

**UNITED JEWISH APPEAL-FEDERATION OF JEWISH PHILANTHROPIES OF NEW YORK,
INC.**

GIFT ACCEPTANCE POLICY

Dated: May 15, 2014

This policy is provided to you solely for your personal evaluation and general information. It is not intended as legal advice. You may wish to consult your personal advisor to determine its applicability to your personal, legal, or financial needs.

UNITED JEWISH APPEAL-FEDERATION OF
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A. Introduction: Purpose of this Policy

The purpose of this policy is to answer the following questions:

- What is a gift?
- What types of gifts does UJA-Federation accept?
- What documentation is required to transfer each type of asset to UJA-Federation?
- What documentation is required to document the terms of restricted gifts?
- How does UJA-Federation determine the value of each gift for the purpose of recording it in its gift records?

UJA-Federation urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. The following policies and guidelines govern acceptance of gifts made to UJA-Federation. This Gift Acceptance Policy does not anticipate all possible gift situations, and may be amended from time to time.

B. Information about UJA-Federation

UJA-Federation solicits and accepts gifts for purposes that will help the organization further and fulfill its mission to care for those in need, strengthen the Jewish people, and inspire a passion for Jewish life and learning.

The legal name of the organization is United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. UJA-Federation accepts gifts under its full legal name or variations like “UJA-Federation” or “UJA of New York”. UJA-Federation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, classified as a public charity and eligible for charitable tax deductions. UJA-Federation’s employer identification number is: 51-0172429.

C. Gift Acceptance Committee

UJA-Federation shall have a Gift Acceptance Committee of not more than ten (10) members, and whose members shall include: (1) the President, (2) the Chair; (3) the Treasurer; and (4) the Chair of Planned Giving and Endowments.

This Gift Acceptance Committee shall:

- Advise UJA-Federation on matters relating to the acceptance of gifts, including, but not limited to, gifts of real property, interests in real or personal property such as shares of closely-held corporations, and gifts pursuant to bequest instruments.

- Determine, on a case-by-case basis, whether UJA-Federation may accept specific gifts that do not fall clearly within the gifts categories outlined in the policy.

D. What is a Gift?

A gift is a voluntary, irrevocable and gratuitous transfer to UJA-Federation of cash or cash equivalents, securities, or property of value, or the execution of an instrument that legally vests an interest of value in the organization, which is accepted by UJA-Federation. Gifts to UJA-Federation which are designated for a specific purpose or use may only be accepted if such purpose or use is: (1) appropriately related the mission of UJA-Federation and (2) does not require UJA-Federation to act contrary to the law, public policy, or its own policies and procedures, in any manner.

- Gifts can come from individuals, corporations, partnerships, limited liability companies, private foundations, community or corporate foundations, donor-advised funds, public charities, estates and trusts.
- A gift may be made either *outright* (i.e., the donor retains no use of, or ownership in, the assets donated) or *in trust*, in which case the donor contributes to UJA-Federation either a “future interest” in a trust’s principal value or the right to a trust’s income for a certain term.
- The donor may designate a gift for *unrestricted* use by the organization.
- A donor may also make a *restricted use* gift by designating a specific purpose or time restriction for the gift. However, UJA-Federation will decline to accept gifts that would violate organizational policy or applicable law. For example, a gift that falls into any of the following categories may be declined by UJA-Federation: (a) the gift would result in UJA-Federation violating its corporate charter; (b) the gift could result in UJA-Federation losing its status as a 501(c)(3) not-for-profit organization; (c) the gift is too difficult or too expensive to administer in relation to its value; and (d) the gift is intended to be used for a purpose outside of UJA-Federation’s mission.
- Gifts of real estate that serve as tax shelters, shares of closely held stock or blind investments which do not have a marketable value, and works of art or jewelry may be accepted by UJA-Federation subject to the criteria listed in section G below. Decisions

on the restrictive nature of a gift, and the acceptance or refusal of that gift, shall be made in the sole discretion of UJA-Federation's Gift Acceptance Committee.

