

Messiah College Gift Policy
Revised: May 16, 2008



Table of Contents

I.	Introduction	4
	A. Policy Statement	4
	B. Gift Acceptance Committee.....	5
II.	Methods of Giving.....	5
	A. Outright Gifts	5
	B. Deferred Gifts	6
III.	Types of Gift Assets	6
	A. Cash	6
	B. Securities.....	6
	1. Publicly-Traded Securities	6
	2. Closely-Held Securities.....	7
	C. Non-Traditional Investments	7
	D. Real Estate	7
	E. Tangible Personal Property.....	8
	F. Gifts of Life Insurance.....	9
IV.	Methods of Deferred Giving	10
	A. Pledges.....	10
	B. Assets Passing Under a Will.....	10
	C. Charitable Trusts.....	10
	1. Types of Charitable Trusts	10
	a. Charitable Remainder Unitrust	10
	b. Charitable Remainder Annuity Trusts	11
	c. Charitable Lead Trusts.....	11
	2. Conditions Under Which Messiah College May Serve as Trustee of Charitable Trusts	11
	D. Charitable Gift Annuity	12
	E. Gift of a Remainder Interest in Real Estate	13
	F. Pooled Income Fund	13
	G. Donor Advised Fund (DAF).....	13
V.	Gifts to Establish Endowed Funds	14
VI.	Disposition of Unrestricted Deferred Gifts and Bequests	14
VII.	Management Policies	14
	A. Conflict of Interest	15
	B. Solicitation Procedures	15
	C. Confidential Information	15
	D. Authorization to Accept Gifts.....	15
	E. Final Approval, Acceptance, and Execution by the College	15
	F. Messiah College as Fiduciary	16
	G. Legal Counsel	16
	H. Disposition of Deferred Gifts and Bequests	17
	I. Record Keeping	17
VIII.	Modifications and Revisions	17

Attachments

- A. IRS Form 8282
- B. IRS Form 8283
- C. Declaration of Gift
- D. Irrevocable Pledge Agreement
- E. Charitable Remainder Trust Information Disclosure
- F. Charitable Gift Annuity Agreement
- G. Deferred Charitable Gift Annuity Agreement
- H. Gift Annuity Information Disclosure Statement
- I. Memorandum of Understanding (Remainder Interest in Real Estate)
- J. Endowed Fund Agreement
- K. Donor Bill of Rights
- L. Association of Fundraising Professionals Standards No. 16 and 17
- M. Board of Trustees Resolutions Adopted October 18, 2002

I. Introduction

A. Policy Statement

The College strongly encourages the solicitation and acceptance of gifts which enable it to fulfill its purposes of teaching, scholarship, and community service. For an institution dedicated to higher education, gifts are essential to its continued well-being.

Gifts may be sought from individuals, corporations, and foundations. Gifts may be sought only to support purposes, positions, and programs which already have appropriate institutional approval. All gifts shall be made to Messiah College and not to a particular department or program. All gift receipts shall be issued by Messiah College and processed through the College Development Office.

This policy does not apply to grants or contracts for services, which require specific institutional commitments as to how the grant or contract funds are to be expended. These commitments generally involve meeting an objective of the grantor or another third party.

The College values and will protect its integrity, its independence, and the academic freedom of the College. The Gift Acceptance Committee, described below, is responsible to review proposed gifts in order to ensure protection of these values.

A restricted gift is one on which the donor has placed conditions, thereby creating a legal obligation to expend the funds in a manner consistent with the donor's restrictions. For example, a restricted gift may support a particular purpose or program designated by the donor. The College is unable to accept gifts which are too restrictive in purpose or inconsistent with its stated purposes and priorities. Gifts the College receives must not inhibit it from seeking gifts from other donors, be they similar or different, foreign or domestic. Further, no gift can be received which limits, beyond a general definition of subject area, scholarship that a faculty member or student can pursue.

The College cannot accept gifts which involve unlawful discrimination based upon race, religion, sex, age, national origin, color, disability, or any other basis prohibited by federal, state, and local laws and regulations. Nor can the College accept gifts which obligate it to violate the College's articles of incorporation or bylaws.

It is important to distinguish a restricted gift (which can exist only through donor imposed conditions) from a designated gift. A designated gift is an unrestricted gift that has been allocated by the Board of Trustees or its designee for a specific purpose but which does not create a legal obligation. Gifts with the fewest possible restrictions allow the College to address its most pressing needs and provide for long-term flexibility.

This policy is designed to provide guidance to the College community and the general public so as to encourage and facilitate the gift-giving process. Therefore, this policy is to be interpreted liberally so that prospective donors may enjoy the greatest freedom

possible in formulating their gifts. The Gift Acceptance Committee must give prior approval to any exceptions to the Messiah College Gift Policy.

B. Gift Acceptance Committee

The Gift Acceptance Committee shall consist of the Vice President for Advancement, the Vice President for Finance, the College Counsel, the Director of Institutional Finance, the Director of Development, and the Director of Planned Giving.

The Gift Acceptance Committee will be responsible to review and approve the following proposed gifts before commitments are made to prospective donors and prior to the acceptance of such gifts that take effect at the death of the donor:

- all gifts funded with non-liquid assets
- any gift having an income beneficiary and a remainder beneficiary
- any gift that may expose the College to adverse publicity or involve the College in unexpected responsibilities because of their source, conditions, or purposes
- any gift that may require expenditures beyond a department's operational plan (budget) or the College's capital plan (budget), or
- all restricted gifts, except endowed scholarships without unusual restrictions.

Items for review and approval by the Gift Acceptance Committee shall include all financial and legal considerations that may affect the gift. These considerations include factors identified below in sections III and IV.

It is the responsibility of the Gift Acceptance Committee to identify gifts that are potentially supplementary to existing operational or capital budgets.

The Gift Acceptance Committee may withhold approval of acceptance pending consultation with other appropriate individuals, which may include the Gift Oversight Committee. Voting members of the Gift Oversight Committee are the President, the Chair of the Finance Committee of the Board, and the Chair of the Advancement Committee of the Board. Non-voting members of the Gift Oversight Committee are the Vice President for Advancement, the Vice President for Finance, and the College Counsel.

II. Methods of Giving

Several methods of giving to the College allow donors to choose the means most appropriate for their circumstances and interests. Generally, these methods may be categorized as either outright or deferred. Specific methods of deferred giving are described in section IV below.

A. Outright Gifts

Outright gifts are those placed at the immediate disposal of the College and in which the donor retains no interest. They may be either restricted or unrestricted in purpose. Gifts

that are donated to the College without any express limitation will be accounted for as unrestricted revenue.

B. Deferred Gifts

Deferred gifts are not immediately available for College use and typically do not provide for immediate, full College ownership of the gift assets.

III. Types of Gift Assets

Types of assets which often comprise either outright or deferred gifts to the College include the following:

A. Cash

A common method used to make a gift to the College is a personal check. Checks should be made payable to Messiah College and mailed or delivered to:

Messiah College
Development Office, Box 3013
One College Avenue
Grantham, PA 17027

The postmark date is the gift date for gifts of cash mailed to the College.

A gift of cash may also be made by credit card. Any credit card information received by the College is held in strict confidence. The College shall not use or disclose this information except as permitted or required by law, or as otherwise authorized in writing by the donor.

B. Securities

Publicly-traded securities (including stocks, bonds, and other equity or debt instruments) and shares of stock in closely-held companies may be given to the College. Donors considering gifts of securities should contact the Development Office for the appropriate delivery procedure.

