THE UNIVERSITY OF MICHIGAN

STANDARD PRACTICE GUIDE

SECTION:	Development	**Number:**	602.15
		Revised:	
SUBJECT:	Office of Trusts and Bequests	**Date Issued:**	7/15/91
		Attachment(s)	0
APPLIES TO:			
ISSUED BY:	Office of the Vice President for Development		

I. Purpose

The Office of Trusts and Bequests provides information and assistance to Michigan alumni and friends about gifts to the University via charitable trusts, the U-M Donor Pooled Income Fund, bequests, insurance policies, or real property transfers. This is accomplished through a direct mail campaign that uses a quarterly newsletter with companion brochures, a development officer training program, college/unit sponsored advertisements, personalized financial planning presentations, and personal visitations. Donor stewardship and recognition is also provided for gifts made through the vehicles described above.

II. Policy

The Office of Trusts and Bequests advises all potential donors to consult with their personal financial and legal counsel regarding their gifts to the University through a planned gift instrument prior to making a gift or executing legal documents.

III. Procedures

A. Gifts through Charitable Trusts/Life Income Agreements

The Office of Trusts and Bequests assists donors in making a gift to the University through a life income agreement such as a Charitable Remainder Unitrust, Annuity Trust, or Lead Trust arrangement. A donor may transfer cash, appreciated securities, or real property to fund a trust which would pay income to the donor, a donor's spouse or children, or other special beneficiaries as prescribed by the donor. Information on minimum gift requirements and charitable tax deductions is available by contacting the Office of Trusts and Bequests, 301 E. Liberty, 2260, 998-6085.

B. Gifts to the U-M Donor Pooled Income Fund

The Donor Pooled Income Fund offers an opportunity for donors to make a gift to the University and retain an income interest for life for themselves and a spouse and/or other special beneficiaries. Minimum gift requirements have been established to initiate participation in the Fund. All gifts are irrevocable. Acceptable gifts include cash and readily marketable securities. Other gifts are subject to approval by The Regents of the University. Further information on initial gifts and subsequent gifts

to the Pooled Income Fund is available by contacting the Office of Trusts and Bequests.

C. Gifts of Real Property

Gifts of real property are accepted within certain guidelines and specifications and are subject to the Regents' approval. University policy requires donors to furnish a title policy commitment, a warranty deed which transfers legal and beneficial title from present owners to The Regents of the University, and an agreement in writing with regard to any taxes due throughout the gift year, as well as any other charges on the land. Consideration of environmental issues are especially important. Contact the Office of Trusts and Bequests for further information.

D. Gifts of Life Insurance

Gifts to the University through an insurance policy are welcome, though not actively solicited. The policy must designate as both owner and beneficiary "The Regents of the University of Michigan" for a donor to receive a charitable deduction. The case value and dividends will belong to the Regents. A donor may designate the insurance policy proceeds by including a designation on the policy, or by submitting a designation letter to the University. Any questions concerning gifts of life insurance should be directed to the Office of Trusts and Bequests.

E. Gifts by Bequest

The recommended and most recent version of preferred bequest language for a specific or residual bequest is made available upon request to potential donors or their counsel and development office personnel through the Office of Trusts and Bequests. Assistance with special terms or conditions of a donor's bequest gift (i.e. the establishment of a scholarship fund, a gift to build or upgrade a University facility, the funding for special research, etc.) is also available by contacting the Office of Trusts and Bequests.