The following do *not* constitute gifts:

- A transfer for the benefit of a specific individual.
- Professional services.
- Payment for goods and services.
- The right to use an individual's property, such as a vacation home, rent-free office space, or equipment.

Direct donor involvement in the administration of a gift is prohibited, although some consultation may be acceptable.

E. Pledges

UJA-Federation will accept a donor's promise to make gifts over a period time. Such a promise is often called a "pledge".

UJA-Federation requires the use of a written gift agreement to formalize a gift being paid over a number of years for a capital campaign or special initiative gift. These generally involve gifts greater than \$100,000.

As evidence of a donor's intention to leave a bequest to UJA-Federation, a donor may sign a Testamentary Pledge Form. The purpose of a Testamentary Pledge Form is to ensure that the Donor's gift is paid from his or her estate, if payment has not been made in full before death.

F. Gifts Generally Accepted Without Review

1. *Cash:* Cash gifts are acceptable in any form, including by check, money order, wire transfer, or credit card.
2. *Marketable Securities:* Marketable securities may be transferred electronically from a donor's brokerage account to a UJA-Federation account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power attached (with appropriate signature guarantees). All marketable securities will be sold promptly upon receipt unless otherwise directed by UJA-Federation's Investment Committee or Gift

Acceptance Committee. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances, the decision whether to accept the restricted securities shall be made by the Gift Acceptance Committee.

3. *Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans:* Donors are encouraged to make bequests to UJA-Federation under their wills, and to name UJA-Federation as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans. See Section H.1 for more information about bequests; see Section G.2 for more information about life insurance policies.
4. *Goods or Items of Value:* Donations of goods to be used by UJA-Federation (e.g, food, snacks, beverages, flowers, items of nominal value, etc.) or items of value (e.g. restaurant or store gift certificates, jewelry, clothing, sports memorabilia, tickets, etc.) that may serve as a prize in a raffle or auction conducted by UJA-Federation are accepted on a case by case basis. Donations of food and beverages must meet the kashrut standards of UJA-Federation.

G. Gifts Accepted Subject to Prior Review

Certain forms of gifts or donated properties are subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

1. *Tangible Personal Property.* The decision regarding acceptance of gifts of tangible personal property (which may include, for example, artwork, books and manuscripts, jewelry, or other tangible personal property) shall be made by the Gift Acceptance Committee upon its consideration of the following:
 - Is the property marketable?
 - Are there any unacceptable restrictions imposed on the property?
 - Are there any carrying costs or liabilities for the property for which UJA-Federation may be responsible?
 - Is the title/provenance of the property clear?

Limitation of Use of Gift

If the donor expects UJA-Federation to use the property in a particular way, or if the donor intends for UJA-Federation to sell the asset and use the proceeds in a

particular way, which may include the establishment of a fund, the donor and UJA-Federation shall enter into a written agreement setting forth the terms. In general, jewelry, artwork, collectibles and other personal property shall not be accepted unless the property has a significant value

2. *Life Insurance.* All gifts of life insurance are subject to the policies and procedures set forth in the “**Guidelines for Accepting Gifts of Life Insurance**” attached as Exhibit A.

3. *Real Estate.* All gifts of real estate are subject to review by the Real Estate Committee. See “**Guidelines for Accepting Gifts of Real Property**” attached as Exhibit B. Prior to acceptance of any gift of real estate, UJA-Federation shall require an initial environmental review by a qualified environmental firm and a title report. The donor is asked to bear the expense of any environmental investigation and remediation activities. In the event that the initial review reveals a potential problem, the organization may retain a qualified environmental firm to conduct an environmental audit to propose appropriate remediation measures. As part of its consideration, UJA-Federation must also look at other related issues, including the existence of special zoning or use restrictions, mortgages or liens against the property, and other circumstances that could affect the future sale of the property.