1. Publicly-Traded Securities. These are securities traded on a public financial market. Gifts of publicly-traded securities will be liquidated as soon as practicable following receipt by the College. The fair market value of the gift will be determined by the mean of the highest and lowest selling prices quoted for the stock on the day of the gift as follows:

- for securities hand-delivered to the College, date of delivery;
- for securities mailed to the College, date of post-mark;
- for securities transferred to the College by bank or broker, date of transfer from donor's account.

2. **Closely-Held Securities.** These are shares of stock or other financial instruments of entities which have been organized for profit-making purposes, and are not traded on public, financial markets. Because closely-held stock is not publicly-traded, these securities are not readily marketable. IRS rules prohibit the College from entering any repurchase agreement, either formal or informal, with the donor at the time of the gift. With securities not publicly traded, the certificates will be placed in a safe repository and on a periodic basis (at least annually) the value and marketability of these securities will be ascertained to determine whether or not the securities can be sold. The gift value of closely-held securities is determined by a qualified appraisal provided by the donor. Gifts of closely-held securities may only be accepted upon the prior approval of the Gift Acceptance Committee. Factors to be considered include valuation, marketability, associated liabilities or restrictions, and potential costs.

C. Non-Traditional Investments

The College may accept gifts of non-traditional investments, such as partnership interests, patent rights, royalties, etc., after a thorough review of all relevant financial and legal factors, including:

1. marketability;
2. valuation;
3. nature of any applicable restrictions;
4. legal and other liabilities associated with the asset;
5. carrying costs such as administrative and legal fees; and
6. exposure to unrelated business income tax liability.

D. Real Estate

The College may accept gifts of real estate, including houses, condominiums, commercial properties, farm land, rental property, and undeveloped land, after a thorough review of the following factors (insofar as they may be relevant to the proposed gift):

1. usefulness of the property for College purposes;
2. marketability of the property;
3. existence of restrictions, reservations, easements, and/or other limitations;
4. existence of encumbrances, such as mortgages and mechanics liens;
5. carrying costs, such as property owner's association dues, taxes, insurance, and other maintenance expenses;
6. potential costs of subsequent liquidation of the property; and
7. fair market value in relation to the costs and limits listed above as determined by a qualified appraisal conducted in accordance with Internal Revenue Service ("IRS") standards.

The College will accept no gift of real estate that imposes restrictions as to timing of sale or parties to whom the real estate may be sold.

Both a satisfactory title search and environmental audit conducted by a professional service are required prior to acceptance of a gift of real estate. The College shall secure the title search and environmental audit at its expense. When a trust is funded with real estate, these expenses will be charged to the trust.

The cost of preparing the deed conveying the real estate will be the responsibility of the donor. Real property taxes will be prorated between the donor and the College/trustee at the time of settlement. Real estate transfer taxes will be divided equally between the donor and the College/trustee at the time of settlement. Recording fees will be the responsibility of the College/trustee.

Donors are responsible for obtaining a qualified appraisal of the real estate to establish its value for purposes of determining their charitable deduction. When a gift value is used to determine payments to an income beneficiary or to establish the value of a pledge payment, the College may require an additional qualified appraisal to substantiate the fair market value of the gift. In this case, the fair market value will equal the average of the two appraisals. If the appraised values are not within a ten-percent range, a third appraisal may be required to determine a gift value, with the expense equally divided between the parties.

Holding costs and costs of liquidation of real property (such as real estate taxes, utilities, property insurance, routine maintenance costs, transfer taxes, appraisals, recording fees, legal fees, etc.) which have been paid by the College/trustee shall be charged against the fund or trust to which the gift is designated. In a unitrust, these expenses will be accounted for in the annual revaluation required by the trust agreement. All trust documents will clearly state these provisions as applicable.

A gift of real estate may take the form of a bargain sale.

Acceptance of all gifts of real estate requires the prior approval of the Gift Acceptance Committee.

E. Tangible Personal Property

The College may accept gifts of tangible personal property, including but not limited to works of art, jewelry, photographs, memorabilia, antiques, museum specimens or artifacts, coin, stamp and other collections, automobiles, scholarly papers, manuscripts, and books. Such gifts may be accepted only after a thorough review indicates the property is readily marketable or may be used by the College in a manner consistent with one of its nonprofit purposes.

Before contributing a gift of tangible personal property, donors should consider whether they would like the College to use or display the property. Donors should be advised that (1) the College reserves the right to sell, exchange, or otherwise dispose of the personal property in question, if such action is financially advisable or necessary; and (2) should the College, within two years after the date of the gift, dispose of donated property which

was valued at \$5,000 or more, it is required to file an IRS Form 8282 (see Attachment A) disclosing details of that disposition and provide a copy to the donor.

Whenever donors estimate the value of their gifts of tangible personal property at \$5,000 or more, they must obtain at their own expense a written appraisal by a qualified independent appraiser if they wish to claim a charitable deduction. Donors shall also be responsible for filing IRS Form 8283 (see Attachment B) and providing the College with any appraisal summary document required by IRS regulations. The College cannot provide a qualified independent appraisal and will not assign valuation to gifts of tangible property.

Upon becoming aware of a potential gift, it is the responsibility of the director of the program to receive prior approval before accepting the gift. No proposed gift of tangible personal property will be accepted until it has been:

1. reviewed and approved by the Gift Acceptance Committee; and
2. evidenced by a Declaration of Gift (see Attachment C) executed by the donor(s), Program Director, Director of Development and appropriate Vice President or Provost.

Because of IRS reporting requirements, the director of the program must report any proposed sale of tangible personal property within two years of the gift date (including the proposed selling price) to the Gift Acceptance Committee. The College will accept no gift of tangible personal property that imposes restrictions as to timing of sale or parties to whom the property may be sold.

Issuance of gift receipts and formal communications with donors shall be the responsibility of the Development Office. No gift receipt will be issued until a fully-executed Declaration of Gift is provided to the Development Office. Form 8282 filings shall be the responsibility of the Business Office. Securing of insurance coverage for donated items shall be the responsibility of the Vice President for Finance.

F. Gifts of Life Insurance

Life insurance can be the medium for giving funds to the College. With it, the donor can make a substantial gift for a relatively modest annual outlay. For instance, a donor may irrevocably assign to the College an existing life insurance policy that is no longer needed for family protection, making the College both the policy owner and the beneficiary. If the donor does not choose to continue paying the premiums, the Gift Acceptance Committee may elect to:

- Continue paying the premiums and receive the full face value of the policy at the donor's death;
- Convert the policy to paid-up insurance in a reduced amount with no further payments; or
- Surrender the policy for its present cash value.

IV. Methods of Deferred Giving

A. Pledges

A pledge is a promise by a donor to make a future gift to Messiah College. Donors will be encouraged to sign an Irrevocable Pledge Agreement (see Attachment D). This agreement represents a present, binding obligation upon the estate of the donor to complete any outstanding pledge payment. If a donor does not sign an Irrevocable Pledge Agreement, the pledge is not considered to be legally binding on the donor.

While irrevocable testamentary pledge agreements (i.e. a pledge which is payable only from a donor's estate) may be counted toward a fundraising campaign goal, they will not be counted in support of a capital project.

B. Assets Passing Under a Will

A bequest is a gift of personal property or cash of any amount or form made to the College in a donor's will. For example, bequests may provide for a specific dollar amount in cash, specific securities, specific articles of tangible or intangible personal property or a percentage of the residue of the estate. A devise is a gift of real property made to the College in a donor's will.

Bequests or devises may be unrestricted or restricted. All restricted bequests or devises and all gifts of non-liquid assets are subject to the same review and approval process as any other restricted gift.

