, Webster University's legal counsel shall review the documents prior to execution.

When providing wording for a bequest it is also necessary to include a disclaimer indicating that Webster University and/or its representatives are not providing legal advice.

Guideline 9 – Investment of Funds

Funds received in exchange for a life income contract, and funds placed in split interest trusts administered by Webster University or any of its appointed agencies shall be managed under the jurisdiction of the Board of Trustees. Investment practices shall comply with the guidelines established and approved by the Board to achieve the objectives, first for the life income beneficiaries and secondly, of the remainder beneficiary(ies).

All funds received for Gift Annuities and income from said funds shall be invested and retained in reserve until the demise of the life income beneficiaries. Invested funds that have an obligation to a life income beneficiary shall not be hypothecated or used for self-dealing.

If state law should require that investment of funds for certain life income gifts follow certain restrictions, Webster University shall comply with such law.

Guideline 10 – Disposition of Funds

Upon the demise of the last life income beneficiary, the principal amount of an annuity or CRT shall be released to or for the use of Webster University and always in accord with the wishes of the donor if specific designation has been made. A donor can, through legal documentation, give up all or a portion of income otherwise due through a life-income arrangement. In this event, the donor will normally be entitled to an additional charitable tax deduction.

Guideline 11 - Special Cases

Any deviations from the listed guidelines shall require approval of the Gift Acceptance Committee.

IX. RESOURCES

The following organizations, publications, regulations and forms helped in formulating this Gift Acceptance Policy:

- Association of Fundraising Professionals
- Council for Advancement and Support of Education (CASE) Management Reporting Standards. Revised November 2003.
- The National Committee on Planned Giving
- Timothy J. Prosser, JD, TIAA-CREF Trust Company
- United States Department of the Treasury, Internal Revenue Service
<http://www.irs.gov/charities/>
 - **IRS Form 8282:** Disposition of Certain Charitable Deduction Property Made Within 2 Years... <http://www.irs.gov/pub/irs-fill/f8282.pdf>
 - **IRS Form 8283:** Noncash Charitable Contributions. Required for Donation of Property between \$500 and \$5,000 <http://www.irs.gov/pub/irs-pdf/f8283.pdf>
 - **IRS Publication 526:** Charitable Contributions <http://www.irs.gov/pub/irs-pdf/p526.pdf>
 - **IRS Publication 544:** Sales and Other Disposition of Assets (includes “bargain sales”) <http://www.irs.gov/pub/irs-pdf/p544.pdf>
 - **IRS Publication 561:** Determining the Value of Donated Property <http://www.irs.gov/pub/irs-pdf/p561.pdf>
 - **IRS Publication 1771:** Charitable Contributions Substantiation and Disclosure Requirements, Exempt Organizations <http://www.irs.gov/pub/irs-pdf/p1771.pdf>
 - **IRS Publication 4302:** A Charity’s Guide to Car Donations <http://www.irs.gov/pub/irs-pdf/p4302.pdf>
 - **IRS Regulation:** Taxation of Tax-Exempt Organizations’ Income from Corporate Sponsorship. Federal Register. Vol. 67 No. 80. April 25, 2002. http://frwebgate.access.gpo.gov/cgi-bin/getpage.cgi?position=all&page=20433&dbname=2002_register
 - IRS Updates on Disclosure and Substantiation Rules <http://www.irs.gov/pub/irs-tege/topic-g.pdf>
 - IRS Application of IRC 6700 and IRC 6701 to Charitable Contribution Deductions <http://www.irs.gov/pub/irs-utl/topicm.pdf>
 - IRS Taxation of Tax-Exempt Organizations’ Income from Corporate Sponsorship. Federal Register Vol. 67, No. 80, April 25, 2002. <http://www.gpoaccess.gov/fr/index.html>

X. APPENDIX

Real Property Donor Disclosure Form

I. Ownership (full names and addresses of all owners, use additional pages, if necessary):

Name _____

Address _____

Work Phone _____ Evening Phone _____

Type of Ownership: _____ Single _____ Joint _____ General Partnership
 _____ Limited Partnership _____ Community Property

Does ownership include mineral rights, water rights, restrictive easements, covenants, ROWs, etc.?

II. Location

Address or description _____

County _____

How is the property designated on the tax maps? _____

What is the nearest city? _____

Directions from nearest city? _____

III. Financial and Title Information

How did you acquire this property? _____

How long have you owned this property? _____

What did you pay for the property? _____

Is there an unpaid mortgage? _____ Amount of unpaid mortgage \$ _____

Are there any liens or encumbrances on the property? _____

Describe any liens or encumbrances _____

Is there any pending litigation with regard to the property? _____

Describe any litigation _____

Are there tenants on the property? _____ Annual rental income \$ _____

Do you have a recent appraisal? _____ If yes, please provide a copy of the appraisal
Appraisal date _____ Appraised market value \$ _____
Amount of annual taxes \$ _____ When are taxes due? _____
How is the property zoned? _____
Has the property been the subject of any regulatory designations, i.e., wetlands? _____
If so, list type of designation and regulatory agency _____

Are there any tenant leases involving the property? _____
If so, describe terms? _____
Is the property enrolled in any government programs (agriculture, forestry, etc.)? _____
If so, list the type of program _____