Criteria for acceptance of gifts of real estate include:

- Is the property useful for the organization’s purposes?
- Is the property readily marketable?
- Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
- Are there liabilities, carrying costs (including insurance, property taxes, mortgages, notes, or the like), or maintenance expenses associated with the property?
- Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

4. *Closely held stock, limited liability company interests and partnership interests.* The decision regarding acceptance of gifts of closely held stock and interests in limited liability companies

and partnerships shall be made upon consideration of a variety of issues, including the following:

- Will the organization incur any liabilities as a result of holding these assets?
- Will the organization be assessed unrelated business taxable income as a result of ownership of these assets?

The following information is to be submitted in connection with a gift of partnership interests:

- A copy of the partnership agreement and any amendments;
- A list of all current general and limited partners and their percentage interests;
- Contact information for the general partner; and
- Copies of the partnership's audited financial statements and K-1s for the past three years.

Gifts of partnership interests that involve real estate are subject to the Guidelines for Accepting Gifts of Real Property attached hereto as Exhibit B. UJA-Federation does not accept general partnership interests in gifts of real property.

H. Gifts Through the Planned Giving & Endowments Program

Gifts that can be made through UJA-Federation's Planned Giving and Endowment Program consist of the following:

- Outright gifts, outlined in Section F above;
- Bequests;
- Charitable gift annuities and deferred gift annuities;
- Charitable remainder trusts;
- Charitable lead trusts;
- Gifts of remainder interests in personal residences or farms;
- Testamentary charitable remainder trusts, charitable lead trusts or charitable gift annuities;
- Supporting organizations;
- Endowment funds;
 - Perpetual Annual Campaign Endowment (PACE)
 - Lion of Judah Endowment (LOJE)
- Community Trust for Adults with Disabilities; and
- Community Trust II for Individuals with Disabilities
- Gifts of life insurance and beneficiary designations of IRA's, 401k's and other retirement funds

- Payable on Death gifts from various individual accounts at commercial institutions

The Chief Financial Officer and the Vice President of the Planned Giving & Endowments department are generally responsible for determining whether UJA-Federation should accept such a gift, based on a consideration of certain specified factors. There may be exceptions to these policies made in certain situations, for example, allowance for an age restriction or a minimum gift size for a charitable trust or gift annuity when, for instance, the donor has a long history with UJA-Federation and is judged to have significant giving potential, beyond the gift under consideration. Specific provisions relating to each type of gift can be found in Exhibit C.

I. Documentation and Valuation of Gift Assets

All gifts shall be accompanied by appropriate documentation (acceptable to UJA-Federation's General Counsel) transferring title of the item given to UJA-Federation. All irrevocable deferred gifts and gift annuities will be credited according to IRS regulations.

Donors should be aware of the necessity of obtaining a qualified appraisal and filing a completed IRS Form 8283. These actions are the donor's responsibility pursuant to applicable provisions of law.

J. Use of Legal Counsel

UJA-Federation will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. It is recommended that prospective donors retain their own counsel for legal and tax purposes, including, but not limited to, for the following gifts or circumstances:

1. Gifts of securities that are subject to restrictions or buy-sell agreements.
2. Documents naming UJA-Federation as trustee or requiring UJA-Federation to act in any fiduciary capacity.
3. Gifts requiring UJA-Federation to assume financial or other obligations.
4. Transactions with potential conflicts of interest.
5. Gifts of property which may be subject to environmental or other regulatory restrictions.
6. An interest in a limited partnership or limited liability company.
7. Intangible personal property (software, royalties, copyrights, patents).
8. Gifts under the Planned Giving & Endowment Program.

K. Reporting Requirements

Federal law requires UJA-Federation to issue a written receipt to every donor who makes a gift valued at \$250 or more. Without this receipt, the donor may not take an income tax charitable deduction for the gift. In order to receive a receipt, a donor must make a gift that qualifies as a tax-deductible charitable gift by Internal Revenue Service rules. Each donor is encouraged to speak to his or her own tax professional to determine applicable reporting information, including the date of gifts to charities.