The College shall not prepare wills for donors. However, proper wording for a bequest or devise benefiting the College may be provided. Sample language:

I, [name], of [city, state, ZIP], give, devise and bequeath to Messiah College, Grantham, Pennsylvania [written amount or percentage of the estate or description of property] for its unrestricted use and purpose.

Donors may also use a will to establish various types of trusts. For example, a trust may provide income for a designated beneficiary and a gift of principal to the College at the termination of the trust.

C. Charitable Trusts

1. Types of Charitable Trusts

a. Charitable Remainder Unitrust

The primary feature of a charitable remainder unitrust is that it provides for periodic payment of income to the donor, for life or a specified term of years, after which the trust assets pass to the College.

During the lifetime of the donor, he or she creates a formal trust agreement under which assets such as cash, appreciated securities, or both are irrevocably transferred to a trustee (e.g. a bank or the College) who then pays the beneficiary or beneficiaries according to the terms of the trust.

During the donor's lifetime, the trust assets are managed and invested by the trustee as a single fund. The donor cannot borrow or otherwise deal with the trust assets. The designated beneficiary receives payments based on a fixed percentage of the net fair market value of the trust as valued annually by the trustee. The donor determines the fixed percentage which may not be less than five percent, upon creation of the unitrust. Donors may make subsequent additions to the unitrust during their lifetime or by bequest upon their death.

b. Charitable Remainder Annuity Trust

The annuity trust shares many common features with the unitrust, the principal difference being the manner used to calculate the payment to the income beneficiary. Whereas the unitrust provides for a payout that varies with each annual valuation, the annuity trust provides for fixed payments based upon the fair market value on the date the trust is established. Another difference is that additional contributions cannot be made to an annuity trust.

c. Charitable Lead Trust

The primary feature of a charitable lead trust is that it provides for the immediate support of the College through income generated by the assets in trust for a set period of time, after which the assets pass to a non-charitable beneficiary such as the donor, the donor's children, or other persons the donor specifies. Thus, a charitable lead trust is conceptually the opposite of a charitable remainder trust. In a lead trust, the donor gives the College the current economic benefit of the transferred assets and retains the right to reacquire possession and control of the assets at a future date.

The donor during his or her lifetime creates an irrevocable trust agreement for a period of years. The agreement may take effect during the donor's lifetime or be part of the donor's will. Assets are transferred to a trustee, with the stipulation that the income from the assets be paid to the College for the life of the trust, after which the principal or corpus of the trust reverts back to the donor or others of his or her choosing.

2. Conditions under which Messiah College may serve as trustee of Charitable Trusts

The Gift Acceptance Committee will consider the potential for the perception of conflict of interest and the institutional focus on the educational process in determining whether Messiah College will serve as trustee of an irrevocable trust. Should the Gift Acceptance Committee deem it advisable for the College to serve as trustee, the following minimal conditions must be met:

- a.) Charitable remainder unitrust and annuity trust agreements shall last for a) no more than two lives; or b) a term of years not to exceed 20.
- b.) The minimum amount of original funding for any charitable trust shall be at least \$100,000.
- c.) The minimum age of any beneficiary of a lifetime trust shall be at least 60 years of age, measured to the nearest birthday.
- d.) More than 50% of the remainder of the trust shall be irrevocably designated for Messiah College.
- e.) The beneficiary payout rate should not exceed the expected long-term investment return per the College's investment policies.
- f.) A charitable lead trust must have a term of at least five years and the College must be more than 50% income beneficiary.
- g.) If assets other than cash or marketable securities are used to fund the trust, the trust must be in the form of either a FLIP trust (as defined by internal revenue code regulations) or a net-income unitrust.
- h.) Donors must provide cost basis and date of acquisition for all non-cash property contributed to fund a charitable trust.
- i.) All prospective donors will be provided with a Charitable Remainder Trust Information Disclosure statement (see Attachment E) prior to signing a trust agreement.

When the College is serving as trustee, charitable trusts shall be invested according to the College's investment policies. Messiah College reserves the right to receive reasonable compensation for its services as trustee, and will charge the trust for any direct expenses incurred on behalf of the trust.

D. Charitable Gift Annuity

A donor may purchase an immediate or deferred payment gift annuity at rates consistent with or lower than those recommended by the American Council on Gift Annuities. Annuity rates are designed to provide a residuum of at least 50% of the original gift to the College at the death of the beneficiary.

Donors must provide cost basis and date of acquisition information for all non-cash property contributed in exchange for a charitable gift annuity contract.

The minimum gift level for a gift annuity is \$5,000. Payment options are monthly, quarterly, semi-annually, and annually.

The minimum age for an annuitant who wishes to receive immediate payments is 60. Younger annuitants must purchase a deferred payment gift annuity in which payments will not begin until the youngest beneficiary attains the age of 60. Age will be reckoned as of the birthday nearest to the date at which the donor enters the annuity contract. Annuities are issued for one or two lives only.

Any rate, age or payment frequency exceptions must be approved by both the Gift Acceptance Committee and the Gift Oversight Committee.

Assets funding charitable gift annuities are invested according to the College's investment policies until the annuity contract matures. Generally, the College does not reinsure the annuity contract through the purchase of a commercial annuity.

The annuity rate and the terms of the contract are specified in the Charitable Gift Annuity Agreement (see Attachments F and G). All prospective donors will be provided with a Charitable Gift Annuity Information Disclosure statement (see Attachment H) prior to signing a gift annuity agreement. The disclosure statement describes the characteristics of a gift annuity and how the College administers its gift annuity program.

Only gifts of cash or publicly-traded securities will be accepted in exchange for a gift annuity.

E. Gift of a Remainder Interest in Real Estate

A donor can convey real estate to the College while retaining a life estate in the property. The donor may continue to use and occupy the property for the duration of the donor's life. Thereafter, the property will either be sold or used by the College for its purposes. The procedures for evaluating proposed gifts of real estate, as described above in Section III. D., also apply to gifts of a remainder interest in real estate. Gifts of real estate with a retained life estate should have a gift value of at least \$50,000.

If a life estate is retained in the property, expenses for maintenance, real estate taxes, association fees or assessments, insurance, utilities, repairs, capital improvements, and any indebtedness relating to the property are to be borne by the donor (or other life tenant). Donors must sign a Memorandum of Understanding (see Attachment I) at the time of the gift which describes these responsibilities in detail.

F. Pooled Income Fund

A pooled income fund is a means of both contributing to the College and securing a life income agreement. A donor's gift is added to a separately maintained pooled income fund, where it is invested together with gifts of other donors who make similar gifts. Each donor gets his/her pro rata share of pooled income fund earnings each year for life. Income the beneficiary receives is taxed as ordinary income. At the income beneficiary's death, his/her pro rata share is then used for the College's charitable purposes.

The College may create a pooled income fund upon conditions established and agreed upon by the Gift Acceptance Committee and the Gift Oversight Committee.

G. Donor Advised Fund (DAF)

Donor advised funds are gifts that are irrevocably given to Messiah College. These funds may eventually be distributed to other qualified charities. The funds are legal assets of the College, and the only right reserved by the donor is the right to name the fund's advisors. These advisors are permitted to advise the College on how grants from the fund should be made, but the College is under no obligation to follow their advice. All obligations and

rights of the donor and Messiah College will be set forth in the fund agreement which will be executed upon establishment of the DAF.

The College may create a donor advised fund upon conditions established and agreed upon by the Gift Acceptance Committee and the Gift Oversight Committee.

V. Gifts to Establish Endowed Funds

An endowed fund arises when a donor makes a gift with the understanding that the funds will be invested in perpetuity and that the earnings will be used to support a specific program (restricted endowment) or the general uses of the institution (unrestricted endowment). An Endowed Fund Agreement (see Attachment J) must be signed prior to the establishment of an endowed fund. Any gift for restricted endowment must be reviewed and approved by the Gift Acceptance Committee prior to executing an EFA.