Do you have title insurance? _____ If yes, please provide a copy of the policy. _____
Name of insurance company _____
Policy number _____
Have any insurance claims been made with regard to the use of this property? _____
If so, describe _____

IV. Description

____ Residence ____ Vacant Land ____ Condominium ____ Rental
____ Commercial ____ Other

Number of acres _____ Approximate dimensions _____

Boundaries (roads, water, development, etc.) _____

Natural features (vegetation, water, geological formations, etc.) _____

Improvements (buildings, roads, utility easements, etc.) _____

Wildlife which has been identified on the property with emphasis on rare or endangered species _____

Give a brief history of how the property was used before and during your ownership _____

Is the property benefited by any right of easements? _____

If so, describe _____

Describe uses on adjacent parcels _____

V. Disposition

Do you intend to convey this property to Webster University

_____ during your lifetime

_____ through your will or trust

How can Webster University make arrangements to have a representative visit the property? _____

VI. Supporting Information

Please attach any information that will help Webster University evaluate the property, such as:

_____ topography map _____ tax map _____ aerial photo
_____ soil survey _____ survey _____ latest tax notice

VII. Webster University will conduct an on site examination of the property. If there is a concern about possible contamination, Webster University will require that an environmental engineer conduct an environmental assessment of the property. These assessments should be used selectively with prior approval of Webster University's president, and with payment of costs negotiated in advance with the donor. If the assessment report indicates that the property is contaminated, Webster University will reject the property.

**Field Checklist for Initial Determination of Possible Presence of Hazardous Waste on
Property to be Acquired by Webster University**

- I. On-site conditions
 - A. Present or past industrial use of property
 - B. Proximity to industrial facilities likely to generate wastes
 - C. Road access (to facilitate dumping)
 - D. Presence of barrels, drums, fragments, paint cans, etc.
 - E. Presence of other debris from past or present waste dumping
 - F. Presence of oil ponds or other liquids or oil slicks on puddles
 - G. Presence of stressed vegetation (different coloration, stunted growth, bare spots, etc.)
 - H. Examine both sides of all road and paths, for their full lengths, for signs of waste disposal
 - I. Presence of mounding or unusual soil disturbances
 - J. Presence of surface or underground storage tanks
 - K. Presence of asbestos insulation in building or utility installations - particular attention should be paid to commercial buildings constructed prior to 1979
 - L. Automobile parking, truck storage, railroad storage or other possible sources of spilled oil or gasoline
 - M. Is ground water in proximity or property potable?

- II. Other Investigations
 - A. From owner, neighbors or Auld timers≅, obtain history of use of property
 - B. Check title history for industrial ownership
 - C. Check regional office of U.S. Environmental Protection Agency, state and local environmental agencies and local health departments for record of problems and complaints
 - D. Talk to local police to see if there have been problems or complaints
 - E. Obtain aerial photograph from local tax assessor, U.S. geological survey or local flying club
 - F. Talk to local planning and/or zoning officials regarding current and projected plans for the area

Sponsored Project Support Request Form

OFFICE OF DEVELOPMENT / ALUMNI PROGRAMS
470 E. Lockwood Avenue, Loretto Hall–4th Floor
Phone: (314) 968-7148 FAX: (314) 968-7108

SPONSORED PROJECT SUPPORT REQUEST FORM

Name: _____ Department: _____
Title: _____ Telephone: _____
E-mail: _____ Date Requested: _____

You will be notified by a staff member of the Development Office to confirm receipt of your request.

Project Description

Please describe the problem/need you seek to address (include specific information on target population(s) to be served, desired measurable outcomes/results, etc.):

Please describe your proposed solution(s) to the problem (include list of any potential collaborating organizations and projected timeline): _____

Please describe the human and material (e.g. equipment, supplies, travel, facilities/ space) resources you will need to carry out your project and the approximate costs:

Please describe any additional revenue sources for your project (otherwise note if it relies solely on a potential future grant award): _____

Please list any funding sources you have identified for your project: _____

What types of assistance are you requesting from Development?

- | | |
|--|---|
| <input type="checkbox"/> Consultation on Project Design/Feasibility | <input type="checkbox"/> Budget Development |
| <input type="checkbox"/> Funding Source Identification,
Research & Strategizing | <input type="checkbox"/> Internal Support and Negotiation |
| <input type="checkbox"/> Institutional Research | <input type="checkbox"/> Award Negotiation |
| <input type="checkbox"/> Proposal Critique/Analysis | <input type="checkbox"/> None, Clearance Only |

Signature: The individual identified above has consulted with me about pursuing external funding for the project as outlined on this form. I support their efforts in this grant-seeking activity.

Department Chair*: _____ Date: _____

Vice President: _____ Date: _____

**AVP-level supervisor for administrative departments or academic units not within a college or school*

Please submit completed form to Ryan Elliott, Director of Advancement Services, via email: relliott@webster.edu, fax: 314.968.7108 or mail: Loretto Hall, Rm. 452.

The Development Office provides individualized coaching opportunities for individuals seeking assistance in completing this form. If you would like to schedule an appointment please call the Development Office at 314/968-7148.

