

PLANNED GIVING PROGRAM POLICIES AND PROCEDURES

ADOPTED – September 21, 1995

Amended - December 3, 1998

I. STATEMENT OF PURPOSE

Planned Giving is a comprehensive program for long-term financial support of KQED through a broad range of charitable gift options. The program actively solicits and accepts contributions to KQED through bequests and other advantageous tax, financial, and estate planning techniques.

The following policies and procedures are adopted as guidelines to clarify the technical aspects of receiving and managing gifts.

II. TYPES OF GIFTS ACCEPTED

- A. Cash and Marketable Securities.** Outright gifts of cash and marketable securities may be accepted by the Director of Planned Giving and other KQED staff.
- B. Life Insurance.** Gifts of Life Insurance when KQED is designated as beneficiary or both owner and beneficiary may be accepted by the Director of Planned Giving. When all the rights in a policy are gifted to KQED, the donor shall be informed of the advantages of making a gift of the premium amount to KQED and encouraged to continue to make the premium payments.
- C. Tangible Personal Property.** Gifts of tangible personal property may be accepted by the Director of Planned Giving.
- D. Closely-Held Business Stock.** Gifts of closely held stock when given outright, given to fund a charitable trust for which KQED will serve as trustee, given in exchange for a gift annuity, or given as an in-kind distribution from a trust or estate require prior approval of the Gift Acceptance Committee.
- E. Limited Partnership Interests.** Gifts of limited partnership interests when given outright, given to fund a charitable trust for which KQED will serve as trustee, given in exchange for a gift annuity, or given as an in-kind distribution from a trust

or estate require prior approval of the Gift Acceptance Committee. Unrelated business income must be estimated and evaluated for each partnership.

F. Real Property. Gifts of real estate when given outright, given to fund a charitable trust for which KQED will serve as trustee, given in exchange for a gift annuity, or given as an in-kind distribution from a trust or estate, require prior approval of the Gift Acceptance Committee. The Chief Financial Officer and the Director of Planned Giving shall summarize the following information and present it with a recommendation to the Gift Acceptance Committee.

1. On-Site Inspection Report. One or more representatives of KQED shall make an on-site inspection of the property and prepare a written report. KQED may retain a licensed contractor to inspect the property.
2. Analysis of Marketability, Holding Costs, and Costs of Sale. The Chief Financial Officer and the Director of Planned Giving shall evaluate the net holding costs, if any, and prospective sales costs of the property. Criteria for evaluation shall include:
 - a. present market value, including obtaining a formal appraisal
 - b. marketability - assessment of the market for salability, including likely time-frame for sale
 - c. cost of acquisition
 - d. income potential while the property is held
 - e. encumbrances
 - f. zoning
 - g. appreciation/depreciation potential
 - h. maintenance and repair expense
 - i. loan expense
 - j. property tax, unrelated income tax, and other taxes
 - k. marketing, commission and closing costs
 - l. improvement, renovation, or retrofitting

When the real property is used to fund a charitable trust for which KQED will serve as trustee, arrangements will be made with the donor to fund net trust expenses incurred prior to any sale of the property. In all cases, the donor will be asked to consider paying for or assisting with payment of the costs of evaluating the prospective gift, including the cost of environmental assessments described below.

3. Hazardous Materials and Environmental Issues. KQED shall carefully investigate environmental issues related to the property. The on-site inspection described above shall include completion of a Real Property Environmental Inspection Report in form similar to the one attached hereto. For residential property only, where no environmental problems are found or suspected, the Gift Acceptance Committee may approve acceptance of the gift with no further environmental analysis required. In all other cases,

acceptance of gifts of real property shall require that a Phase I Environmental Site Assessment in compliance with the American Society for Testing and Materials (ASTM) Standard Practice be prepared by a competent environmental professional. The gift may be accepted by the Gift Acceptance Committee if the assessment reveals no presence or likely presence of a hazardous substance.

If the Phase I assessment indicates the presence or likely presence of a hazardous substance, KQED may elect to obtain a Phase II assessment relative to the specific type of hazardous substance. If the Phase II assessment indicates that the property contains a hazardous substance, KQED may accept the gift only upon the approval of the Gift Acceptance Committee based upon advice of legal counsel concerning potential liability under CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act of 1980) and other applicable laws.

III. TYPES OF PLANNED GIFTS.

- A. KQED Pooled Income Fund.** KQED may offer its own pooled income fund or a pooled income fund in cooperation with other charities where KQED may be named the remainderman. To participate in a pooled income fund, donors receive units in the fund in exchange for gifts of cash and marketable securities, with the exception of tax exempt securities. The donor may be the only income beneficiary, may share the income with another or gift the income to a third party. The beneficiaries of the fund receive life income generated by the units represented by the donor's gift. At the death of the final income beneficiary, the donor's units are liquidated, and the funds pass to KQED. The Director of Planned Giving is authorized to accept gifts to the pooled income fund. Donors must make an initial contribution of \$10,000 and minimum additional contributions of \$5,000. These minimums may be modified by the Gift Acceptance Committee. The Investment Review Committee shall review performance of the pooled income fund annually.
- B. Charitable Gift Annuities.** A charitable gift annuity is a contract between KQED and a donor whereby the donor makes a gift to KQED and KQED agrees to pay a specified amount to the donor for life. The donor may be the only annuitant or may share the annuity with another.