Donors should be encouraged to describe the specific purposes of their gifts as broadly as possible and to avoid detailed limitations and restrictions. Because conditions change over time, all EFAs should contain the following contingency clause:

Should the purpose for which this Fund is established ever become incapable of fulfillment because of unforeseen circumstances as determined in the sole judgment of the Board of Trustees of Messiah College, then the income from the endowed fund can be used for such one or more of Messiah College's educational purposes as the Board of Trustees shall from time to time determine.

When funded with non-cash assets, the valuation of an endowed fund will reflect the gain or loss which will occur due to liquidation. The College is willing to work with prospective donors on the terms and conditions of restricted endowment funds.

VI. Disposition of Unrestricted Deferred Gifts and Bequests

The following provides guidance on how proceeds from unrestricted bequests and matured unrestricted deferred gifts are to be designated:

- **Matured Unrestricted Charitable Gifts Annuities and Charitable Trusts** – All proceeds from matured unrestricted gift annuities and unrestricted trusts are to be transferred to the College's Board-Designated Endowment.
- **Unrestricted Bequests** – All proceeds from unrestricted bequests will be recorded as unrestricted annual fund gifts to the institution. As such, ultimate use of those gifts will be determined by the Board of Trustees after the close of the fiscal year.

VII. Management Policies

Gifts may legally commit Messiah College and its Board of Trustees to obligations which extend far into the future. Therefore, the following policies are intended to protect the best interests of the donor, the official representatives of the College, and the welfare of the College itself.

A. Conflict of Interest

The giving program shall be guided by principles of Christian stewardship and shall be donor-centered. The interest of Messiah College shall not take precedence over the interest of the donor. No program or commitment shall be urged upon any prospective donor that would benefit Messiah College at the expense of the donor's interests and welfare.

Messiah College affirms the values of the Donor Bill of Rights developed by national fundraising organizations (see Attachment K).

No employee of Messiah College (except a relative of the donor) shall serve in an individual capacity as a fiduciary or personal representative for a donor pursuant to a will, trust agreement, or other legal instrument.

B. Solicitation Procedures

Representatives of Messiah College shall exercise extreme caution to avoid any perception of inappropriate pressure or undue persuasion when dealing with prospective donors. Any information provided to donors regarding a proposed gift, including information relative to benefits, limitations, and tax implications, must be accurate.

All personnel employed by Messiah College to contact prospective donors or to promote the giving program shall be paid a salary or fixed wage. Any performance-based compensation, such as bonuses, shall not be based on a percentage of contributions raised and shall be in accord with Association of Fundraising Professionals Standards No. 16 and 17 (see Attachment L).

C. Confidential Information

All information concerning donors and prospective donors, including but not limited to names, addresses, personal financial or legal information, beneficiaries, nature and value of estate, or value of intended bequests, shall be kept strictly confidential by Messiah College and its personnel unless specific prior permission to disclose is granted by the donor or prospective donor.

D. Authorization to Accept Gifts

Only personnel having documented authorization from either the Development Office or the Board of Trustees shall be permitted to obligate Messiah College by soliciting or accepting gifts that require review by the Gifts Acceptance Committee (see Section I. B.).

E. Final Approval, Acceptance, and Execution by the College

Documents implementing the College's acceptance of any gift, the creation of endowment programs, deferred giving agreements or trusts, and the transfer of real or tangible personal property to the College must be approved as to form by College

Counsel. Only individuals authorized by a Board of Trustees resolution shall execute documents on behalf of the College (see Attachment M for Board of Trustees Resolutions). Documents shall be executed in duplicate and provided to the donor and to the Director of Planned Giving.

F. Messiah College as Fiduciary

Messiah College normally will not act as personal representative of any estate. The Gift Acceptance Committee may make exceptions in situations where the College is the only beneficiary.

Messiah College will act as trustee of charitable trusts or other irrevocable trusts only upon the conditions described above following Section IV.C.2.

Messiah College will not act as trustee of a revocable trust.

Prospective donors shall be advised that the College, should it serve as trustee, is legally responsible to both income and remainder beneficiaries, and therefore retains complete discretion over the investment of trust funds.

The Office of Business and Finance will administer trusts in which the College is acting as trustee. Trust funds will be invested consistent with current investment policies established by the Board of Trustees. Any specific recommendation by the donor regarding trust administration or investment restrictions must appear in the trust document. Any such donor recommendation that has the effect of limiting the trustees' investment discretion must be unanimously approved by the Gift Oversight Committee prior to the gift being accepted.

G. Legal Counsel

Legal counsel knowledgeable in the specialized areas of charitable tax, legal and estate planning shall draft or review all legal documents utilized in the Messiah College giving program. The College will not draft wills or trust documents, but will provide sample wording to donors upon request.

The College may provide information regarding the tax and legal implications of a gift, but will not provide tax or legal advice. Prospective donors shall be encouraged to consult their own attorneys and advisors in all matters related to the legal and tax consequences of their gift. If a representative of the College suggests a referral to an attorney, it shall be understood that the attorney is retained by and represents the donor/client's interests.

Donors shall have ample opportunity to have all legal documents which implement a gift to Messiah College reviewed by independent legal counsel, and shall indicate in writing that they have had that opportunity.

H. Disposition of Deferred Gifts and Bequests

The Board of Trustees has taken specific action regarding all unrestricted deferred gifts and unrestricted bequests. See Attachment N for current descriptions of disposition policies.

I. Record Keeping

Record keeping for gifts will be divided between the College Development Office and the Business Office as follows:

The College Development Office will maintain addresses, contact files and reports, donors' personal and financial information, gift plan negotiations, gift receipts and acknowledgments, gift categorization or purpose code, and will monitor information regarding deceased income recipients.

The Business Office will be responsible for gift accounting, payment schedules, tax reporting, business records, trust investment and administration, and ultimate disposition of funds.

VIII. Modifications and Revisions

This policy may be modified and revised only with approval of the Board of Trustees.

Adopted:	May 12, 1989 by Board of Trustees
Revised:	May 12, 1995
Revised:	October 17, 1996
Revised:	November 1999
Revised:	April 2005
Revised:	October 19, 2007
Revised:	May 16, 2008

ATTACHMENT B

Form 8283 (Rev. October 1998) Department of the Treasury Internal Revenue Service	Noncash Charitable Contributions ▶ Attach to your tax return if you claimed a total deduction of over \$500 for all contributed property. ▶ See separate instructions.	OMB No. 1545-0008 Attachment Sequence No. 55 Identifying number
Name(s) shown on your income tax return		

Note: Figure the amount of your contribution deduction before completing this form. See your tax return instructions.
Section A—List in this section **only** items (or groups of similar items) for which you claimed a deduction of \$5,000 or less. Also, list certain publicly traded securities even if the deduction is over \$5,000 (see instructions).

Part I Information on Donated Property—If you need more space, attach a statement.

	(a) Name and address of the donee organization	(b) Description of donated property
1		
A		
B		
C		
D		
E		

Note: If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (d), (e), and (f).

	(c) Date of the contribution	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) Fair market value	(h) Method used to determine the fair market value
A						
B						
C						
D						
E						

Part II Other Information—Complete line 2 if you gave less than an entire interest in property listed in Part I. Complete line 3 if conditions were attached to a contribution listed in Part I.

