



Policy 113

Planned Giving Program Policy

Section: 100 - General Administration

Responsible Executive: Lead Financial
Administrator

Responsible Department: Investments and Treasury
Management

First Effective Date: April 17, 1992

Last Reviewed: February 2026

Next Scheduled Review: June 2029

1.0 PURPOSE

- 1.1. To provide management with the criteria and framework by which donations of planned gifts may be accepted, managed, and conveyed in appropriate circumstances.

2.0 BACKGROUND

- 2.1. The Planned Giving Program is conducted as an integral part of the California Polytechnic State University's ("University") comprehensive development program. The University Advancement division, in collaboration with the Cal Poly Foundation ("CPF") and Cal Poly Corporation, dba, Cal Poly Partners ("CPP"), will assist donors by informing them of philanthropic techniques which are best suited to achieve the donors' objectives. Specifically, the Planned Giving program is designed to offer donors the opportunity to give, while reserving income for life to themselves and other beneficiaries; to make such gifts by will; and to make outright gifts by bequest.

3.0 POLICY

3.1. General.

- 3.1.1. All accepted gifts are to be managed for benefit of the University, CSU and/or CPP, consistent with the policies and agreement of the CSU, University and CPP.
- 3.1.2. Contributions are accepted by CPP as planned gifts permitted by the Internal Revenue Code and the laws of the State of California.
- 3.1.3. The majority of the planned giving gifts will be designated to the Cal Poly Foundation, based on the donor's intent, and as CPF is the University's primary designee for receiving gifts on its behalf. CPP will be the primary donee/recipient of charitable gift annuities until such time as CPF has obtained a license to issue annuity contracts with the California Department of Insurance.
- 3.1.4. Prospect development is not the primary responsibility of CPP.
- 3.1.5. Although University Advancement and CPP staff may propose specific annuity agreements to prospective donors, and negotiate such agreements, it is recognized that only designated CPP officials, advised by CPP legal counsel, are authorized to execute agreements on behalf of CPP.

3.2. Donor Considerations.

3.2.1. In soliciting and negotiating gifts, the Planned Giving program recognizes a responsibility to be cognizant of the interests and concerns of the donor concerning his or her financial position.

Accordingly, the following principles will be adhered to:

- 3.2.1.1. In matters involving donors or prospective donors, the interests and concerns of the donor will be given the full consideration in relation to those of the University.
- 3.2.1.2. All agreements proposed to prospective planned giving donors will contain information regarding benefits, limitations, and tax implications. Donors will be provided with copies of agreements before a gift is made, so that the document can be reviewed with the donor's financial advisor or legal counsel.
- 3.2.1.3. All proposed agreements shall be reviewed and approved by designated CPP officials prior to presentation to the donor. CPP legal counsel may be called upon to draft annuity documents, in cooperation with the donor's own counsel.
- 3.2.1.4. All prospective donors will be urged to seek the advice of their own attorney in reviewing the legal and tax consequences of their gift, the terms of any annuity agreement, and the advisability of the gift in light of the donor's overall estate plan and financial circumstances. CPP staff shall not give legal advice to prospective donors.
- 3.2.1.5. Designated CPP officials may be called upon to review and comment upon documents drafted by the donor's attorney.
- 3.2.1.6. Any legal advice needed by CPP in conjunction with negotiating and reviewing prospective gifts CPP might be managing will be contracted for by CPP.
- 3.2.1.7. All activities undertaken on behalf of the University shall be in accordance with accepted professional standards of accuracy, truth, integrity and good faith, and in line with the Model Standards of Practice for the Charitable Gift Planner and the Statement of Ethics, specified in Section 7.0, References and Related Policy.
- 3.2.1.8. CPP complies with the Donor Bill of Rights, specified in Section 7.0, References and Related Policy.
- 3.2.1.9. Information concerning a planned gift shall be kept in confidence, and no public announcement will be released without permission from the donor or income beneficiary.

3.3. Methods of Planned Giving.

3.3.1. A Planned Giving Program includes, but is not necessarily limited to, the following potential giving methods:

- 3.3.1.1. Bequests by will,
- 3.3.1.2. Charitable gift annuities and deferred payment gift annuities,
- 3.3.1.3. Charitable remainder unitrusts,
- 3.3.1.4. Charitable remainder annuity trusts,
- 3.3.1.5. Charitable income or "lead" trusts,
- 3.3.1.6. Pooled income fund,
- 3.3.1.7. Gift or remainder interest in a personal residence or farm with life estate retained by donor,
- 3.3.1.8. Beneficial interest in insurance benefits, and
- 3.3.1.9. Bargain sales of real or personal property.