For Development Only:

Received by: _____	Date Confirmed: _____	Referred to: _____
Attach Next Step(s)	Date Completed: _____	Attach Results / File

Master List of Endowment Naming Opportunities (2006)

	<u>Naming Price</u>	<u>Fund Type Op/Cap/End</u>
School of Business & Technology		
Naming of the School of Business & Technology	\$15,000,000	End
<u>Prominent Programs</u>		
➤ Center of Business and Management	\$5,000,000	End
➤ Center of Mathematics & Technology	\$3,000,000	End
➤ Department of Math & Computer Science	\$1,000,000	End
➤ Department of Management	\$1,000,000	End
➤ Department of Business	\$1,000,000	End
➤ The Online Programs	\$1,000,000	End
➤ The Doctor of Management Program	\$1,000,000	End
➤ The MBA Program	\$500,000	End
➤ The International Business Program	\$1,000,000	End
➤ The Dean's Leadership Lecture Series	\$100,000	End
➤ The CEO Lecture Series	\$100,000	End
➤ The Women of Influence Lecture Series	\$100,000	End
➤ Institutes of Excellence	\$2,000,000	End
<u>Endowed Chairs, Professorships</u>		
➤ Chair, Department of Business	\$1,000,000	End
➤ Chair, Department of Management	\$1,000,000	End
➤ Chair, Department of Math & Computer Science	\$1,000,000	End
➤ Dean's Endowed Scholarship	\$500,000	End
➤ Distinguished SBT	\$300,000	End
➤ Various Endowed Professorships	\$1,500,000	End
Science Building		
Naming of the College of Arts & Sciences	\$10,000,000	End
University Endowed Fund Opportunities		
<u>Scholarships</u>		
➤ Partial scholarships	\$25,000	End
Can be established for any student, based on need or merit, for any amount greater than \$25,000		
➤ Half-tuition scholarships (Honor Scholars)	\$125,000	End
Can be established for students of high promise for sums not less than \$125,000.		
➤ Full-tuition scholarships (Distinguished Scholars)	\$250,000	End
Can be established for sums not less than \$250,000.		
➤ Need-based Room and Board Grants	\$30,000	End
To assist students with living expenses can; be established for sums not less than \$30,000.		
➤ Special research	\$25,000	End

	<u>Naming Price</u>	<u>Fund Type Op/Cap/End</u>
Can be established for sums not less than \$25,000.		
➤ Study Abroad	\$50,000	End
Can be established for sums not less than \$50,000.		
➤ Student Activity Programs	\$25,000	End
Can be established for sums not less than \$25,000.		
<u>Colleges & Schools</u>		
➤ Naming a School/College		
A commitment of \$10-15 million enables the University to honor a contributor who wishes to attach a name to a College or School.	\$10-15 mil.	End
➤ Centers & Programs in a School/College	\$300,000	End
Endowments established for sums not less than \$300,000 can be applied to the centers and programs of the Colleges and Schools.		
➤ Maintenance and Technology Funds	\$100,000	End
➤ Library Special Collection and Acquisition Funds	\$25,000	End
➤ Equipment Funds	\$25,000	End
➤ Campus Beautification Funds	\$25,000	End
➤ Unrestricted Endowments.	\$25,000	End
<u>Faculty Chairs & Professorships</u>		
➤ Chairs	\$1,000,000	End
Can be established by contributors to cover the salary, travel, and related expenses of a distinguished faculty member working in an area of interest to the contributor.		
Such endowments are intended to relieve budgets rather than expand them.		
Chairs will be established for sums not less than \$1,000,000.		
➤ Named Professorships	\$500,000	End
Can be established to supplement budgeted support for an existing teaching position and will be established for sums not less than \$500,000.		
➤ Visiting Scholars/Artists	\$150,000	End
Can be supported for sums not less than \$150,000. Such funding covers fees, travel, living, and promotion expenses.		

Sample Scholarship Agreement Form

Establishment of

The _____ [Memorial] Endowed [Scholarship] Fund

Terms of Agreement

The _____ [Memorial] Endowed Scholarship Fund is established by _____ to perpetuate _____'s memory, promote the study of _____.

Funding

This endowed scholarship shall be funded via a gift, bequest, life insurance policy, remainder of a charitable trust, annuity or other charitable life-income arrangement of \$_____. If the funding is payable over a period of time, that should be included. Terms of the University's Gift Acceptance Policy provide for the following: The fund must reach a minimum level of \$25,000 by (five years from date of receipt of the first resources). If this amount is not reached by that date, the fund may be terminated at the discretion of the Gift Acceptance Committee. The fund must reach a balance of \$12,500 by (three years from receipt of the first resources). In the event this does not occur, the fund will be terminated by the Gift Acceptance Committee and the amounts given used for the general purposes of the institution nearest to the donors' restrictions.

Restrictions

The restrictions need to be written to include the answers to the following questions:

Is the scholarship for a particular major, field of study or school/college?

Is the scholarship for a graduate or undergraduate student? If undergraduate, is it for a specific class year(s)?

Is there a restriction on the nationality of the student? If this is not specified, the Scholarship Office defaults to a restriction of U.S. citizen.

