

# Advancement | UCF Foundation, Inc.

## Gift Acceptance for Life Insurance

Policy# 9.02

Effective Date: 10/20/2020

Responsible Department: Development

### **1. PURPOSE**

The objective of this policy is to outline the University of Central Florida Foundation, Inc. (Foundation) policy for accepting gifts of life insurance policies. In addition, please see the Foundation's Deferred Gift Acceptance Policy for Gifts of Life Insurance.

### **2. APPLICABILITY**

This policy applies to all donors and University of Central Florida (University) employees soliciting or processing gifts.

### **3. POLICY**

A donor may name the Foundation as both beneficiary and irrevocable owner of an insurance policy or the donor may name the Foundation as a beneficiary.

The Foundation may accept ownership of a life insurance policy that meets the following criteria:

- The Foundation will only accept “universal” and “whole life” type insurance instruments.
- The owner and beneficiary will be designated on the policy as follows: University of Central Florida Foundation, Inc.:
- The policy death benefit is not split between the Foundation and other charities/non-charities;
- The policy covers the life of the donor;
- The policy is paid up to the donor’s age 100;
- The policy does not have any outstanding loans at the date of the gift; and
- The Foundation has received and reviewed the insurance illustration.
- The original policy must be forwarded to the Foundation's Office of Gift Planning at the time of the gift.
- The minimum face value will be \$25,000. However, in the case of policies with a lesser face value, these may be accepted if they are to be immediately surrendered for cash value. Any exceptions on minimum value will be considered for approval and determined by the CEO.
- If the donor contributes future premium payments, the Foundation in most cases will include the entire amount of the premium payment as a gift upon receipt.
- Additional charitable contributions will be required from the donor to the Foundation in the amount of the premiums, including unscheduled premiums, which may become due. The

donor will agree to make the payments and submit the donation prior to the required premium payment due date. If, for unforeseen circumstances, the donor cannot continue to make donations to fund the policy premium payments, the Foundation reserves the right to withdraw the cash surrender value and cancel the policy or to review other alternatives available to continue the policy.

- Specific restrictions which apply to the use of the gift will be documented separately. If the purpose is intended to be an endowment, then the face value of the policy must meet the minimum funding standards for endowments in accordance with the Foundation policy, unless additional outright or planned gifts are combined to meet minimum funding standards.

If the donor plans to designate the Foundation as one of the beneficiaries and not as owner of the policy, then the following criteria must be met:

- The beneficiary will be designated on the policy as follows: University of Central Florida Foundation, Inc.
- A copy of the beneficiary page showing the Foundation as a beneficiary of the Life Insurance policy and a signed Letter of Intention for Planned or Deferred Gift form (LOI) by the donor is required to document the gift commitment.
- Specific restrictions which apply to the use of the gift will be documented separately. If the purpose is intended to be an endowment, then the face value of the policy must meet the minimum funding standards for endowments in accordance with Foundation policy unless additional outright or planned gifts are combined to meet minimum funding standards.

**Term Life Insurance:** Term life insurance policies are not accepted as gifts. Some donors may make the Foundation a beneficiary of their term life insurance policy. In that case, the Foundation, Inc. may recognize that gift by including the donor in the Charles Millican Legacy Society. The gift is recorded as a revocable bequest by life insurance.

#### 4. CLARIFICATION

Requests for clarification of this policy should be sent to the Assistant Vice President Gift Planning.

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Name: Michael J. Morsberger  
Title: Vice President for Advancement and Chief Executive Officer

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Adoption Date: 05/11/2005  
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