3.4. Charitable Gift Annuities Thresholds and Limitations. The following indicates the minimum and maximum dollar amounts, minimum additional contributions, number of income beneficiaries allowed, percentage return to income beneficiaries, minimum age of beneficiaries, and type of acceptable property generally acceptable by CPP for charitable gift annuities. Exceptions may be considered on a case-by-case basis with Chief Executive Officer's or his/her designee's approval.

- 3.4.1. Minimum gift \$10,000. Additional contributions also a minimum of \$10,000 as they constitute a new contract.
 - 3.4.2. Maximum amount per contract or cumulative amount per annuitant will be \$250,000 in value. Individual contracts or cumulative gifts benefiting a particular annuitant in excess of this amount will be approved by CPP on a case by case basis.
 - 3.4.3. Minimum age at which payments will begin for either immediate or deferred gift annuity contracts will be age 60.
 - 3.4.4. Each charitable gift annuity shall be limited to a maximum of two annuitants.
 - 3.4.5. Interest rates will be the current rates established by the American Council on Gift Annuities (National Council).
 - 3.4.6. Gift annuity contracts may be funded with cash or readily marketable securities. All other types of funding assets will be approved by CPP on a case by case basis.
 - 3.4.7. No portion of an annuity contract will be expended until its maturity, except for beneficiary payments, fees, and expenses.
 - 3.4.8. Related entities to the University must agree to reimburse CPP for annuity payments if an annuity contract becomes depleted. A depleted contract is one where the assets have been exhausted and the issuing entity (CPP) is still liable to make the annuity payments for the life of the beneficiary.
 - 3.4.9. A reserve will be funded with the intent to pay the annuity obligation of any annuity contract directly benefiting the University whose contract assets are exhausted. The reserve will be funded by an annual withdrawal from the Grant and Annuity investment pool of up to .25% of the fair market value of the pool. The annual funding of the reserve may be something less than .25% down to and including zero for any particular year. Determination of the reserve will be at the discretion of the Lead Financial Administrator after review with and concurrence from the Investment Advisory Committee. The level of funding will be determined by the results of various stress tests run on the contracts, current and anticipated market conditions, the current mix of contracts and anything else deemed relevant at that time. The reserve will be held in the Corporation's Designated Fund and invested in accordance with Policy No. 123, Internal Investment Fund Policy.
- 3.5. Annuity Gift Structuring and Administration
- 3.5.1. The structuring and administration of annuity gifts will be the responsibility of CPP.
 - 3.5.2. The costs for the administration of annuity gifts will be assessed in accordance with existing University and CPP policy.
- 3.6. Annuity Asset Management.
- Annuity assets donated for the ultimate benefit of the University will normally be managed by CPP. Assets managed by CPP will be invested in accordance with fiduciary principles consistent with the policy of CPP's investment policies. CPP will invest gifts in a manner that will assure the production of income and/or capital gains necessary to fulfill obligations to the donor, as well as assure the University of the use of an optimum amount of remainder.

4.0 DEFINITIONS

- 4.1. None.

5.0 PROCEDURES, GUIDELINES AND FORMS

- 5.1. The Lead Financial Administrator is charged with the responsibility of implementing this policy through guidelines, procedures and forms as needed.

6.0 COMPLIANCE

- 6.1. This policy applies to any contributions or gifts that would be accepted and held in CPP's name or funds.

7.0 REFERENCES AND RELATED POLICY

- 7.1. Donor Bill of Rights, adopted November 1993, by the American Association of Fund Raising Counsel, Association for Healthcare Philanthropy, Council for Advancement and Support of Education, and the Association of Fund raising Professionals.
- 7.2. Model Standards of Practice for the Charitable Gift Planner, adopted as revised April 1999, by the Partnership for Philanthropic Planning (formerly the National Committee on Planned Giving) and the American Council on Gift Annuities.
- 7.3. Statement of Ethics, adopted July 11, 1982, by the Council for Advancement and Support of Education Board of Trustees.
- 7.4. Policy No. 123, Internal Investment Fund Policy

Technical and administrative change updates

7-26-12 for title and organization structure changes.