Western New Mexico University
WNMU Foundation

Policy Name: Planned Giving Policy

Approving Body and Date: 

Responsible Department: WNMU Foundation

Purpose: Planned Giving Policy

Policy: The Western New Mexico University Foundation Board of Directors have established this Planned Giving Policy and officially commits the organization to a position which protects: (1) the best interests of the donor; (2) the official representatives of the Foundation; (3) the welfare of the Foundation itself; and (4) the administrators charged with management related to the deferred gift program. The following guidelines are to be adhered to by the Foundation as it promotes planned giving:

A. Conflict of Interest. (see appendix E)

The interest of the donor shall come before that of the Foundation. No program, agreement, trust, contract, or commitment shall be knowingly urged upon any prospective donor that would benefit the Foundation at the expense of the donor’s interests and welfare.

No agreement shall be made between the Foundation and any agency, person, company, or organization on any matter related to investments, management, or otherwise which would knowingly jeopardize the donor’s interest.

B. Legal Counsel.

Prospective donors shall be advised to consult with counsel of their choice in all matters related to planned gift instruments such as drafting of wills, trusts, agreements, contracts, or other. They shall be advised to consult with their attorney or accountant on matters related to the tax implications and estate planning aspects of a deferred gift agreement. If a representative of the Foundation makes a referral to an attorney, it shall be understood that the attorney is retained to represent the donor/client’s interests.

The Foundation shall consult with legal counsel in all matters pertaining to its deferred gift program and shall execute no agreement, contract, trust, or other legal document with any donor without the service of legal counsel.

C. Influence.
Representatives of the Foundation shall exercise extreme caution to avoid pressure, persuasion, or undue influence when a representative is to inform, counsel, and assist the donor in gift planning concerns, including the exercise of prudent consideration of the donor’s personal interests as well as charitable objectives.

All personnel employed by the Foundation to contact prospective donors or to promote the planned gift program shall be paid a salary or fixed wage but shall not receive commissions that could give such personnel a direct beneficial interest in any agreement.

Any personal, financial or beneficial interest that may accrue to any institutional personnel as a direct result of the development of relationships for which personnel was deployed as a condition of employment shall be considered a benefit transferable to the Foundation.

D. Scope of Service.

Services of representatives of this organization shall extend beyond the consideration of the Foundation to help donors remember whatever additional charitable interests they may have in other organizations and agencies.

E. Confidential Information.

All information concerning prospective donors, including names and addresses, names of beneficiaries, nature and worth of estates, amounts of provisions, etc., shall be kept strictly confidential by this organization and its authorized personnel unless the donors grant permission to use selective information for purposes of referral, testimonial, or example at the discretion of authorized representatives. Employees of the Foundation who violate this policy are subject to dismissal.

F. Authorization for Negotiation.

Only the personnel approved by the Board of Directors shall be authorized to negotiate on behalf of the Foundation with any donor with respect to gifts, trusts, and other formal planned giving instruments that follow the format described in this policy and are approved by the Board. Any agreements that involve a legal obligation on the part of the institution or its agents which do not follow the forms described in this policy, or are special agreements of any kind, will require the approval of the Board of Directors.

Any real estate, real property, or hard-to-value assets exchanged for an agreement of any kind must be approved by the Board of Directors.

G. Utilization of Donations.
Contributions to benefit Western New Mexico University Foundation by means of a planned gift represent a distribution of long-term assets for the Foundation’s benefit on the part of the donor.

H. Disposition of Donated Securities.

Upon receipt of a gift of donated securities the Foundation shall seek the input of the Investment Committee as to whether or not the securities meet the Foundation’s Investment Policy guidelines and should be retained. Securities should be placed with a broker, preferably the donor’s broker, and sold at the earliest possible date. Upon receipt of the proceeds of such sale, the funds shall be placed in an investment account. In the event that donated securities have a limited market value, such as “closed corporation stocks,” the certificates will be placed in a safe repository and on a periodic basis (at least annually) the marketability of these securities shall be investigated to determine whether or not the securities can be sold. Such investigation should, if possible, include discussion with the donor and, if different, the primary owners of the closely held corporation.