L. Privacy

UJA-Federation respects the privacy of its donors. Safeguarding donor privacy is good stewardship as well as a matter of professional ethics. The UJA-Federation Fundraising Code of Conduct states that the organization “strive[s] to protect the confidentiality of all information concerning donors, and honor[s] and protect[s] donors’ rights to anonymity (to the extent provided by law” and that “[n]onpublic information concerning donors is the property of UJA-Federation, and the use of such information for the personal advantage of any individual is prohibited.” UJA-Federation will make every effort to ascertain a donor’s wishes in this regard and to abide by them when practicable.

It is the policy of the organization to hold the names of our donors in confidence unless one or more of the following conditions apply:

1. it is common and established practice to list such gifts in a newsletter, annual report, etc.;
2. the gift qualifies for a naming opportunity elected by the donor, pursuant to a written agreement with UJA-Federation;
3. the donor gives express permission to UJA-Federation to make his/her gift public as part of a written document (such as a gift agreement) or other direct communication;
4. UJA-Federation is obliged by legal requirements to provide information regarding the gift.

M. Record Retention

Pursuant to its document retention policy, UJA-Federation maintains records of gift transactions for at least seven (7) years.

EXHIBIT A

Guidelines for Accepting Gifts of Life Insurance

UJA-Federation generally will accept gifts of life insurance as follows:

a. Life Insurance Policies Where UJA-Federation is the Beneficiary and Not the Owner

- UJA-Federation should be provided with a copy of the executed designation form naming UJA-Federation as the beneficiary.
- UJA-Federation should be provided with a copy of the inforce illustration from the insurance company.

*b. Life Insurance Policies Where UJA-Federation is the Beneficiary **and** the Owner*

i. Existing Policy That is Fully Paid For

- UJA-Federation should be provided with a copy of the executed designation form naming UJA-Federation the beneficiary and the owner of the policy.
- UJA-Federation should be provided with a copy of the inforce illustration from the insurance company.

ii. Existing Policy That is Partially Paid For

- UJA-Federation should be provided with a copy of the executed designation form naming UJA-Federation the beneficiary and the owner of the policy.
- The Planned Giving & Endowments department is responsible for issuing pledge reminders to donors and monitoring timely payments of premiums.
- UJA-Federation reserves the right to claim the cash surrender value and discontinue the policy in the event the donor does not maintain the premium payments on the policy.
- UJA-Federation should be provided with a copy of the inforce illustration from the insurance company.

c. Creating a Gift of Life Insurance

- UJA-Federation should be named the owner and irrevocable beneficiary of all purchased policies.
- The Planned Giving & Endowment department is responsible for issuing pledge reminders to donors and monitoring timely payments of premiums.
- UJA-Federation reserves the right to claim the cash surrender value and discontinue the policy in the event the donor does not maintain the premium payments on the policy.

- UJA-Federation will purchase and agree to split the policy premium costs with the donor if certain requirements of the Planned Giving & Endowment department are satisfied.
- The original insurance policy must be reviewed by Planned Giving & Endowment department staff and by an outside insurance agent.
- UJA-Federation should obtain a copy of the inforce illustration from the insurance company. UJA-Federation will accept gifts of life insurance where UJA Federation is named as both beneficiary and irrevocable owner of the insurance policy. In these cases, the donor will have agreed to pay, before due, any future premium payments owing on the policy.

EXHIBIT B
UJA-Federation

Guidelines for Accepting Gifts of Real Property

When a donor wishes to contribute real property or an interest in real property to UJA-Federation, the Real Estate Committee (the "Committee") shall consider all of the facts and circumstances and make a determination as to whether or not to accept the gift. Although each determination will be based on the specific circumstances of the proposed gift, the following represents general guidelines which will be followed by the Committee in making such determination:

