



WSF Gift Valuation Policy

1.1 Purpose

The purpose of this policy is to establish guidelines in determining the value of various types of donations. The exact value of many donations is not known when the gifts are received and guidelines are required to ensure a consistent prudent estimate of their value. The guidelines in this policy are intentionally conservative and follow philanthropic best practices. The values determined are to be used by the Foundation for reporting and management of the Foundations Fund Raising efforts. These values are not to be used in any official financial reporting; values used in financial reports are governed by the Financial Standards Accounting Board (FASB).

1.2 Planned Gift Inventory

There are three categories of planned gifts.

1.2.1 Cash or equivalent contributions

Cash or equivalent contributions fall into the following sub-categories:

- Outright gifts of cash (but not contribution income from CRTs or CGAs or payments on pledges)
- Legacies and bequests (including liquidation of trusts and bequests received)
- Pledges (including lead trusts)
- Testamentary pledges
- Gifts of unusual and non-cash assets (such as those requiring appraisals – real estate; art; closely held stock, partnership interests, etc.)

1.2.2 Irrevocable life income gifts

Irrevocable life income gifts include all split interest gifts where the charity designation is irrevocable including

charitable remainder trusts, charitable gift annuities and other irrevocable gifts such as retained life estates in residences.

1.2.3 Documented commitments

Documented commitments include all revocable gifts such as documented bequest commitments, designations in qualified retirement plans, and revocable trust beneficiary designations (all subdivided further into specified and unspecified amounts).

1.3 Guidelines for estimating the value of planned gifts

The following represents the specific guidelines for estimating the value of planned gifts.

- When given a range of numbers for the value of a future gift, take the conservative approach and use the lowest number in the range.
- If named as a contingent beneficiary, assign the gift a zero value.
- Legacies, bequests, and other revocable contingencies with unknown specific amounts (including a percentage bequest) are assigned a value each year which represents the average bequest received from the past three fiscal years.
- Legacies, bequests, and other revocable contingencies with known specific amounts are counted at full anticipated values.
- Charitable remainder trusts with an irrevocable remainder beneficiary are counted at the full value of the contribution to the trust.
- Life insurance policies are assigned the face value of the policy (i.e., the death benefit).
- Charitable remainder trusts with *revocable* charitable beneficiaries (i.e., where the donor reserves the right to substitute charities) are included as known expectancies and are counted at full value (or recounted at new values if updated numbers are provided annually by the trustee).

- Lifetime pledges are assigned the multiple of the annual amount multiplied by the factor representing the donor's life expectancy.
- Charitable lead annuity trusts are assigned the multiple of the annual distributions to the charity times the term of years of the trust (or the donor's life expectancy if the trust is so measured).
- Charitable gift annuities are counted at full contribution value.
- Gifts of retained life estates in residences are counted at the full fair market value of the property when the deed is executed.