I. Present Value of a “Planned Gift.”

Where it becomes necessary to determine the current value of a “planned gift” for purposes of donor recognition (credit toward a campaign goal or membership in a giving club, etc.) the gift shall be valued at an amount equal to the total market value of the donor’s contribution on the date the gift is received in the Foundation office.

J. Investment of Funds.

Funds received by the Foundation will be invested per The Investment Policy of the WNMU Foundation (Appendix A of the WNMU Foundation By-Laws.) Stocks will be sold immediately and reinvested. Bonds or money market funds that are not rated with at least an A+, or mutual funds that are not rated with at least an A, as identified by Standard & Poor’s, Moody’s Investor Service, or the Wall Street Journal, will be sold and reinvested to meet the Foundation’s Investment Policy Guidelines.

K. Charitable Bequests.

1. Unacceptable Restrictions: Should a donor make a restricted bequest to the WNMU Foundation and the terms of the restriction be deemed unacceptable by the Foundation’s Board of Directors, the Foundation will contact the executor of the estate and explain why the restrictions are unacceptable and request to have the restrictions altered or eliminated. If such action cannot be taken, the Foundation will, by necessity, decline the bequest.

2. Advance Notification: The Foundation shall, when possible, encourage donors to notify officials of the Foundation when they have named the WNMU Foundation in their Will to receive a bequest and of the details of any restrictions. This is an attempt to avoid any problems such as those described above and to allow the Foundation to take the bequest into account should deliberations take place which might be influenced by such knowledge.
3. Donor Recognition: Any donor who notifies the Foundation that he or she has included a bequest for WNMU in his or her Will shall be recognized as a member of the Foundation’s “Planned Giving Society,” unless they request that they not be so listed. They will be listed only if specific permission has been received from the donor.

L. Gifts of Life Insurance.

1. Prospect Lists: The WNMU Foundation will not provide prospect lists, such as alumni rosters, donor rosters, etc. to insurance company representatives for the purpose of promoting contributions to the Foundation by selling insurance.

2. Payment of Premiums: Donors who make contributions of life insurance policies which are not paid up and have premiums still to be paid shall be encouraged to make contributions to the Foundation which will cover the amount of the premium and then the Foundation will pay the premiums to the insurance company.

3. Completed Gifts: Gifts of insurance policies shall not be considered completed and will not be acknowledged by the Foundation for tax deduction purposes if the Foundation has not received all incidents of ownership and been named as the irrevocable death beneficiary.

M. Retained Life Estate.

Described as a “gift of a remainder interest in a personal residence or farm.” This is a transfer of ownership of a personal residence or farm to the WNMU Foundation, or other qualified charity, but the donor retains the privilege of occupying the residence or operating the farm without disruption. Upon the donor’s death, or before, if preferred by the donor, the Foundation is free to do with the property as it sees fit. This gift generates an immediate income tax deduction in the year of the gift. This deduction is equal to the value (from government tables) placed on the Foundation’s remainder interest in the property. This value is determined to be a percentage of the current market value of the contributed property, but no capital gain is reported on any appreciation in value the donor has experienced during his or her ownership.

N. Death Beneficiary of Savings Accounts.

A donor may list the WNMU Foundation as the “death beneficiary” on many savings accounts, certificates of deposit, retirement accounts, etc. This type of gift is revocable because the donor can change this designation at any time, or can withdraw the principal at any time. Therefore, no lifetime income tax deduction is available to the donor. There might, however, be estate tax benefits received if the donor has a taxable estate. The donor and the Foundation both know the transfer at death will be direct, will not be delayed, will not be matter of public record, and cannot be contested. The donor maintains the security of knowing the principal is available if needed in an emergency.

O. Revocable Trusts.
When the property is to be used for a revocable gift in a form other than those discussed in the previous section and is of substantial value, the donor may wish to use a revocable living trust. Such an instrument can be used to hold a property such as an office building in trust with the annual rental income going to the Foundation and the asset returning to the owner upon request. Or the reverse, where the donor keeps the annual rental income but, if the donor does not revoke the trust prior to his or her death the assets are distributed to the Foundation. This assures the donor he or she may have the trust’s assets returned upon request. At death, the assets are transferred to the WNMU Foundation and/or any other beneficiaries without going through probate.

P. Other Gifts.

Gift annuities, annuity trusts, or other planned gifts may be considered on a case by case basis, and will require approval of the Board of Directors.