Is there a specific GPA requirement? The Scholarship Office recommends a minimum GPA of 3.0 for undergraduate scholarships and 3.5 for graduate scholarships. The GPA can be more restrictive, but a less restrictive GPA is not recommended.

Is the scholarship need-based, merit-based or both?

Is the scholarship for a full-time or part time student? Full-time is defined by the Scholarship Office as a flat-fee undergraduate student or any graduate student taking at least 5 hours per semester.

Is the scholarship renewable as long as the student continues to meet the restrictions and reapplies each year?

What is the preferred selection process – application, selection by the Scholarship Office, recommendation of Dean or faculty member? The final approval will always remain with the Scholarship Office.

How many scholarships should be awarded each year and can that change at the discretion of the Scholarship Office as the fund grows?

Is the scholarship to replace or enhance other financial assistance?

Are there any other specific restrictions the donor prefers – ethnic origin, first generation college student, gender, parent, returning student etc?

Suggested language for extended campuses:

In consultation with the Scholarship Office, the {Campus Name} Scholarship Committee, composed of the {Campus Name} academic advisors, will oversee the application process. Annually, the committee will determine the size and number of scholarships that will be awarded. The committee will accept applications, select the recipient(s), and forward the recommended recipient name(s) to the Scholarship Office. The Scholarship Office is responsible for the final approval of the recipient(s) and for awarding the scholarship(s).

In the event that such use should prove to be impractical or undesirable for any reason as THE TRUSTEES OF WEBSTER UNIVERSITY may, in their sole discretion determine, they shall then provide for alternative uses for this gift in a manner consistent with, and reflecting the spirit of, the original purpose.

Increases or decreases in total fund assets shall be permanently restricted for purposes as specified in this agreement. Additionally, a percentage of the fund's fair market value, as valued annually, shall normally be awarded each year in accordance with endowment fund guidelines. In no case should disbursements reduce the corpus. In the event that the scholarship office elects to forego a disbursement from the fund in any year, the funds available for that year shall remain available for disbursement in a subsequent year.

by: _____
Donor

by _____
Vice President, Development

date: _____

date: _____

Revised 2/26/03

Webster University
Non-Cash Donation / Gift-In-Kind Form

Donor Name: _____

Address: _____

City, State: _____ Zip: _____

Bus. Phone: _____ Home Phone: _____

Email: _____

Description of Item (please be as specific as possible):

Estimated Value: _____ (to be provided by donor)

Please check one

Donor statement of value

Appraisal attached
(for items valued at \$5,000+)

Receipt attached

Donor's Signature: _____

Date: _____

Gift Received By*: _____ Campus: _____

Department: _____

** Have you already provided a receipt/acknowledgement to the donor? If yes, please attach a copy to this form*

Return to the Webster University Development Office ♦ 470 East Lockwood Ave. ♦ Saint Louis, MO, 63119
Phone 314-968-7148 ♦ Fax 314-968-7108

White Copy – Donor

Pink Copy – Finance

Yellow Copy – Development

A Donor Bill of Rights

PHILANTHROPY is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

I.

To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

II.

To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

III.

To have access to the organization's most recent financial statements.

IV.

To be assured their gifts will be used for the purposes for which they were given.

V.

To receive appropriate acknowledgement and recognition.

VI.

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

VII.

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

VIII.

To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX.

To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X.

To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

DEVELOPED BY

American Association of Fund Raising Counsel (AAFRC)
Association for Healthcare Philanthropy (AHP)
Council for Advancement and Support of Education (CASE)
Association of Fundraising Professionals (AFP)

ENDORSED BY

(in formation)
Independent Sector
National Catholic Development Conference (NCDC)
National Committee on Planned Giving (NCPG)
Council for Resource Development (CRD)
United Way of America

Charitable Gift Annuity Application

CHARITABLE GIFT ANNUITY APPLICATION
Webster University
St. Louis, Missouri

Instructions: Please complete and return to: Ken Nickless, Office of Development, Webster University, 470 E. Lockwood Avenue, St. Louis, Missouri 63119-3194. Upon approval, an annuity contract will be issued. If you have questions, call the Office of Development at (314) 968-7146 or (314) 968-7142.

DONOR APPLICANT - THE OWNER OF THE ASSETS BEING GIVEN

1. Your name: (title)_____ (first)_____ (m.i.)_____
(last)_____
Birthdate:____/____/____ Social security number:____/____/____
2. Are you: Married
 Widowed
 Single
3. Your address:_____
City:_____ State:_____ Zip Code:_____
Telephone: (Day): (____)_____ (Evening): (____)_____
4. Funding asset is owned by: You alone; Spouse alone; Joint
5. Who is annuitant?
A. You alone; Spouse alone; You and spouse (joint and survivorship);
(Note: It is possible to name a non-spouse as an annuitant. However, special tax considerations apply. Please contact the Office of Development for further information.)
6. Spouse Name: (title)_____ (first)_____ (m.i.)_____
(last)_____
Birthdate:____/____/____ Social security number:____/____/____
Address:_____
City:_____ State:_____ Zip Code:_____
Telephone: (Day): (____)_____ (Evening): (____)_____

(continued on reverse)

Charitable Gift Annuity Disclosure Statement

WEBSTER UNIVERSITY CHARITABLE GIFT ANNUITY DISCLOSURE STATEMENT

INTRODUCTION

The purpose of this Disclosure Statement is to provide you with information about the structure and operation of the Webster University Charitable Gift Annuity Fund.