1. **Request for Approval; Due Diligence Review.** A prospective donor who wishes to make a gift of real property or an interest in real property, whether by will, inter vivos gift or otherwise, shall submit to the Committee a request for approval. A separate request must be submitted for each separate parcel of real estate which may come to UJA-Federation. Each such request should describe the real property, any structures thereon, its use and location and should be accompanied by each of the following to the extent applicable (and with respect to those items that are not applicable, a statement to such effect):
 - A. A current title report and commitment to issue an owner's policy of title insurance, accompanied by copies of all underlying documents referred to in the title report, whether as exceptions or otherwise, and current UCC and violation searches. If a current title report and commitment is not available, a copy of the donor's existing title insurance policy should be submitted with the request.
 - B. An ALTA survey of the property sufficiently current as to be satisfactory to the title company.
 - C. A qualified independent appraisal.
 - D. Rent roll, showing leases and amendments, commencement and expiration dates, rents and pro rata shares actually being collected and security deposits being held.

- If the property is subject to any type of rent control law, documentation must be submitted evidencing compliance with such laws and the maximum lawful rents that may be collected.
- E. Estoppel certificates from ground or other superior lessors, mortgagees and significant tenants.
- F. Copies of all non-recorded agreements relating to the real property, including the following:
- Leases, including all amendments, guarantees, renewal and expansion notices, subleases, assignments, landlord's consents to subleases and assignments and other related agreements.
 - Promissory notes, loan agreements and other documents relating to mortgages or other liens on the property (including any unrecorded mortgages).
 - Management agreements.
 - Leasing agreements.
 - Brokerage agreements on which amounts are now, or may in the future become (e.g., upon renewals or expansions of leases), due.
 - Service and maintenance contracts.
 - Copies of insurance policies and premium notices.
- G. Any other information relevant to the real property, including the following:
- Inventory of personal property used in connection with the real property and included in the transfer.
 - Certificate of occupancy and other licenses, permits, authorizations and approvals.
 - Plans, drawings and specifications for the real property.
 - Any engineering reports.
 - Warranties and guaranties.
 - Copies of tax and utility bills.
 - Status of any tax certiorari proceedings.
 - Any budgets or management plans.
 - Description of any litigation, and any claims not yet in litigation, involving the property.
 - Evidence of compliance with zoning and other local laws.

H. If the proposed gift is an interest in an entity that directly or indirectly owns real property, rather than the real property itself (e.g., stock in a corporation or interests in a partnership, a trust, limited liability company or other entity), then, in addition to the items described above:

- In the case of a corporation, copies of the certificate or articles of incorporation, by-laws and all other items in the minute book of the corporation, and any stockholder or voting agreements.
- In the case of a partnership, copies of all partnership certificates and agreements.
- In the case of a trust, copies of the agreement or indenture of trust.
- Evidence that the entity is qualified to transact business in the state in which the real property is located, if other than the state of formation.
- A recent certificate of good standing (including payment of taxes) issued by the secretary of state of the state in which such entity was formed and each state where the entity is qualified to transact business. (NOTE: Certificates of good standing are not available in all states for partnerships and trusts.)
- If the interest was acquired through a syndicated offering, public or private, copies of all offering materials and amendments thereto.
- Information concerning the identity of each other person and entity that will own, directly or indirectly, an interest in the entity.
- Evidence that the donor has the authority to transfer the interest and a description of any restrictions that UJA-Federation would have in transferring the interest and of any rights that others would have to acquire any or all of UJA-Federation's interest.
- Copies of the entity's tax returns and financial statements (audited, if available) for the prior three years (including information as to cost of the property, depreciation taken and increases or decreases to basis) and information as to any pending or completed governmental audits of such tax returns.
- Copies of all agreements to which the entity is a party other than those described above relating to the real property.
- List of all employees of the entity and copies of any employment, union and employee benefit agreements.
- Description of any litigation, and any claims not yet in litigation, involving the entity, its principals or employees.

NOTE: In almost all cases, a donation of real property is preferable to a donation of an interest in an entity and should be encouraged, so as to avoid the assumption by UJA-Federation of pre-existing obligations and liabilities of the entity.

