

Sample

Bequest Policy of [Organization]

Intent:

It is the intent of [Organization] to build our endowment. Permanent endowments will ensure their current financial viability and secure their financial future.

Jewish Federation of Greater Seattle's Sponsored Legacy Program Bequest Policy:

With this in mind, all bequest gifts, regardless of size, received as a result of [Organization]'s participation in the LIFE & LEGACY™ Program, the Jewish Federation of Greater Seattle's sponsored community-wide legacy program, are to be placed in a true endowment fund with the Jewish Federation of Greater Seattle.* This includes gifts received through any asset, such as IRA, trust, will, gift annuities, life insurance, and more.

- The wishes of the donor shall always be honored.
- Donor intent shall be evidenced by the donor signature on the legacy plan fund document with the Federation and/or by other beneficiary designations.
- In the absence of specific instructions from the donor, all bequests and other planned gifts obtained as a result of the community-wide legacy program shall be placed in an endowment fund to benefit the named beneficiary organization.
- Endowment fund policies shall be in place to ensure the prudent use of the gifted assets.
- Donors may seek the assistance of the Federation to create agreements that will ensure their wishes are honored. When a legacy gift plan is created with the assistance of the Federation, those gifts shall be utilized in accordance with the terms of donor fund agreements secured and executed through the Federation.

Non- Jewish Federation of Greater Seattle's Sponsored Legacy Program Bequest Policy:

- A donor's specific wishes for the use of the gift, when known must always be honored.
- Bequest and other testamentary gifts received that were not part of the community-wide legacy initiative (no LOI was secured from the donor during the program), shall be primarily placed into the organization's general endowment fund, and/or another permanent endowment fund.
- The organization shall limit to no more than 10% (TBD according to your own policy) current spending of any portion of a testamentary gift.
- The organization shall have and adhere to a policy that determines the prudent spending rule for their endowment funds.*

Emergent Needs Exceptions:

- When a testamentary gift is received with no donor restrictions and that gift was not received as a result of a Letter of Intent through the community-wide legacy program and when a true emergent need of the organization exists the following may apply.
- In the case of emergent organizational needs, a portion of the bequest or other testamentary gift may be used by the organization to address the need.
- Such decisions to use a portion of the gift shall be approved by the organization's board (75% of the board) voting affirmatively in support of the use or a portion of the gift.
- Emergent need is determined by the organization and its board. Examples of emergent needs might be a flood, fire, or other unexpected crisis.
- For gifts in excess of \$10,000, up to 25% of the gift may be used in such cases and the balance of the gift shall be placed into an endowment fund.
- For gifts under \$10,000, up to 50% of the gift may be used and the balance shall be placed into a permanent endowment fund.
- Donor intent shall always be honored. Thus any restrictions placed on the use of the gift must always be documented and the document retained and the intent adhered to according to Washington and Federal laws and regulations.

*True Endowment Definition:

A true endowment fund is a fund that will exist in perpetuity and only a percentage of the average market value (AMV) of the fund will be distributed annually. The organization will not deplete the permanent fund and will implement a spending rule that will ensure the continual perpetual nature of the fund. A reasonable percentage of the fund (as determined by the organization board) shall be distributed each year for use by the organization. Example: A maximum of 5% of the AMV over the last 20 quarters, or however many quarters the fund has been in existence until it reaches 20 quarters, may be distributed annually.