Purpose of the Gift Annuity

Your gift to Webster University in exchange for a charitable gift annuity is designed to provide support for the University, and at the same time, provide a source of fixed income payments for you and/or your designated beneficiary (the annuitant[s]).

Not a Commercial Annuity

As enacted by the Philanthropy Protection Act of 1995, charitable gift annuities are considered securities but are exempt from registration requirements under Federal securities laws. As required by the Act, the University only markets charitable gift annuities by volunteers or our Development Office staff whose compensation is not based on the amount contributed or the number of gifts that are made and who receive no commissions.

The purpose of this Disclosure Statement is to provide you and our other donors a full and fair disclosure of our Charitable Gift Annuity Fund. With a charitable gift annuity you are making a charitable gift that provides guaranteed payments to you or your beneficiary(ies) for life, this gift may entitle you to income, gift or estate tax deductions and for that reason the annuity rates are lower than those available through commercial annuities.

Nature of a Charitable Gift Annuity

The charitable gift annuity is a simple contract between you and Webster University. The University promises to pay you or your beneficiary(ies) a fixed annuity payment for life in exchange for your irrevocable gift to the University. The charitable gift annuity may be created for one life, two consecutive lives or two concurrent lives.

The fixed annuity payment is determined by the age of the beneficiary(ies) using an annuity rate table. The annuity will be paid for the life of your beneficiary (or lives if two beneficiaries are named). After the beneficiary's passing, whatever remains of your original gift may be used by the University as directed by the Trustees of the University, or as you have specified in the agreement as approved by the Office of Development.

As with other gifts to the University, once you transfer assets to the University (e.g., mail a check or transfer stock) your gift becomes irrevocable. The actual agreement you sign for the

charitable gift annuity is also irrevocable. However, you can retain the right under the agreement to revoke a beneficiary's subsequent interest under your Will and you can relinquish your right to receive future annuity payments at any time should you wish to make a larger gift to the University.

Assumptions Underlying the Suggested ACGA Gift Annuity Rates

The University voluntarily adheres to rates recommended by the American Council on Gift Annuities. The current rates were effective January 1, 2003. The ACGA generally reviews the rates every three years and may change them according to current and projected market conditions at the time of review. The rate of payments is determined by the age of the beneficiary on the date the annuity is acquired. The actuarial values are provided by the IRS, using unisex tables.

The current maximum ACGA annuity rates, effective January 1, 2003 are based on the following assumptions:

1. The residuum (the amount remaining at the death of the last annuitant) will be 50%.
2. Life expectancies are based on the Annuity 2000 Tables, assuming all annuitants are female and are one and one-half years younger than their actual ages.
3. Projections of increased life expectancies since the publication of the Annuity 2000 Tables are factored into rate calculations.
4. Annual expenses for investment of gift annuity reserves and administration of gift annuities are assumed to be 1% of reserves.
5. The total return on the investment of gift annuity assets is 6.0%. However, the total return for single-life and two-life annuities for annuitants over age 86 is lower than 6.0%. The total return, net of expenses, is 5.0% except for the ages noted where it is lower.
6. The compound interest factor for deferred gift annuities for a deferral period of any length is 5.0%.

Acceptable Assets, Date of Gift, Minimum Age and Gift

To fund a charitable gift annuity with the University, you may give either cash or publicly traded securities, such as stocks, bonds or mutual funds.

The date of your charitable gift annuity is the postmark or other date signifying the date you have mailed your gift to the University, the date your gift is physically accepted by a representative of the University, or the transfer date of electronically transferred stock.

For the amount of your gift, the University requests that it be no less than \$2,500. The University requires the beneficiary be at least 65 years old for an annuity that begins immediately and at least 50 years old for an annuity that defers payments to a future date.

Income Tax Charitable Deduction

When you make a gift to the University for a charitable gift annuity, you are entitled to an income tax charitable deduction for the year of your gift. Your deduction is equal to the difference between the fair market value of your gift and the present value of the annuity payments. The present value is calculated based on whether you name one or two annuitants, the age of the annuitant(s), the timing of the annuity (immediate or deferred payments), the IRS assumed interest rate for the month of the gift or from either of the two prior months and the unisex actuarial tables prescribed by the IRS. The higher the assumed interest rate the larger your income tax charitable deduction. But, the lower the assumed interest rate, the greater the amount of the annuity payment that will be deemed a tax-free return of principal. The IRS assumed interest rate is based on the Federal midterm interest rate, called a § 7520 rate, which the IRS publishes on a monthly basis.

For your income tax purposes, you may deduct a gift of cash up to 50% of your adjusted gross income and a gift of stock up to 30% of the adjusted gross income (your total income from all sources less certain deductions). You may carry forward any of your unused income tax charitable deduction for up to five years.