- 2** If, during the year, you contributed less than the entire interest in the property, complete lines a–e.
- a** Enter the letter from Part I that identifies the property ▶ _____. If Part II applies to more than one property, attach a separate statement.
 - b** Total amount claimed as a deduction for the property listed in Part I: **(1)** For this tax year ▶ _____
(2) For any prior tax years ▶ _____
 - c** Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization above):
 Name of charitable organization (donee) _____
 Address (number, street, and room or suite no.) _____
 City or town, state, and ZIP code _____
 - d** For tangible property, enter the place where the property is located or kept ▶ _____
 - e** Name of any person, other than the donee organization, having actual possession of the property ▶ _____

- 3** If conditions were attached to any contribution listed in Part I, answer questions a – c and attach the required statement (see instructions).
- | | | | |
|--|--|------------|-----------|
| a Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property? | | Yes | No |
| b Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire? | | | |
| c Is there a restriction limiting the donated property for a particular use? | | | |

Section B—Appraisal Summary—List in this section only items (or groups of similar items) for which you claimed a deduction of more than \$5,000 per item or group. **Exception.** Report contributions of certain publicly traded securities only in Section A.

If you donated art, you may have to attach the complete appraisal. See the **Note** in Part I below.

Part I Information on Donated Property—To be completed by the taxpayer and/or appraiser.

- 4** Check type of property:
- | | | | |
|--|---|---------------------------------------|--|
| <input type="checkbox"/> Art* (contribution of \$20,000 or more) | <input type="checkbox"/> Real Estate | <input type="checkbox"/> Gems/Jewelry | <input type="checkbox"/> Stamp Collections |
| <input type="checkbox"/> Art* (contribution of less than \$20,000) | <input type="checkbox"/> Coin Collections | <input type="checkbox"/> Books | <input type="checkbox"/> Other |

*Art includes paintings, sculptures, watercolors, prints, drawings, ceramics, antique furniture, decorative arts, textiles, carpets, silver, rare manuscripts, historical memorabilia, and other similar objects.

Note: If your total art contribution deduction was \$20,000 or more, you must attach a complete copy of the signed appraisal. See instructions.

5	(a) Description of donated property (if you need more space, attach a separate statement)	(b) If tangible property was donated, give a brief summary of the overall physical condition at the time of the gift.	(c) Appraised fair market value
A			
B			
C			
D			

6	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) For bargain sales, enter amount received	See instructions	
					(h) Amount claimed as a deduction	(i) Average trading price of securities
A						
B						
C						
D						

Part II Taxpayer (Donor) Statement—List each item included in Part I above that the appraisal identifies as having a value of \$500 or less. See instructions.

I declare that the following item(s) included in Part I above has to the best of my knowledge and belief an appraised value of not more than \$500 (per item). Enter identifying letter from Part I and describe the specific item. See instructions. ▶ _____

Signature of taxpayer (donor) ▶ _____ Date ▶ _____

Part III Declaration of Appraiser

I declare that I am not the donor, the donee, a party to the transaction in which the donor acquired the property, employed by, or related to any of the foregoing persons, or married to any person who is related to any of the foregoing persons. And, if regularly used by the donor, donee, or party to the transaction, I performed the majority of my appraisals during my tax year for other persons.

Also, I declare that I hold myself out to the public as an appraiser or perform appraisals on a regular basis; and that because of my qualifications as described in the appraisal, I am qualified to make appraisals of the type of property being valued. I certify that the appraisal fees were not based on a percentage of the appraised property value. Furthermore, I understand that a false or fraudulent overstatement of the property value as described in the qualified appraisal or this appraisal summary may subject me to the penalty under section 6701(a) (aiding and abetting the understatement of tax liability). I affirm that I have not been barred from presenting evidence or testimony by the Director of Practice.

Sign Here Signature ▶ _____ Title ▶ _____ Date of appraisal ▶ _____

Business address (including room or suite no.) Identifying number

City or town, state, and ZIP code

Part IV Donee Acknowledgment—To be completed by the charitable organization.

This charitable organization acknowledges that it is a qualified organization under section 170(c) and that it received the donated property as described in Section B, Part I, above on ▶ _____ (Date)

Furthermore, this organization affirms that in the event it sells, exchanges, or otherwise disposes of the property described in Section B, Part I (or any portion thereof) within 2 years after the date of receipt, it will file **Form 8282**, Donee Information Return, with the IRS and give the donor a copy of that form. This acknowledgment does not represent agreement with the claimed fair market value.

Does the organization intend to use the property for an unrelated use? ▶ Yes No

Name of charitable organization (donee)	Employer identification number
Address (number, street, and room or suite no.)	City or town, state, and ZIP code
Authorized signature	Title Date



ATTACHMENT C

DECLARATION OF GIFT

Upon acceptance by Messiah College, I/we, the undersigned Donor(s), hereby give and convey to **Messiah College**, a Pennsylvania nonprofit corporation with principal offices at Grantham, Pennsylvania, all right (including copyright), title and interest in and to the personal property described below or in the attached inventory:

Appraised Value (attach copy of independent appraisal if gift value is \$5000 or more, or indicate date copy will be sent): \$_____

Please initial the statement that pertains to this gift and describe any restrictions or conditions, if applicable:

____ This gift is made without restrictions or conditions. I/We understand that the location, retention, use, preservation and disposition of the personal property comprising this gift will be at the discretion of Messiah College, and that the College reserves the right to sell or otherwise dispose of some or all of this property.

____ This gift is made with the following restrictions or conditions:

I/We warrant that I am/we are the sole owner(s) of the personal property described above (including any copyright interest therein), that it is free and clear of any encumbrances, liens or other interests, and that I/we have full right, power and authority to give it to Messiah College. I/We have received an explanation of all terms and conditions of this Declaration of Gift, have had opportunity to consult independent legal counsel, and agree to them as indicated by my/our signature(s) below.

Date: _____

Donor's Signature

Donor's Signature

Donor's Name and Address (Please Print): _____

Donor's Social Security Number: _____

Donor's Telephone Number: (____) _____

Messiah College accepts the property described above subject to any stated restrictions or conditions.

Date: _____

Program Director/Dean

Vice President/Provost

Director of Development

ATTACHMENT D

Irrevocable Pledge Agreement

I, _____, residing at _____,
_____, Pennsylvania, in consideration of my interest in Christian
higher education, and in consideration of similar promises by other donors and for other good
and valuable consideration, the receipt of which is acknowledged, and intending to be legally
bound by this pledge, do hereby irrevocably promise and pledge that my estate shall be obligated
to pay to **Messiah College**, a Pennsylvania nonprofit corporation with principal offices at
Grantham, Pennsylvania, subsequent to my death, the sum of \$ _____
(_____).

Purpose of Gift. This sum, when paid from my estate, shall be used by **Messiah College** for the
following purpose:

_____.

I acknowledge that **Messiah College's** promise to use the amount pledged by me and/or **Messiah
College's** actual use of the money pledged by me for the purposes specified shall each constitute
full and adequate consideration for this pledge.

Time of Payment. I direct my executor, administrator, trustee, or other personal representative
to pay this sum within one (1) year from the date of my death, without interest if paid within
such period.

Nature of Pledge. This pledge is irrevocable and is a present binding obligation upon my estate.
The rights and obligations created by this pledge shall remain effective and enforceable
regardless of the terms of any future will or codicil I may execute, and regardless of the
revocation of any future will or codicil I may execute.

Payments During Lifetime. This pledge may also be satisfied in part or in full by payments
made by me or on my behalf at my discretion during my lifetime, and so designated by me in
writing delivered to **Messiah College** at the time of the gift. Any amounts paid by me from the
date of this Agreement to the date of my death which are so designated shall reduce the amount
my estate is obligated to pay after my death under the terms of this Agreement. Any amounts
not so designated shall conclusively be presumed not to be in reduction of the amount pledged
herein.

