

Advancement | UCF Foundation, Inc.

Gift Acceptance Policy for Securities

Policy# 7.16

Effective Date: 06/04/2020

Responsible Department: Accounting

1. **PURPOSE**

This policy outlines the acceptable types of securities and means of transfer to the University of Central Florida Foundation, Inc. (Foundation) for a donation.

2. **APPLICABILITY**

All philanthropic readily marketable securities that include but are not limited to, stocks, bonds, mutual funds, Exchange Traded Funds (ETFs), Real Estate Investment Trust (REITS) and marketable investment derivatives. This policy also applies to privately/closely held securities that are not readily marketable.

3. **POLICY**

- A. Physical Delivery of Marketable Securities for Stocks and Bonds. The Foundation will accept physical delivery of marketable securities if a stock certificate and stock power/resolution from the donor or a bond certificate and bond power/resolution document is received. Upon receipt of the physical security and transfer documents, Foundation staff will send the documents to their custodian for recording and pricing. The price date will reflect the average of the high and low price of the security on the date the gift was received at the Foundation.
- B. Electronic Delivery Through Depository Transfer Check of Marketable Securities. The Foundation will accept electronic transfers of marketable securities. The donor must fill in and provide the “How to Give a Gift of Stock Form” to a Foundation representative and/or the Foundation’s investment custodian. A donor must initiate the transfer with their investment broker. The “How to Give a Gift of Stock Form” cannot serve as instructions to transfer securities. The price date will reflect the average of the high and low price of the security on the date the gift was in the Foundation’s possession.
- C. Mutual Fund Gifts. The Foundation will accept transfers of mutual fund gifts. The donor must fill in and provide the “How to Give a Mutual Fund Gift Form” to a Foundation representative and or the Foundation’s investment custodian. A donor must initiate the transfer with their investment broker. The “How to Give a Mutual Fund Gift Form” cannot serve as instructions to transfer the securities. The price date will reflect the closing price of the security on the date the gift was in the Foundation’s possession. Transfers of mutual fund gifts may take up to two (2) weeks to complete the transfer.

- D. Privately/Closely Held Securities. Prior to accepting any privately/closely held securities, a proposal will be reviewed and approved by Legal Counsel and subsequently submitted to the Gift Acceptance Committee (GAC) to review the following to determine acceptance:
- i. A due diligence report reflecting any pending lawsuits or legal issues tied to the corporation.
 - ii. A due diligence report reflecting any potential public relations issues related to the owners, board members, or company history of the corporation.
 - iii. An audited valuation of the corporation or provide an audited valuation of the stock.
 - iv. Financial statements reflecting total of outstanding shares to determine the percent ownership being transferred to the Foundation and determine the Foundation's influence and liability.

The GAC will determine if the gift will be accepted by the Foundation after performing its due diligence. If the privately/closely held security is accepted, the Foundation must receive a stock certificate accompanied by a stock power/resolution reflecting the transfer. Upon receipt, the Foundation will send the documents to their custodian for recording and pricing. The price date will reflect the date the gift was received and will reflect the price of \$1 unless the investment custodian is provided with regular pricing from an investment manager. The Foundation will ask the custodian to attempt to value the stock on an annual basis.

4. **CLARIFICATION**

Requests for clarification of this policy should be sent to the Associate Vice President and Chief Financial Officer.

Certified as approved by the Executive Committee of the Foundation Board of Directors on June 4, 2020.

Michael Morsberger Signed: Tuesday, June 23, 2020
Name: Michael J. Morsberger
Title: Vice President for Advancement and Chief Executive Officer

Revision history:
Adoption Date: 05/11/2005
Revised: 01/19/2012

History: 563