- I. If the proposed gift is an undivided interest in real property, then, in addition to the items described above:
 - Copies of all tenancy-in-common or other agreements with other owners of interests in the real property.
 - Evidence that the donor has the authority to transfer the interest and a description of any restrictions that UJA-Federation would have in transferring the interest and of any rights that others would have to acquire any or all of UJA-Federation's interest.

- J. If the proposed gift is a cooperative unit or an interest therein or in an entity that owns a cooperative unit, then in addition to all applicable items described above:
 - Copies of the offering plan for the cooperative corporation and all amendments thereto.
 - Copies of financial statements of the cooperative corporation for the prior three years.
 - Copies of the stock certificate and proprietary lease for the cooperative unit.
 - Evidence that the board of directors of the cooperative corporation will approve the gift or any requirements that UJA-Federation will be required to meet to obtain such approval.
 - Current UCC searches against the donor and the cooperative corporation.
 - Information concerning any special assessments or increases in maintenance payments.

NOTE: If there are unusual ownership or lien issues (as disclosed by the UCC search or otherwise), title insurance can be obtained for cooperative units.

- K. If the proposed gift is a lender's interest in a loan secured by real property or by interests in an entity that owns real property, then in addition to obtaining all documentation relating to the loan, a review should also be made of the real property and, if applicable, the entity, as though such real property or entity were itself being

acquired by UJA-Federation (due to the fact that UJA-Federation could acquire the real property or the entity upon a foreclosure).

2. **Appraisals**. Prospective donors should be reminded of the necessity of an independent qualified appraisal for all gifts.
3. **Physical Inspections**. Prior to accepting any gift of real property or an interest in real property, representatives from the Committee shall physically inspect the real property.
4. **Form of Deed**. Any transfer of real property to UJA-Federation should be by Special Warranty Deed or equivalent, or such other form as is customary in the state in which the real property is located.
5. **Timing of Gifts**. Proposed donors should be encouraged to submit their requests for the acceptance of real property no later than October 1 of the year of the gift if a determination of acceptance of the gift is required prior to the end of the calendar year.
6. **UBTI Issues**. If the proposed gift consists of income-producing property, a review should be made as to whether any of the income will constitute Unrelated Business Taxable Income (“UBTI”) and subject UJA-Federation to income tax thereon. For example, rents may constitute UBTI if they are calculated as a percentage of the lessee’s net income. In addition, if the owner of the real property takes an unusually active role in the operation of the real property, such as by operating parking garages or concessions or providing extraordinary services to tenants or occupants, the income from such activities may constitute UBTI.
7. **Environmental Audits**. The Committee will obtain written environmental audits where it believes it is necessary with respect to the real property. The donor shall be required to engage qualified professionals to prepare Phase I and Phase II reports where necessary.
8. **Marketability**. Prospective donors will be encouraged to make gifts of real property or interests in real property which are readily saleable. If the real property or interest in real property being offered to UJA-Federation is not readily saleable, the Committee may request the donor to provide a cash gift in an amount sufficient to pay for the anticipated

expenses related to the ownership of the real property during the period prior to the time it can be sold.

9. **Additional Capital Requirements.** The Committee shall consider whether or not additional capital is likely to be required within the five year period following the gift (whether in the form of capital contributions to the entity owning the real property or in the form of direct infusions into the property). In the event such capital requirements are anticipated, the Committee may request that the donor (i) contribute additional cash as necessary to allow UJA-Federation to meet such capital requirements or (ii) execute a promissory note or pledge obligating the donor or the donor's successors to supply such capital requirements if and when they become necessary.

10. **Minimizing Liabilities.** Every effort shall be made by the Committee to reduce or eliminate the potential for economic and environmental liability in the acceptance and future ownership by UJA-Federation of any real property or interest in real property.