University's Obligation for Annuity Payments

Your gift annuity payments are a general obligation of the University. The payments are backed by all of our assets, subject to existing security interests. Where required by state law, we maintain a gift annuity reserve fund for all outstanding charitable gift annuities.

Asset Management and Investment Requirements

The University's Charitable Gift Annuity Fund, under which all of the gifts received by donors for charitable gift annuities are invested, is managed through the University's Finance and Administration Division. Your gift is commingled with those of other annuitants in a segregated account. The actual property you give to the University may be retained as an investment or it may be sold and the proceeds reinvested. The University retains the right to assign custodianship and management of gift annuity assets to an outside manager.

Currently, the University has retained TIAA-CREF Trust Company, FSB to serve as investment manager for our Charitable Gift Annuity Fund. The investment manager maintains a balanced portfolio consisting of cash investments and TIAA-CREF mutual funds weighted to provide a consistent income and long-term growth, according to guidelines set by the University's Finance and Administration Division.

Taxation of Annuity Payments

Annuity payments are subject to income tax when paid to you or your beneficiaries. When you sign the charitable gift annuity agreement, we will provide you with an estimate of the taxation of each payment.

A portion of each annuity payment will be treated as a return of your investment for the charitable gift annuity and will not be subject to income tax. For a gift of cash, the return of your investment equals the present value of the annuity payments, which is the same as the present value of the payments calculated for the income tax charitable deduction. For a gift of appreciated securities, the return of your investment equals the present value of the annuity payments less the capital gain. Your capital gain in the appreciated securities is equal to the present value of the annuity payments less your cost basis in the securities. The balance of each annuity payment will be treated as ordinary income or as capital gain income. Also, once your return of investment has been exhausted (i.e., you have lived past your estimated life expectancy determined when you funded the charitable gift annuity), the portion of your payment that was a tax free return of your investment will be treated as ordinary income.

If you give long-term appreciated securities, such as individual stocks or mutual funds, to the University, a portion of each annuity payment will be treated as capital gain income. Long-term securities are those that you have owned for more than one year. A gift of appreciated securities is treated as a “bargain sale” for income tax purposes. A portion of your cost basis for the securities (what you paid for the securities, plus commissions, etc.) is allocated to the sale element (the present value of the annuity payments) and the other portion is allocated to the gift element (the University’s share). The difference between the sale element and the cost basis allocated to the sale element gives you the amount of long-term gain you have to recognize for the gift.

If you are the sole annuitant and can only assign the annuity to the University, then you can recognize the capital gain ratably over the period of years you are expected to receive the annuity payments determined as of the date of your charitable gift annuity. If you are the donor and name another beneficiary to share in the annuity with you, the capital gain is still recognized over the expected annuity payments during your estimated life expectancy. If you and your spouse or another person makes the gift with jointly owned property, then the capital gain will be allocated to the expected annuity payments for both of your anticipated life expectancies. But, if you are not an annuitant, then the capital gain must be recognized the year you make the gift to the University.

You and/or your beneficiary will receive IRS Form 1099-R after the close of the taxable year, confirming the allocation of income for your annuitant payments for that tax year.

Federal Gift Tax Considerations

Your gift to the University is a taxable gift. However, the University’s interest in your gift will qualify for the Federal gift tax charitable deduction so that no gift tax will be due.

If you name yourself and/or your spouse as a beneficiary of the charitable gift annuity, then you will not be making a taxable gift (your spouse’s interest is covered by the Federal gift tax marital deduction). If you name another individual as a beneficiary (whether or not you are also a beneficiary), then you will be making a taxable gift to the beneficiary for the present value of his or her interest in the charitable gift annuity. If the gift is for an immediate annuity, then the gift qualifies for the \$11,000 gift tax annual exclusion (the exclusion is indexed for inflation

and will increase in \$1,000 increments). A deferred gift annuity does not qualify for the gift tax annual exclusion. The amount of the gift in excess of your gift tax annual exclusion (or the amount of your gift for a deferred gift annuity) will be subject to gift tax and must be reported on IRS Form 709 – Gift Tax Return. Unless you have used your entire gift tax applicable exclusion amount (\$1 million), no gift tax will be due. To avoid making a current gift, you can retain the right exercisable by your will to revoke the annuitant's interest. In this case, the gift will not be subject to tax until your subsequent death.

Revised 9-12-03

Memorabilia Gift Agreement

While gifts come to Webster University in many forms, none come with greater sentiment than an article from Webster's past. Whether a class pin, yearbook, or other memento, these memorabilia hold unique meaning for the donor and represent a glimpse into Webster's institutional history.

Although each gift of memorabilia potentially adds to the collective memory of the institution, not every gift offered can be properly displayed, stored or maintained in a way that is satisfactory to both donor and the University. Because of this, when a gift of this type is offered, it is evaluated on an individual basis rather than on precedent.

All memorabilia presented as gifts the University are directed to the Development Office. The University reserves the right to accept or decline any gift as part of the University's Gift Acceptance Policy. Once the memorabilia is accepted by the University, the following guidelines will direct its display and preservation:

- Once memorabilia is donated, it cannot be reclaimed by the donor or any family member or designee of the donor.
- Webster University reserves the right to determine the display type, location, and duration of display.
- Memorabilia not currently on display will be held in storage in University archives.
- All displays will include a brief history of the memorabilia, including a donor acknowledgment if requested.
- The University will make reasonable reparations to maintain and repair all displayed memorabilia.
- Webster cannot be held responsible for theft or damage to any item on display or in storage.