Gifts by Will or Living Trust. In the event that **Messiah College** is a beneficiary, whether as a
specific or residuary legatee, under the terms of my duly-probated Will or a Living Trust in
effect at the date of my death, the amount so received by **Messiah College** shall reduce the
unpaid amount pledged herein.

Independent Advice. I acknowledge that I have had ample opportunity to obtain independent legal, financial, and tax advice prior to signing this document, that I have either obtained such advice or decided not to do so of my own volition, and that I am not relying on any such advice provided by Messiah College.

Heirs and Assigns. This Agreement shall be binding upon the successors, heirs, personal representatives, and assigns of each party.

Governing Law. This Agreement shall be interpreted in accordance with the laws of Pennsylvania.

This Agreement is executed this ____ day of _____, _____.

Donor:

Donor's Name Donor's Signature

Witness:

Witness's Name Witness's Signature

ACCEPTANCE

Messiah College, by the undersigned duly-authorized representative, hereby accepts the stated pledge and agrees to the terms thereof.

Messiah College

by _____

ATTACHMENT E

Charitable Remainder Trust Information Disclosure

Federal income tax regulations describe a charitable remainder trust as a trust which provides for a specified distribution, at least annually, to one or more beneficiaries, for life or for a term of years, with an irrevocable remainder interest to be held for the benefit of, or paid over to, charity. [Reg. Sec. 1.664-1(a)(1)(i)]

Should Messiah College be named as trustee of a charitable remainder trust, the Messiah College Business Office will administer the charitable remainder trust. In addition, Messiah College reserves the right to retain the services of a third party for investment and tax preparation purposes.

While the trust document can include investment instructions, under current regulations a trust cannot qualify as a charitable remainder trust if there is any provision in the governing instrument that “restricts the trustee from investing the trust assets in a manner which could result in the annual realization of a reasonable amount of income or gain from the sale or disposition of trust assets.” [Reg. Sec. 1.664-1(a)(3)] Further, Messiah College segregates all charitable remainder trusts. Payments to the income beneficiaries are made from the individual trust assets.

Prior to Messiah College serving as trustee of a charitable remainder trust, the donor and the College shall review and approve the following: initial fair market valuation of the assets used to fund the trust, payout percentage, payment dates, investment policies, and any other financial and legal consideration that might affect the trust document.

A federal income tax deduction for a charitable gift is allowed under current federal regulations. The estimated values of your deduction are calculated and provided for you as of the date of the gift. The value of the charitable remainder interest on which the charitable deduction is based in a charitable remainder trust may be affected by a variety of factors. Individuals should consult with their personal tax advisor as to these factors and to other tax implications of this transaction prior to signing a charitable remainder trust document.

You are advised to seek independent legal counsel, knowledgeable in the specialized area of charitable tax and estate planning, to draft or execute all charitable remainder trust documents.

Your signature in the space below indicates that you have read this information, that you understand the legal and tax implications of a charitable remainder trust, and that you have had ample opportunity to obtain independent legal and tax advice.

Date: _____

Donor

Rev. 2/11/05

Donor

ATTACHMENT F

CHARITABLE GIFT ANNUITY AGREEMENT

MESSIAH COLLEGE, Grantham, Pennsylvania, 17027, agrees to pay **(name)**, residing at (address), for (his, her or their)(life or lives) an annuity rate of (0)% or an annual sum of (\$) from the date hereof, in equal (quarterly, annually, semiannual) installments of (\$) on the 30th day of March, June, September, and December. A partial payment of (\$) will be made on (date). The first regular payment of (\$) will be made on (date).

MESSIAH COLLEGE's obligation to make annuity payments shall terminate with the payment preceding the death of **(name)**.

This annuity is nonassignable, except that the annuitant may irrevocably renounce all future payments, thus making a charitable gift of their then interest in the annuity.

MESSIAH COLLEGE certifies that **(name)**, as an evidence of their desire to support the mission of **MESSIAH COLLEGE** and to make a charitable gift, has this day contributed to **MESSIAH COLLEGE** cash or other assets valued at (\$), receipt of which is hereby acknowledged and described in Schedule A attached hereto. Upon termination of this agreement, the gift annuity assets will remain with **MESSIAH COLLEGE** for **the purpose of ...** Should the purpose for which this gift annuity was established ever become incapable of fulfillment because of unforeseen circumstances as determined in the sole judgment of the Board of Trustees of **MESSIAH COLLEGE**, then the gift annuity assets can be used for such one or more of **MESSIAH COLLEGE'S** educational purposes as the Board of Trustees shall determine.

The age of **(Name)** to his nearest birthday is (age).

Social Security number: ___-__-____

The age of **(Name)** to her nearest birthday is (age).

Social Security number: ___-__-____

The parties acknowledge that, as of the date hereof, the fair market value of the property transferred to **MESSIAH COLLEGE** is substantially in excess of the fair market value of the annuity and that the difference between those values constitutes a gift by **(name)** to **MESSIAH COLLEGE** for its charitable purposes.

MESSIAH COLLEGE has advised **(Name)** that a charitable gift annuity is not designed primarily as an investment but rather as a charitable gift.

The promise to pay the annuity is not insurance under the laws of Pennsylvania, is not subject to regulation by the Insurance Department and is not protected by the Pennsylvania Life and Health Insurance Guaranty Association under Article XVII of the Act of May 17, 1921 (P.L. 682, No. 284), known as the Insurance Company Law of 1921, or other protective device.

The following information may be obtained by contacting the Vice President for Advancement, Messiah College, Grantham, Pennsylvania 17027:

A. The status of **MESSIAH COLLEGE** under Section 170(c) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. Section 170(c)) or any successor provisions; and

B. Financial statements filed with a governmental agency or audited financial statements from **MESSIAH COLLEGE** showing that **MESSIAH COLLEGE** has unrestricted and unencumbered assets in the form of cash, cash equivalents or publicly-traded securities of at least \$100,000 plus one-half of the principal value of any annuities issued by **MESSIAH COLLEGE** and then in effect.

MESSIAH COLLEGE came into existence in 1909 as Messiah Bible School and Missionary Training Home, and has been in continuous existence for at least three years.

MESSIAH COLLEGE qualifies as a "qualified charity" on the basis of meeting all of the following criteria:

A. It is an organization described in Section 170(c) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. Section 170(c)); and

B. It has been in continuous existence for at least three years; and

C. It has unrestricted and unencumbered assets in the form of cash, cash equivalents or publicly-traded securities of at least \$100,000 plus one-half of the principal value of any annuities issued by **MESSIAH COLLEGE** and currently in effect; and

D. It is an educational institution, the curriculum of which in whole or in part is registered with or approved by the Department of Education, either directly or by acceptance of accreditation by an accrediting body recognized by the Department of Education.

I/we acknowledge that I/we have had ample opportunity to obtain independent legal, financial, and tax advice prior to signing this document, that I/we have either obtained such advice or decided not to do so of my/our own volition, and that I/we am/are not relying on any such advice provided by Messiah College.

This annuity shall be governed by the laws of the State of Pennsylvania.

IN WITNESS WHEREOF, **MESSIAH COLLEGE** and (**Name**) have executed this instrument as of the (day and year).

MESSIAH COLLEGE

GRANTOR

By: _____
Vice President for Advancement

By: _____

By: _____
Vice President for Finance

By: _____

Witness: _____

Witness: _____

OR

By: _____
President

By: _____

Witness: _____

Witness: _____

ATTACHMENT G

Deferred Charitable Gift Annuity Agreement

MESSIAH COLLEGE, Grantham, Pennsylvania, 17027, agrees to pay **(name)**, residing at (address), for (his, her or their)(life or lives) an annuity rate of (0)% or an annual sum of (\$) from the date hereof, in equal (quarterly, annually, semiannual) installments of (\$) on the 30th day of March, June, September, and December. A partial payment of (\$) will be made on (date). The first regular payment of (\$) will be made on (date).

