

SOUTHERN WEST VIRGINIA COMMUNITY COLLEGE FOUNDATION, INC.
SFP-4006

SUBJECT: Gift Acceptance of Life Insurance and Bequests

REFERENCE: SFP-4003, Gift Acceptance General Policy

ORIGINATION: March 2010

EFFECTIVE: March 2010

REVIEWED:

SECTION 1. PURPOSE

- 1.1. The objective of this policy is to outline the Foundation's policy for accepting gifts of life insurance policies and bequests.

SECTION 2. DEFINITIONS

- 2.1. **President** – President of Southern West Virginia Community College Foundation, Incorporated.
- 2.2. **Designee** – A person who has been delegated responsibility.
- 2.3. **Owner** – The owner of the policy is the person or entity designated on the original policy as the owner, as well as on the books of the company issuing the policy.
- 2.4. **College** – Southern West Virginia Community and Technical College.
- 2.5. **Foundation** – Southern West Virginia Community College Foundation, Incorporated.

SECTION 3. POLICY STATEMENT

- 3.1. The Foundation will accept various types of life insurance. If a donor plans to contribute a life insurance policy and designate the owner of the policy to be the Foundation, the following criteria must be met:
- 3.1.1. The owner and beneficiary will be designated on the policy as follows: Southern West Virginia Community College Foundation, Inc.
- 3.1.2. Additional charitable contributions will be required from the donor to the Foundation in the amount of the premiums, including unscheduled premiums, which may become due. The donor will agree to make the payments and submit the donation prior to the required premium payment due date. If, for unforeseen circumstances, the donor cannot continue to make donations to fund the policy premium payments, the Foundation reserves the right to withdraw the cash surrender value and cancel the policy or review other alternatives available to continue the policy.

- 3.1.3. Specific restrictions which apply to the use of the gift will be documented separately. If the purpose is intended to be an endowment, then the face value of the policy must meet the minimum funding standards for endowments unless additional outright or planned gifts are combined to meet minimum funding standards.
- 3.1.4. The original policy must be forwarded to the Development Office at the time of the gift.
- 3.1.5. If the donor plans to designate the Foundation as one of the beneficiaries and not as owner of the policy, then the following criteria must be met:
 - 3.1.5.1. The beneficiary will be designated on the policy as follows: Southern West Virginia Community College Foundation, Incorporated.
 - 3.1.5.2. Specific restrictions which apply to the use of the gift will be documented separately. If the purpose is intended to be an endowment, then the face value of the policy must meet the minimum funding standards for endowments unless additional outright or planned gifts are combined to meet minimum funding standards.
 - 3.1.5.3. It is requested that a copy of the policy be forwarded to the Development Office accountant for record keeping.
- 3.1.6. Remembering Southern West Virginia Community and Technical College in your will removes assets from the donor's estate and reduces its exposure to federal taxes. Bequests can include gifts in the form of: Cash, stocks, bonds, or real estate; A specified percentage of your estate; or the residue of your estate (property remaining after other bequests have been fulfilled.)

SECTION 4. BACKGROUND OR EXCLUSIONS

- 4.1. None.

SECTION 5. GENERAL PROVISIONS

- 5.1. None.

SECTION 6. RESPONSIBILITIES AND PROCEDURES

- 6.1. The Development Office will determine acceptance of the life insurance policy on behalf of the Foundation based on the criteria outlined above, and the criteria outlined in the Foundation's Gift Acceptance General Policy. If there are any costs associated with accepting the gift, the president of the Foundation must approve acceptance of the life insurance policy.
- 6.2. If approved, the Development Office will prepare a written summary of the gift and forward the appropriate information to the Development Office accountant for processing. Upon execution and delivery of the policy, the Development Office will prepare a letter of acknowledgment and thanks to the donor.
- 6.3. The Southern West Virginia Community College Foundation can be named as a beneficiary for a portion or all of the assets for bequests, or a gift of retirement plan. This is usually completed on the retirement plan's beneficiary designation form. As with life insurance, your estate will be entitled to an estate tax deduction based on the value of the assets paid to the Southern West Virginia Community College Foundation.

It is always advisable to first contact the Development Office to discuss the details of the gift.

SECTION 7. CANCELLATION

7.1. None.

SECTION 8. REVIEW STATEMENT

8.1. This policy shall be reviewed on a regular basis with a time frame for review to be determined by the President or the President's designee. Upon such review, the President or President's designee may recommend to the Board that the policy be amended or repealed.

SECTION 9. SIGNATURE

President

Date

Attachments:

Distribution: Members, Southern West Virginia Community College Foundation, Inc.
President, Southern West Virginia Community and Technical College
www.southernwv.edu

Revision Notes: None.