Vice President for Development

Date

Donor

Date

Brief memorabilia description:

Binding Pledge Agreement Template

[I/we], _____, hereby pledge to give to WEBSTER UNIVERSITY, located at 470 East Lockwood, Webster Groves, St. Louis County, Missouri, at the time of [my/our death(s)] the sum of _____ Dollars (\$_____), to be paid out of [my/our] estate or revocable trust in one lump sum payment, in consideration of (1) the mutual promises of myself and other subscribers; (2) the promise of Webster University to use this subscription and other funds for _____, and (3) my desire to _____ at Webster University.

This pledge is NOT revocable and shall extend to and be binding upon my executors, trustees, administrators, heirs, beneficiaries and assigns and shall be enforceable as an obligation against my estate. My failure to include a specific bequest to WEBSTER UNIVERSITY in my Will or Trust shall not release my executors, trustees or administrators from the obligation of delivering the sum of _____ Dollars (\$_____) to WEBSTER UNIVERSITY in accordance herewith. Such payment shall be made within a reasonable time following my death and in any event prior to distribution of my estate or trust.

I believe a definite commitment to make this gift will be of great value to WEBSTER UNIVERSITY, and I have agreed to make this pledge on the understanding that WEBSTER UNIVERSITY will publicly refer to this gift prior to its delivery as a gift promised by me and after delivery, as a donation by me, that WEBSTER UNIVERSITY may make commitments in reliance on this pledge and that the pledge may be made known to the public in the course of soliciting contributions from others.

This subscription is made upon the following conditions:

1. This subscription is to be used for the funding of _____ [in accordance with the Guidelines for Establishment of The (reference separate fund agreement if appropriate)]. In the event that such use should prove to be impractical or undesirable for any reason as THE TRUSTEES OF WEBSTER UNIVERSITY may in their sole discretion determine, the Trustees shall provide for alternative uses for this gift in a manner consistent with, and reflecting the spirit of, the original purpose stated in such Guidelines.
2. WEBSTER UNIVERSITY agrees [miscellaneous stipulations, for example the promise to raise funds in addition to the pledge].

Signed this _____ day of _____, 2000.

[type donor name], Donor

Address: _____

S.S.N. _____

[type spouse name, if joint], Donor

Address: _____

S.S.N. _____

On behalf of the University, [I/we] hereby accept this gift and confirm that this letter correctly states the Agreement between the Donor and the University.

By: _____
WEBSTER UNIVERSITY

Title: _____

Dated: _____

Binding Pledge Agreement (Standard)

I, _____, hereby pledge to give to WEBSTER UNIVERSITY, located at 470 East Lockwood, Webster Groves, St. Louis County, Missouri, at the time of my death the sum of _____ Dollars (\$ _____), to be paid out of my estate or revocable trust in one lump sum payment, in consideration of (1) the mutual promises of myself and other subscribers; (2) the promise of Webster University to use this subscription and other funds for _____, and (3) my desire to honor the accomplishments of _____ and advance the study of _____ at Webster University.

This pledge is NOT revocable and shall extend to and be binding upon my executors, trustees, administrators, heirs, beneficiaries and assigns and shall be enforceable as an obligation against my estate. My failure to include a specific bequest to WEBSTER UNIVERSITY in my Will or Trust shall not release my executors, trustees or administrators from the obligation of delivering the sum of _____ Dollars (\$ _____) to WEBSTER UNIVERSITY in accordance herewith. Such payment shall be made within a reasonable time following my death and in any event prior to distribution of my estate or trust.

I believe a definite commitment to make this gift will be of great value to WEBSTER UNIVERSITY, and I have agreed to make this pledge on the understanding that WEBSTER UNIVERSITY will publicly refer to this gift prior to its delivery as a gift promised by me and after delivery, as a donation by me, that WEBSTER UNIVERSITY may make commitments in reliance on this pledge and that the pledge may be made known to the public in the course of soliciting contributions from others.

This subscription is made upon the following conditions:

1. This subscription is to be used for the funding of _____
_____ in accordance with the Guidelines for Establishment
of _____. In the event that such use should
prove to be impractical or undesirable for any reason as THE TRUSTEES OF
WEBSTER UNIVERSITY may in their sole discretion determine, the Trustees
shall provide for alternative uses for this gift in a manner consistent with, and
reflecting the spirit of, the original purpose stated in such Guidelines.
2. WEBSTER UNIVERSITY agrees that it shall, at the time of _____
_____ retirement, or at the time of his death, undertake
a program for solicitation for gifts to the Fund through the University's
Development Office.

Signed this _____ day of _____, 2000.

[type donor name], Donor

Address: _____

S.S.N. _____

[type spouse name, if joint], Donor

Address: _____

S.S.N. _____

On behalf of the University, [I/we] hereby accept this gift and confirm that this letter correctly states the Agreement between the Donor and the University.

