

DEFERRED GIVING PROGRAM

(Board of Trustees Meeting, October 9, 1977)

The Board turned to the Resolution to establish a Deferred Giving Program for the College. Mr. Holmes introduced Mr. Ralph Jones, an attorney and consultant on deferred giving....Mr. Holmes briefed the Board about the guidelines. It was agreed to adopt the resolution but it was suggested that the guidelines be given to the executive committee of the Board for review. After this is done the College would be ready to institute the program. All voted in favor of the above.

COLLEGE OF THE VIRGIN ISLANDS

BOARD OF TRUSTEES

DEFERRED GIFTS PROGRAM RESOLUTION

WHEREAS the College of the Virgin Islands presently has no mechanism for establishing charitable remainder trust gifts; and

WHEREAS the College needs a program to promote deferred gifts of all kinds;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of the College of the Virgin Islands does sanction and institute the establishment of a deferred giving program, which will include, but not be limited to, bequests, charitable remainder unitrusts, charitable remainder annuity trusts, pooled income fund trusts, charitable gift annuities and deferred payment charitable gift annuities; and

BE IT FURTHER RESOLVED, that the President of the College is authorized to establish the aforementioned trusts as they are required, according to the Deferred Gifts Guidelines which are hereby adopted by the Board and annexed hereto.

GUIDELINES FOR ESTABLISHING A  
DEFERRED GIVING PROGRAM AT THE COLLEGE OF THE VIRGIN ISLANDS

Guideline 1 -- Use of Legal Counsel

The College of the Virgin Islands shall seek the advice of legal counsel in all matters pertaining to its deferred giving program and shall execute no deferred giving agreement without the advice of legal counsel. All agreements shall follow the format of the specimen agreements approved by legal counsel and annexed hereto. All prospective donors shall be urged to seek their own counsel in matters relating to their deferred gifts, tax and estate planning.

Guideline 2 -- Authorization for Negotiation

The College of the Virgin Islands' staff authorized to negotiate deferred giving agreements with prospective donors, following the guidelines and the specimen agreements approved by the Board of Trustees, without further approval of the Board, are: The President and the Director of Development of the College of the Virgin Islands. All agreements which do not follow the format of the specimen agreements or otherwise meet the requirements of the following guidelines shall receive the approval of the President of the College and the Chairman of the Board of Trustees. The following shall have authority to sign deferred giving agreements on behalf of our institution: the President and the Director of Business and Financial Affairs. When property other than listed securities or securities traded over the counter is involved, the approval of the President or the Director of Business and Financial Affairs will be required.

Guideline 3 -- Governing Charitable Remainder Unitrusts

If the College of the Virgin Islands is to serve as trustee without compensation, no charitable remainder unitrust shall be entered into with a donor for a sum of less than \$50,000. The fixed percent to be paid shall be no less than 5% (the minimum required by law) and no more than 8%. No beneficiary shall be under the age of 50 years and the maximum number of beneficiaries shall be 2. In no event shall a transfer be accepted if the charitable contribution, computed using government tables, is less than \$10,000.

Guideline 4 -- Governing Charitable Remainder Annuity Trusts

If the College of the Virgin Islands is to serve as trustee without compensation, no charitable remainder annuity trust shall be entered into with a donor for the sum of less than \$50,000. The fixed dollar amount to be paid annually shall

be no less than 5% of the initial net fair market value of the assets transferred (the minimum set by law) and no more than 8% of the initial net fair market value of the assets transferred. No beneficiary shall be under the age of 50 years and the maximum number of beneficiaries shall be 2. In no event shall a transfer be accepted if the charitable contribution, computed using government tables, is less than \$10,000.

#### Guideline 5 -- Governing Pooled Income Fund Trusts

No pooled income fund trust agreement shall be entered into with a donor for a sum of less than \$1,000 or for the life of any one under 50 years of age. Pooled income fund agreements shall not cover more than two lives.

#### Guideline 6 -- Governing Charitable Gift Annuities

The College of the Virgin Islands shall issue no gift annuity for an amount of less than \$25,000 or for the life of an individual under 50 years of age. No gift annuity agreement shall be for more than two lives and no exception shall be made to this requirement - otherwise under law, our institution will be taxed on a large part of the gift's earnings.

No gift annuity agreement shall be issued unless the charitable gift - computed using the government tables - exceeds 10% of the amount transferred for the annuity. No exception shall be made to this requirement - otherwise, our institution will be taxed on a large part of the gift's earnings. Our institution shall follow the rates recommended by the Committee on Gift Annuities, except those rates shall not be followed if the "10% test" is not met.

#### Guideline 7 -- Governing Deferred Payment Charitable Gift Annuities

No deferred payment gift annuity shall be issued for an amount of less than \$50,000 or for the life of an individual under 50 years of age; and the period of deferral between the transfer for the deferred payment annuity and the date the annuity payments start shall be no more than 20 years. No deferred payment gift annuity agreement shall be for more than two lives and no exception shall be made to this requirement - otherwise under the tax law, our institution will be taxed on a large part of the gift's earnings. No deferred payment annuity agreement shall be issued unless the charitable gift - computed using the government tables - exceeds 10% of the amount transferred for the annuity. No exception shall be made to this requirement. Otherwise, our institution will be taxed on a large part of the gift's earnings.