MESSIAH COLLEGE's obligation to make annuity payments shall terminate with the payment preceding the death of **(name)**.

This annuity is nonassignable, except that the annuitant may irrevocably renounce all future payments, thus making a charitable gift of their then interest in the annuity.

MESSIAH COLLEGE certifies that **(name)**, as an evidence of their desire to support the mission of **MESSIAH COLLEGE** and to make a charitable gift, has this day contributed to **MESSIAH COLLEGE** cash or other assets valued at (\$), receipt of which is hereby acknowledged and described in Schedule A attached hereto. Upon termination of this agreement, the gift annuity assets will remain with **MESSIAH COLLEGE** for (designation).

The age of **(Name)** to his nearest birthday is (age).

Social Security number: ___-___-_____

The age of **(Name)** to her nearest birthday is (age).

Social Security number: ___-___-_____

The parties acknowledge that, as of the date hereof, the fair market value of the property transferred to **MESSIAH COLLEGE** is substantially in excess of the fair market value of the annuity and that the difference between those values constitutes a gift by **(name)** to **MESSIAH COLLEGE** for its charitable purposes.

MESSIAH COLLEGE has advised **(Name)** that a charitable gift annuity is not designed primarily as an investment but rather as a charitable gift.

The promise to pay the annuity is not insurance under the laws of Pennsylvania, is not subject to regulation by the Insurance Department and is not protected by the Pennsylvania Life and Health Insurance Guaranty Association under Article XVII of the Act of May 17, 1921 (P.L. 682, No. 284), known as the Insurance Company Law of 1921, or other protective device.

The following information may be obtained by contacting the Vice President for Advancement, Messiah College, Grantham, Pennsylvania 17027:

A. The status of **MESSIAH COLLEGE** under Section 170(c) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. Section 170(c)) or any successor provisions; and

B. Financial statements filed with a governmental agency or audited financial statements from **MESSIAH COLLEGE** showing that **MESSIAH COLLEGE** has unrestricted and unencumbered assets in the form of cash, cash equivalents or publicly-traded securities of at least \$100,000 plus one-half of the principal value of any annuities issued by **MESSIAH COLLEGE** and then in effect.

MESSIAH COLLEGE came into existence in 1909 as Messiah Bible School and Missionary Training Home, and has been in continuous existence for at least three years.

MESSIAH COLLEGE qualifies as a "qualified charity" on the basis of meeting all of the following criteria:

A. It is an organization described in Section 170(c) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. Section 170(c)); and

B. It has been in continuous existence for at least three years; and

C. It has unrestricted and unencumbered assets in the form of cash, cash equivalents or publicly-traded securities of at least \$100,000 plus one-half of the principal value of any annuities issued by **MESSIAH COLLEGE** and currently in effect; and

D. It is an educational institution, the curriculum of which in whole or in part is registered with or approved by the Department of Education, either directly or by acceptance of accreditation by an accrediting body recognized by the Department of Education.

I/We acknowledge that I/we have had ample opportunity to obtain independent legal, financial, and tax advice prior to signing this document, that I/we have either obtained such advice or decided not to do so of my/our own volition, and that I/we am/are not relying on any such advice provided by Messiah College.

This annuity shall be governed by the laws of the State of Pennsylvania.

IN WITNESS WHEREOF, **MESSIAH COLLEGE** and **(Name)** have executed this instrument as of the (day and year).

MESSIAH COLLEGE

GRANTOR

By: _____
Vice President for Advancement

By: _____

By: _____
Vice President for Finance

By: _____

Witness: _____

Witness: _____

OR

By: _____
President

By: _____

Witness: _____

Witness: _____

ATTACHMENT H

Charitable Gift Annuity Information Disclosure

When an individual (the donor) signs a gift annuity agreement with Messiah College, he or she is entering a contract. Under that contract, Messiah College is obligating itself to make agreed-upon annuity payments during the lifetime of the annuitant(s). In return for this obligation, the donor irrevocably transfers assets to the College.

Unlike a trust, the College does not segregate the annuity assets and pay income which is earned directly by those assets. Rather, the College invests the assets (pooled with other charitable gift annuity assets) in a manner consistent with its institutional investment policy and pays the annuitant as promised in the gift annuity agreement. To protect all parties, all annuity funds are separately accounted for and the College's promise of payment is backed by all of the unencumbered assets of the College.

The annuity payment rate is negotiated between the donor and Messiah College and is stated in the gift annuity agreement. As a general practice, the College uses payment rates which are actuarially calculated based upon the age of the annuitant or annuitants. Annuity payment rates are calculated such that approximately 40% - 50% of the value of the assets transferred is deductible as a charitable gift under federal regulations. Individuals should consult with their personal tax advisor as to tax implications of the transaction prior to signing a gift annuity agreement.

Your signature in the space below indicates that you have read this information and the attached sample gift annuity agreement, that you understand these documents, and that you have had ample opportunity to obtain independent tax and/or financial advice.

Date: _____
Donor

ATTACHMENT I

**Memorandum of Understanding
Remainder Interest in Real Estate**

THIS AGREEMENT is entered into by and between **MESSIAH COLLEGE**, a Pennsylvania nonprofit corporation and qualified exempt Section 501(c)(3) organization with principal offices at Grantham, Pennsylvania, ("College"), and _____ and _____, husband and wife, both residing at _____, _____ ("Donors").

WHEREAS, the Donors have this day executed a deed conveying to the College a remainder interest in their real property situated at _____, County of _____, State of _____, and commonly known as _____ (the "Property").

NOW THEREFORE, the parties hereto agree as follows:

1. The Donors, jointly and severally, shall have the sole responsibility for maintaining the property, insuring the property against loss and liability, paying real estate taxes, association fees or assessments, utilities, repairs, and any other indebtedness (including mortgage payments) relating to the property. The Donors shall not, without the consent of the College, permit any lien or mortgage to be placed on the property other than liens or mortgages which may now exist, and shall not, without the consent of the College, permit the amount of any lien or mortgage now existing to increase.
2. The Donors shall, during their respective lifetimes, have the sole right to occupy and utilize the premises as their residence and to lease the premises to any other person for use as a personal residence. The College shall join in any lease of the premises to another in order to permit the lease term to continue beyond the death of the surviving Donor, provided that such term shall not continue for more than one year beyond the date of death of the surviving Donor and provided further that the College shall be entitled to the rent from the property from the date of death of the surviving Donor.
3. Neither the Donors shall any lessee of the Donors shall allow the property to be used in any manner which may cause an environmentally hazardous condition.
4. In the event of any damage to the property (including environmental contamination), the Donors, at their sole expense, shall cause such damage to be repaired unless the Donors and the College shall agree that it is impractical to do so, in which case, any insurance proceeds resulting from such damage shall be divided between the College and the Donors in accordance with the value of their respective interests as of the date such damage occurred. For purposes of determining the value of the College's interest in the event of such loss, the value shall be determined in the same manner as is used to value a remainder interest in a personal residence as is provided in U.S. Treasury Regulations Section 1.170.

5. The Donors, jointly and severally, agree to hold the College harmless against any and all liability arising from the property during their lifetimes. The Donors may at any time or times at their sole expense make improvements to the property, provided that such improvements shall not result in a reduction of the value of the property.

6. The Donors warrant that they have had ample opportunity to have all documents relative to this transaction reviewed by independent legal counsel of their choosing.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the ____ day of _____, 200__.

