

**University of Florida Foundation, Inc.
Charitable Remainder and Lead Trusts**

Policy #: 5.09
Effective Date: September 8, 2007
Responsible Department: Finance and Accounting

1. **PURPOSE**

To ensure the proper accounting of charitable remainder and lead trusts.

2. **APPLICABILITY**

All charitable remainder and lead trusts in which UFF is a beneficiary.

3. **POLICY**

A charitable remainder trust (unitrust or annuity trust) requires a minimum gift of \$50,000 if UFF is to be trustee and at least 50% of the remainder must be irrevocably designated for the benefit of UF. Unitrusts may be established initially for less than the minimum amount provided that the donor commits in writing that gifts comprising the corpus of the trust will exceed the required minimum within a reasonable time (generally five years).

Charitable remainder trusts will be recorded as gifts for financial statement purposes at the amount by which the market value of the net assets contributed exceeds the present value of the future trust payments (including amounts payable to non-UFF remaindermen).

UFF is frequently named the beneficiary of a trust for which UFF is not the trustee and does not hold or manage the assets of the trust. The financial statement presentation of these gifts varies based upon the provisions of the trust.

If UFF is named as an irrevocable remainderman for the trust, the trust will be recorded as a gift at the time the trust is established or the date that the gift becomes known to UFF, whichever is later. The gift will be valued at the present value of UFF's charitable remainder. In order for the trust to qualify for inclusion for financial reporting, UFF must receive regular reports from the trustee regarding the trust assets.

If UFF is not named as an irrevocable remainderman, no entry will be recorded for financial statements purposes when the trust is executed or becomes known to UFF. Distributions received from these trusts will be recorded as gift income when received by UFF. This treatment will also be used for externally managed trusts that do not qualify for recording at present value of the assets due to lack of regular reporting by the trustee.

UFF will not serve as trustee of a charitable lead trust.

4. **CLARIFICATION**

Requests for clarification of this policy should be sent to
financeandaccounting@uff.ufl.edu.

Certified as approved by the Executive Committee of the UFF Board of Directors on:
September 8, 2007.



Susan G. Goffman, Secretary

Revision history: Original version
Updated January 3, 2020