EXT-007

Acceptance of Bequests, University Life Income Gifts, and Gifts to the University's Donor Advised Fund

Effective Date Friday, September 13, 2013

Status Final

Last Revised Friday, December 5, 2025

Policy Type University

Contact Office External Relations

Oversight Executive
Senior Vice President for External Relations

Applies To
Academic Division, the Medical Center, the College at Wise, and University-Associated Organizations.

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Reason for Policy

Planned gifts made by alumni, friends, and parents play a vital role in sustaining the University's strength and building areas of excellence. Due to the complexities of bequests, life income gifts, and donor advised fund contributions, the Office of Gift Planning within External Relations is the authority and agent for establishing and coordinating such planned gifts.

Definition of Terms

Bequest

Description

Property given to the University as the beneficiary of a will, revocable living trust, other testamentary instrument, or other non-probate assets such as a retirement plan, life insurance policy, or financial account.

Donor Advised Fund (DAF)

Description

A gift account established with the University of Virginia Foundation for the benefit of the University or a University-Associated Organization (UAO), or a combination thereof. The DAF allows donors to make an

immediate, irrevocable charitable contribution and receive an immediate charitable income tax deduction while maintaining the flexibility to make gift recommendations from the DAF to the University (including schools, departments, or units) or UAOs over time, according to the terms and conditions of the DAF agreement.

Gifts

Description

Pledges, outright contributions received from private sources, or activities supported by an external party (i.e., donor) in exchange for which no goods or services are expected, implied or forthcoming to the donor, and in which no proprietary interests are to be retained by the donor. Gifts are subject to minimal or no restrictions.

Life Income Gift

Description A charitable gift annuity, charitable remainder trust, or pooled income fund contribution.

Charitable Remainder Trusts

Description

Established when a donor makes an outright, irrevocable gift to a trust established for such purpose. Payments are made by the trust to the donor and/or other income beneficiaries in accordance with the trust's terms and conditions. When the trust terminates, the remaining assets in the trust are directed to charitable uses. The Rector and Visitors of the University may serve as trustee of charitable remainder trusts; however, for trusts funded with real estate, the University of Virginia Foundation may serve as trustee until the real estate is liquidated. Charitable remainder trusts may also be created outside the auspices of the University with an independent trustee. Remainder assets from external trusts may be designated to benefit the University (including schools, departments, or units) or University-Associated Organizations. UVA trusteed charitable remainder trusts may be invested in the UVA Endowment under certain circumstances.

Pooled Income Fund (PIF)

Description

The University maintains a PIF, to which donors can make outright, irrevocable gifts of cash or securities in return for an income stream. However, the University does not advertise the PIF to donors and does not currently encourage giving to the PIF. If a donor is interested in contributing to the PIF, please contact the Office of Gift Planning for further guidance.

Charitable Gift Annuity

Description

A contractual relationship between a donor and the University of Virginia (UVA) Foundation that is created when a donor makes an outright, irrevocable gift to the UVA Foundation, and in exchange for the gift, the UVA Foundation makes fixed payments to one or two annuitants for life based on the initial value of the gift and the age(s) of the annuitant(s) at the time the gift is made. The payments are backed by the full assets of the UVA Foundation. Upon the death of the last annuitant, the remaining market value of the gift annuity is distributed for one or more University-related purposes or to a University-Associated Organization. The Office of Gift Planning, through the UVA Foundation, administers the University's gift annuity program. Most gift annuity

assets are invested in the UVA Endowment during the annuity contract term.

Policy Statement

The Office of Gift Planning is the University's channel for establishing all internal life income gifts, bequests, and Donor Advised Fund (DAF) gifts and supports and collaborates with all schools, departments, units, and University-Associated Organizations to create and manage such activity. The Office of Gift Planning coordinates the administration, follow-up, and donor relations of life income gifts, bequests, and DAF gifts on behalf of the Rector and Visitors of the University and the University of Virginia (UVA) Foundation, as applicable.

All notifications of bequests to which the University or a University-Associated Organization is named as beneficiary shall be directed to the Office of Gift Planning for administration and follow-up. When a bequest is received by any school, department, unit, Center, or University-Associated Organization, the Office of Gift Planning must be notified promptly for recording purposes and may support the receiving entity in managing the receipt of any designated assets. No planned giving proposal may be accepted until the Office of Gift Planning has received documentation confirming the planned gift.

Due to the complexities inherent in DAF gifts and life income gifts, all recommendations to prospective donors regarding such gifts shall be done in conjunction with and with the approval of a Gift Planning Officer. All inquiries for information regarding DAF gifts and life income gifts should be coordinated with the Office of Gift Planning.

Unrestricted planned gifts permit flexible use of funds at the University, but other gifts, such as bequests restricted to create endowed funds, should be established with a contingency clause permitting the University to use the funds in a manner which will most nearly satisfy the wishes of the donor in the event that the original purpose is no longer practicable.

To address the requirement that principal amounts of planned gifts meet minimum funding levels for named endowments when such gifts are realized for use by the University, External Relations and the Office of Gift Planning, will assist in the creation of endowment agreements and will include provisions in such agreements that address inadequate funding and contingency use. Should the amount of the gift or bequest be insufficient to satisfy the minimum requirements for the establishment of a named endowment as determined by the Board of Visitors, the principal of such gift may be merged with an already existing endowment fund whose purpose most closely represents the desires of the donor.

The Office of Gift Planning will determine the terms and conditions of life income gifts, as applicable. Upon establishment, income will be disbursed in accordance with the applicable trust agreement or annuity contract.

The Office of Gift Planning will coordinate the terms and conditions creating life income gifts as applicable. Upon establishment, income will be paid according to the terms and conditions agreed to in the gift document.

At the termination of each life income gift, all residual assets and funds will be transferred to the beneficiary entity in accordance with the applicable trust agreement, annuity contract, or ancillary documents thereto. Any questions related to life income gifts should be directed to the Office of Gift Planning.

Compliance with Policy:
Failure to comply with the requirements of this policy may compromise the University's fundraising efforts and donor relations and may result in disciplinary action up to and including termination or expulsion in accordance with relevant University policies.

Direct questions about this policy to External Relations.

Procedures

Gift Check Lists for:

- Charitable Remainder Trust
- Charitable Gift Annuity
- Donor Advised Fund

Related Information

FIN-001: Classification of Awards to the University as either a Gift or a Sponsored Program
FIN-015: Endowment and Capital Gift Agreements

Major Category External Relations

Next Scheduled Review Tuesday, December 5, 2028

Revision History

Confirmed 12/5/25; Updated titles 7/31/25; Revised 3/17/23; University-Related Foundation changed to UAO 5/10/22; Added Compliance section 12/20/22; Updated term "Charitable Gift Annuity Contracts" 3/29/19; Updated term "Gifts" 6/22/18; Added Procedures 10/3/17.

Supercedes Policy Text

IX.A.7 Bequests and University Life Income Plans.

Approved By Policy Review Committee

Approved Date Friday, September 13, 2013