EXHIBIT C

Gifts Accepted Through the Planned Giving & Endowments Program

1) Bequests

The estate administrator in the Department of Planned Giving & Endowments department (in consultation with UJA-Federation's Vice President of Planned Giving and Endowments and UJA-Federation's General Counsel, if appropriate) is responsible for monitoring and processing all bequests that come to UJA-Federation after the death of the donor. Such bequests include, for example, gifts from estates under probate, proceeds of life insurance, distributions from IRAs or other retirement funds, testamentary charitable remainder trusts, charitable lead trusts or charitable gift annuities, and other contracts which name UJA-Federation as the beneficiary of death benefits. Whenever possible and appropriate, donors are encouraged to provide UJA-Federation with a copy of their will, or the relevant portions thereof, to document their bequest intentions.

2) Charitable Gift Annuities and Deferred Gift Annuities

A gift annuity is a contract between UJA-Federation and the donor, whereby UJA-Federation pays one or two beneficiaries a fixed income for life – as a general rule, the older the annuitant, the higher the annuity payment. UJA-Federation has been issued a gift annuity license in New York and has licenses pending in Connecticut, New Jersey and Florida. Minimum gift amount: \$10,000 or as determined by UJA-Federation from time to time. The minimum age for receiving payments is 65.

a) Charitable Gift Annuities Benefiting UJA-Federation

- The remainder can either support UJA-Federation's general activities or be designated for a particular purpose.
- At the termination of gift annuities for UJA-Federation's general activities the funds will be left in the excess fund over reserve pool. and be spent subject to UJA-Federation's endowment spending rate. Proceeds will go to UJA-Federation's Annual Campaign.
- At the termination of gift annuities designated for a particular purpose the charitable remainder will be removed from the gift annuity pool and allocated to the designated purpose.

b) *Charitable Gift Annuities Benefiting UJA-Federation Beneficiary Agencies, Synagogues and Day Schools*

- A donor can set up a charitable gift annuity with UJA-Federation that is designated to support a local synagogue or day school.
- At termination of the gift annuity, 90% of the investment amount is given to the designated synagogue or day school and 10% is retained by UJA-Federation in its excess fund over reserve pool.

c) *Testamentary Charitable Gift Annuities*

All testamentary charitable gift annuities must meet the standards regarding charitable gift annuities set forth above.

3) *Split Interests*

a) *Charitable Remainder Trusts*

Charitable Remainder Trusts are established pursuant to a Charitable Trust Agreement and are irrevocable. Through a charitable remainder trust, a donor makes a gift to UJA-Federation and either receives income for life, a specific term of years, or designates the income to go to another individual(s) for his or her life or entity(s). Upon the death of the last income beneficiary, unless otherwise designated by the donor, the principal will be added to UJA-Federation's general funds. UJA-Federation will act as Trustee of a charitable remainder trust, upon the request of the donor and provided that UJA-Federation has a substantial interest in the trust and that the trust meets the following financial requirements for gift acceptance:

- a minimum interest of \$100,000 as a 50% or more beneficiary and as of January 1, 2014, the pay-out percentage is equal to 5% (subject to adjustment based on the overall investment and economic climate, as may be determined by UJA-Federation from time to time); and
- The net present value of the gift to UJA-Federation should be at least \$25,000.

b) *Charitable Lead Trusts*

Charitable Lead Trusts are established pursuant to a Charitable Trust Agreement and are irrevocable, but are the mirror image of Charitable Remainder Trusts in that the income of a Charitable Lead Trust is paid to UJA-Federation and the principal passes to non-charitable beneficiaries of the donor's choice or reverts to the donor. UJA-Federation will act as Trustee of a charitable lead trust if requested to do so by the donor, assuming that UJA-Federation has a

substantial interest in the trust and that the trust meets UJA-Federation's financial requirements for gift acceptance.

- Generally, for UJA-Federation is to serve as Trustee, the minimum gift to establish a lead trust is \$100,000. The present value of the stream of income payments to UJA-Federation must be at least \$25,000.

c) Gifts of Remainder Interests in Personal Residences or Farms

- A donor may transfer the deed to his or her primary or secondary residence to UJA-Federation while reserving the right to live there for the rest of his or her life. If the donor decides to move from the donated home, he or she can relinquish the life estate to UJA-Federation.
- Gifts of this nature are subject to the Guidelines for Accepting Gifts of Real Property attached hereto as Exhibit B.

d) Testamentary Charitable Remainder Trusts, Charitable Lead Trusts. All testamentary charitable remainder trusts and charitable lead trusts must meet the standards regarding charitable remainder trusts and charitable lead trusts set forth above.