By: _____
WEBSTER UNIVERSITY

Title: _____

Dated: _____

Binding Pledge Agreement (Flexible)

I, _____, hereby pledge to give to WEBSTER UNIVERSITY, located at 470 East Lockwood, Webster Groves, St. Louis County, Missouri, at the time of my death the sum of _____ Dollars (\$ _____), to be paid out of my estate or revocable trust in one lump sum payment, in consideration of (1) the mutual promises of myself and other subscribers; (2) the promise of Webster University to use this subscription and other funds for _____, and (3) my desire to honor the accomplishments of _____ and advance the study of _____ at Webster University.

This pledge is NOT revocable and shall extend to and be binding upon my executors, trustees, administrators, heirs, beneficiaries and assigns and shall be enforceable as an obligation against my estate. My failure to include a specific bequest to WEBSTER UNIVERSITY in my Will or Trust shall not release my executors, trustees or administrators from the obligation of delivering the sum of _____ Dollars (\$ _____) to WEBSTER UNIVERSITY in accordance herewith. Such payment shall be made within a reasonable time following my death and in any event prior to distribution of my estate or trust.

I believe a definite commitment to make this gift will be of great value to WEBSTER UNIVERSITY, and I have agreed to make this pledge on the understanding that WEBSTER UNIVERSITY will publicly refer to this gift prior to its delivery as a gift promised by me and after delivery, as a donation by me, that WEBSTER UNIVERSITY may make commitments in reliance on this pledge and that the pledge may be made known to the public in the course of soliciting contributions from others.

Further, the Donor and the University provide that this Agreement constitutes a binding commitment on behalf of the Donor to provide for a contribution of \$ _____, to be paid upon the death of the Donor, or upon the death of the survivor of the Donor and his spouse. The Donor and the University agree that such gift shall be paid in an amount of no less than \$ _____ at the above time and that such gift shall be paid in cash or in property or partly in each. The Donor and the University agree, however, that the exact form of the gift and its delivery to the University may be changed from time to time by mutual written consent of the parties to this Agreement. It is estimated by the parties that the present value of this agreement to satisfy a binding charitable pledge in the future is \$ _____.

This subscription is made upon the following conditions:

1. This subscription is to be used for the funding of _____ in accordance with the Guidelines for Establishment of _____. In the event that such use should prove to be impractical or undesirable for any reason as THE TRUSTEES OF WEBSTER UNIVERSITY may in their sole discretion determine, the Trustees shall provide for alternative uses for this gift in a manner consistent with, and reflecting the spirit of, the original purpose stated in such Guidelines.
2. WEBSTER UNIVERSITY agrees that it shall, at the time of _____ retirement, or at the time of his death, undertake a program for solicitation for gifts to the Fund through the University's Development Office.

Signed this _____ day of _____, 2000.

[type donor name], Donor

Address: _____

S.S.N. _____

[type spouse name, if joint], Donor

Address: _____

S.S.N.

On behalf of the University, [I/we] hereby accept this gift and confirm that this letter correctly states the Agreement between the Donor and the University.

By: _____
WEBSTER UNIVERSITY

Title: _____

Dated: _____

Patents

On October 22, 2004 President Bush signed H.R. 4520. Included in the package was a modification of the rules governing contributions of patents and intellectual property. This new law, which is effective for contributions after June 3, 2004 limits deductions for contributions of patents or other intellectual property (other than certain copyrights or inventory) to the lesser of the donor's adjusted cost basis and fair market value. In addition, the donor can deduct additional amounts based on a percentage of the "qualified donee income" ("QDI") the charitable donee subsequently receives from the contributed property. "Qualified donee income" is defined as the net income received or accrued by the donee that is properly allocable to the intellectual property itself (as opposed to the activity in which the property is used). The amount of QDI that can be claimed as an additional deduction is based on a sliding-scale:

Taxable Year of Donor	Deduction Permitted for Such Taxable Year
1st year ending on or after year of contribution	100%
2nd year ending on or after year of contribution	100%
3rd year ending on or after year of contribution	90%
4th year ending on or after year of contribution	80%
5th year ending on or after year of contribution	70%
6th year ending on or after year of contribution	60%
7th year ending on or after year of contribution	50%
8th year ending on or after year of contribution	40%
9th year ending on or after year of contribution	30%
10th year ending on or after year of contribution	20%
11th year ending on or after year of contribution	10%
12th year ending on or after year of contribution	10%
Taxable years thereafter	No Deduction Permitted

An additional charitable deduction is allowed only to the extent that the aggregate of the amounts that are calculated pursuant to the sliding-scale exceed the deduction of the amount claimed upon the contribution of the patent or intellectual property.

The donor must notify the charity at the time of contribution that he or she intends to claim additional deductions and is required to obtain written substantiation of QDI from the charitable donee for each year that such deductions are claimed. In addition, the charitable donee is required to file an information return that reports the QDI and other information related to the contribution.

In order for the transfer to avoid violating the partial interest rule, the donor must transfer "all substantial rights to the patent" (or an undivided fractional interest in the same) as described in Reg. §1.1235-2(b). Webster University will adhere to IRS regulations regarding gifts of intellectual property, including, but not limited to, patents, royalties from interests in oil and gas, etc.