DONORS

MESSIAH COLLEGE

by _____

ATTACHMENT J

MESSIAH COLLEGE
Endowed Fund Agreement

This ENDOWED FUND AGREEMENT is entered to express the terms and conditions on which **Donor** intends to establish the **Name of Fund**.

Assets designated by the **Name of Fund** shall be invested in accordance with the Messiah College Investment Policies and Guidelines for College-Owned Investments. Endowed Funds will not be awarded until the fair market value reaches \$20,000. At that time 5% (or a percentage consistent with the Board of Trustees policy then in effect) of the average fair market value of the fund for the past three years will be distributed to at least one student during each academic year as outlined below.

Recipients of this fund shall be selected through the committee(s) or individuals generally charged with awarding financial aid to students at Messiah College. Awards will be made subject to the following guidelines and conditions:

Scholarship Fund Restrictions

In the event that there are no students who meet the qualifications stated above, the College may make the award to any student who demonstrates financial need.

Contributions may be made to the Fund by members of **donor** family or by **his/her/their** friends. In the event that additional contributions are made, they shall be held and administered according to the terms and conditions expressed in this Endowed Fund Agreement.

Should the purpose for which this Fund is established ever become incapable of fulfillment because of unforeseen circumstances as determined in the sole judgment of the Board of Trustees of Messiah College, then the income from the endowed fund can be used for such one or more of Messiah College's educational purposes as the Board of Trustees shall from time to time determine.

It is with deep appreciation to **Donor** that this Endowed Fund Agreement is accepted on behalf of Messiah College and executed this **day** of **month**, 20__.

Donor: _____
Donor's Name

Vice President for Advancement

Witness: _____

Vice President for Finance

ATTACHMENT K

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 judgement 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

ATTACHMENT L

Association of Fundraising Professionals Standards No. 16 & 17

Standard No. 16

Members shall not accept compensation that is based on a percentage of contributions;
nor shall they accept finder's fees.*

Guidelines

- a. Members accept compensation based upon experience, expertise, and the time requirements of the engagement.
- b. Members, when declining an offer of compensation that includes a portion based upon a percentage of the funds raised, provide information in support of this standard, such as the AFP Position Paper on Professional Compensation.
- c. Members recognize that fundraising is a continuing practice in which present funds received may be the results of efforts of others in previous years, and, likewise, current fundraising activities may result in future funds.
- d. Members do not seek, pay, or accept, and they discourage their organizations from paying, percentage-based compensation or commissions for obtaining philanthropic funds as defined by and subject to government regulations, or as reported on government reporting forms as contributions, gifts, grants, or similar amounts received.
- e. Members help organizations recognize that costs involved in fundraising include staff compensation and that donors do accept organizational costs for such activities.
- f. Members who offer services as proposal writers with any of their compensation contingent upon the funding of a proposal do so only if the terms are stated in writing in advance and the compensation is not based on a percentage of the funds sought or raised.

Examples of Ethical Practice

1. Refusing to accept any part of one's compensation as a percentage of funds raised or expected to be raised.
2. Recognizing the difference between percentage-based compensation and a bonus plan, accepting only the latter should it be part of an organization's regular practices. (See Standard No. 17)
3. Promoting the principles upon which the guidelines for this standard are based.
4. Encouraging your organization to avoid paying a third party — such as an attorney, financial planner, or provider of such services as direct mail and telemarketing — a fee for service that is a percentage of the value of the related contribution or trust.

Examples of UnEthical Practice

1. Accepting percentage-based compensation because an organization lacks sufficient budget, with the expectation that such will be converted to salary or fee when funds are available.
2. Disguising compensation as salary, fee or bonus when it is, in truth, a percentage of funds raised.
3. Accepting a compensation package in which a part is salary or fee and the balance is to be made up of a percentage of the funds to be raised.

* Refer to AFP's Professional Compensation Position Paper.

Standard No. 17

Members may accept performance-based compensation, such as bonuses, provided such bonuses are in accord with prevailing practices within the members' own organizations, and are not based on a percentage of contributions raised.

Guidelines

- a. Members' freedom to accept performance-based compensation is based on the fact that AFP recognizes that such can be an ethical way to reward practitioners who exceed the scope of effort covered by their established salary or contracted fee.
- b. Members may accept performance-based compensation under the following conditions:
 - (1) the member's organization has a policy and practice that awards performance-based compensation; and
 - (2) the policy has the approval of the organization's governing body; and
 - (3) the policy and practice include, but are not limited to, the member's area of responsibility, e.g., are a norm within the organization; and
 - (4) the criteria are restricted to mutually agreed-upon, preestablished overall goals; and
 - (5) the criteria for determining the eligibility for, and amount of, such compensation shall exclude any consideration of a percentage of philanthropic contributions as defined by, and subject to, government regulations, or as reported on government reporting forms as "contributions, gifts, grants and similar amounts received." This should be interpreted as an absolute prohibition of any reference to, or use of, a percentage of philanthropic income to determine compensation, either in effect or actuality.
- c. Members understand the provisions of the IRS "Intermediate Sanctions" regulations in the U.S., or their equivalent in other countries, that apply to executive compensation.

Examples of Ethical Practice

1. Including in the bonus plan's criteria nonfinancial indicators such as quality improvement, attaining anti-discrimination goals, management of human resources or achievement of overall unit goals.
2. Including in the criteria financial indicators such as cost effectiveness, budget savings, meeting or exceeding dollar goals and increasing the amount of the average contribution.
3. Including in the criteria consideration of nonfinancial indicators of productivity, such as an increase in the number of contributors, an increase in the number of volunteers, an increase in the number of contribution renewals and an increase in the number of prospects.
4. Including in the criteria consideration of financial indicators for which a contributor may not legally claim a philanthropic deduction, such as sales of products or services, membership dues and unrelated business income.

Examples of UnEthical Practice

1. Accepting a bonus plan that includes in its criteria a percentage of the funds raised.
2. Accepting performance-based compensation developed and approved after the fact, e.g., after the end of the fiscal period.

ATTACHMENT M

Board of Trustees Resolutions Adopted October 18, 2002

The following resolutions were adopted at a regular meeting of the Board of Trustees of Messiah College, held on October 18, 2002.

RESOLVED, that the President of this corporation be, and hereby is, authorized and empowered to execute on behalf of Messiah College any planned giving agreements or any trust wherein Messiah College agrees to act as trustee pursuant to its Planned Gifts Policy Statement. The President may delegate such authority to the Vice President for Advancement and the Vice President for Finance who, acting jointly, shall be authorized and empowered to execute such agreements on behalf of Messiah College. This Resolution revokes all prior resolutions of this corporation relative to the same subject matter.

RESOLVED, that either the President, Vice President for Finance, or Director of Institutional Finance of this corporation are authorized and empowered to sell, assign and/or deliver any or all stocks, bonds, evidences of interest, right and all other securities, corporate or otherwise, now or hereafter acquired by this corporation by gift and standing in the name of or belonging to this corporation in any capacity, and said officers are authorized to execute any and all documents, assignments, powers of attorney, etc., necessary to effect the same. This Resolution revokes all prior resolutions of this corporation relative to the same subject matter.

RESOLVED, that either the President or the Vice President for Finance of this corporation be, and hereby are, authorized and empowered to execute, deliver, and accept any and all deeds, leases, notes, mortgages, contracts, assignments, powers of attorney, or other documents and/or payments therefore, necessary to effect any purchase, sale conveyance, mortgage, lease, or exchange of real property authorized by the Board of Trustees of this corporation. This Resolution revokes all prior resolutions of this corporation relative to the same subject matter.