4) Supporting Organizations

Supporting organizations function in a manner similar to private family foundations, however, they are aligned with, and support, UJA-Federation and carry out the mission and tax-exempt purposes of UJA-Federation.

- Each supporting organization is separately incorporated under New York or Delaware law and qualified with the IRS as a tax exempt organization.
- UJA-Federation operates, supervises or controls the supporting organization, and appoints a majority of the supporting organization's board of trustees.
- A minimum of \$1 million is needed to set up a supporting organization. It may be funded with a smaller amount upfront with the balance payable as a bequest.

5) Endowment Funds

a) Generally

Earnings from endowment funds established at UJA-Federation supplement monies raised each year by the Annual Campaign.

- Endowment funds may be used to provide support for particular efforts of UJA-Federation or its beneficiary agencies.
- All endowment agreements must be approved by the General Counsel's office.
- The minimum amount to set up an endowment fund is \$100,000.
- All endowments are subject to UJA-Federation's spending policy then in effect.

b) *Specific Endowment Funds*

1. *Perpetual Annual Campaign Endowment (PACE)*. A PACE fund is a permanent restricted endowment fund dedicated to endowing a donor's UJA-Federation Annual Campaign gift. A PACE fund can be endowed with a minimum of \$100,000.

2. *Lion of Judah Endowment (LOJE)*. A LOJE is identical to a PACE fund except that it is designated for UJA-Federation's Annual Campaign through the Women's Campaign. The amount to endow a donor's current Annual Gift through the Women's Campaign is a minimum gift of \$150,000.

6) *Community Trusts*

The Community Trusts allow individuals to enhance and augment the quality of a disabled person's life while preserving the disabled person's financial eligibility for government entitlement programs. The trusts are irrevocable and created pursuant to a trust agreement. Contributions to these Community Trusts are not tax deductible.

a) *Community Trust for Adults with Disabilities*

This trust is designed to assist families in providing for the future needs of a physically, mentally, or developmentally disabled person. It is a third party master trust in which a family member or friend can set up an account using his or her own funds. The existence of the trust does not affect the beneficiary's eligibility for government entitlement programs. By opening a trust account, the parent or other concerned third party, as sponsor, can provide for both the financial and advocacy needs of the disabled individual for the individual's lifetime by enabling the disabled individual to receive distributions from the trust for quality-of-life items as well as an advocate to advocate on his or her behalf and ensure that he or she receives proper care and attention. Fees are incurred for the administration of the trust and advocacy services.

- A trust can be opened with a minimum financial commitment of \$100,000. At least \$20,000 must be paid upon execution of the trust agreement, with the remainder payable over a period not to exceed five years or with a testamentary pledge.
- At the death of the individual, 100% of the remainder may be paid to anyone the sponsor designates.
- Lifetime advocacy only continues if funds are available to pay for it during the trust beneficiary's lifetime.

b) Community Trust II for Individuals with Disabilities

This trust is designed to assist a disabled individual in providing for his or her future needs by enabling him or her to deposit his or her assets into a distinct trust account. By establishing an irrevocable trust account, the individual is able to receive governmental entitlements without having to spend down his or her assets. The individual can receive distributions from the trust account for quality of life items. Fees are incurred for the administration of the trust and advocacy services.

- A trust can be opened with a minimum of \$50,000 with at least \$10,000 due upon execution of the trust agreement, and the rest paid on a period not to exceed four years.
- Upon the death of a trust beneficiary, 50 percent shall be used to further the purposes of the Trust, consistent with applicable law. The other 50 percent can be designated to anyone the Trust Beneficiary designates. The amount is first subject to a right of recovery by the New York State Department of Social Services (Medicaid) to the extent services were paid for over the Trust Beneficiary's lifetime.