After KQED receives a Certificate of Authority to Act as a Grants and Annuities Society from the California Department of Insurance, the Director of Planned Giving may accept gifts of cash or marketable securities valued at \$50,000 or less in exchange for an annuity. All annuities funded with assets other than cash or marketable securities require approval of the CFO. Cumulative gifts of cash or marketable securities from one annuitant (or husband and wife annuitants or other combination of annuitants) would require Gift Acceptance Committee approval where the amount is over \$50,000 and 20% or more of the total gift annuity pool. A

minimum of \$10,000 is required to fund a charitable gift annuity. Subsequent annuities from the same donor may be accepted at a minimum of \$5,000. These minimums may be modified by the Gift Acceptance Committee.

Gift annuity rates used may be those suggested by the American Council on Gift Annuities. Any other gift annuity rates used must be approved by the Investment Review Committee.

The Investment Review Committee shall confirm the maintenance of the statutorily required investment reserve and shall review investment performance and liquidity maintenance twice annually.

- C. Charitable Remainder Trusts.** KQED may serve as trustee of charitable remainder trusts which name KQED as an irrevocable remainderman of a substantial remainder value. Under a charitable remainder trust, the donor transfers assets to the trust in exchange for a life income. The donor may be the only income beneficiary, share the income with another, or gift the income to a third party.

All charitable remainder trust documents shall be reviewed by the Director of Planned Giving prior to acceptance if KQED is to serve as trustee. Acceptance of a charitable remainder trust funded with cash or marketable securities in which KQED serves as trustee requires the approval of the Chief Financial Officer. Charitable remainder trusts funded with real property, closely-held business stock, or limited partnership interests require the approval of the Gift Acceptance Committee as set forth in Section II above.

If named trustee, KQED may retain investment advisors, and professional trust administrators, brokers, custodians, or accountants deemed necessary for the administration of the trust. The investment performance of all charitable remainder trusts for which KQED serves as trustee shall be reviewed twice annually by the Investment Review Committee and investment performance reports shall be issued at least annually to all donors.

- D. Charitable Lead Trusts.** KQED may serve as trustee of Charitable Lead Trusts. Under a Charitable Lead Trust, a donor transfers property to a trust and KQED receives a specified payment for the term of the trust. When the trust terminates, the assets revert to the donor or pass to the donor's heirs.

All Charitable Lead Trust documents shall be reviewed by the Director of Planned Giving prior to acceptance if KQED is to serve as trustee. Acceptance of a Charitable Lead Trust funded with cash or marketable securities in which KQED serves as trustee requires the approval of the Chief Financial Officer. Charitable remainder trusts funded with real property or other non-liquid assets require the approval of the Gift Acceptance Committee as set forth in Section II above.

If named trustee, KQED may retain investment advisors, and professional trust administrators, brokers, custodians, or accountants deemed necessary for the

administration of the trust. The investment performance of all charitable lead trusts for which KQED serves as trustee shall be reviewed twice annually by the Investment Review Committee and investment performance reports shall be issued at least annually to all donors.

- E. Gift of a Personal Residence or Farm with a Retained Life Estate.** KQED may accept a gift of a personal residence or farm with a life estate retained by the donor. The donor may retain the right to live in the property, share this right with another, or gift the right to a third party. Acceptance of the property shall be subject to all the requirements for the acceptance of any gift of real property. In addition, KQED shall have a written agreement with the donor concerning maintenance, insurance, taxes, and other matters. At the death of the final life tenant, KQED shall have unrestricted title to the property. Acceptance of a gift of a personal residence or a farm with a retained life estate shall require the prior approval of the Gift Acceptance Committee.

- G. All Gifts for Which Staff Has Approval Authority.** The Chief Financial Officer and the Director of Planned Giving will seek the approval of the Gift Acceptance Committee for acceptance of any gift which in their judgment poses substantial risk to KQED, even if they are otherwise authorized by these Policies and Procedures to approve such gift.

IV. ADMINISTRATION OF GIFTS.

All estates and trusts in which KQED is a beneficiary shall be monitored by the Director of Planned Giving. Procedures shall include the acquisition and review of relevant court documents pertaining to each estate, calculation of approximate gift value, and periodic checks of the distribution process. KQED may retain legal counsel, as appropriate, in estate proceedings.

[Attachment: Real Property Environmental Inspection Report]

KQED, Inc.
Real Property Environmental Inspection Report

Property Address (or other description of location): _____ _____ _____
Name of Property Owner(s): _____
Address of Property Owner: _____
Inspected by: _____
Date Inspected: _____

Please use additional pages, as necessary, to provide complete information.

1. What were/are the past and current uses of the property?
For each use checked, provide the approximate dates of such use(s), the identity of the user, if other than the current owner (e.g. prior owner, lessee, etc.) the source of the information and answer the other specific questions.

Residential: _____

Agricultural: _____
Types of crops: _____
Irrigated? _____
What pesticides used? _____

Forestry: _____

Manufacturing: _____

What was manufactured? _____

What chemicals were used? _____

Do any chemicals, raw materials, finished products, fuel or machinery remain on the property? _____

Mining: _____

Other (e.g. undeveloped, in natural state with little or no evidence of human use). Explain: _____

2. Does the property include or is it near any floodplain, wetland, or sensitive ecological area? Yes No
Explain: _____

3. Are there any physical signs of contamination on or around the property? All vehicle tracks should be followed to look for such physical signs. (Check applicable property features and describe or explain any checks.)

- Discolored soil or pavement areas _____
- Disturbed soil area _____
- Areas of sparse, sick or dead vegetation _____
- Foul or unusual odors _____
- Oily sheens or discoloration of surface water _____
- Surface pond/impoundment _____
- Groundwater wells _____
- Stream/flowing surface water _____
- Above or underground storage tanks or drums, vent or filler pipes _____

- Evidence of petroleum or oil products _____
- Incinerator _____
- Waste dump/junk pile/storage pit _____
- Disposal well/bed _____
- Storage drums/containers _____
- Waste-water outlet/pipe _____
- Any source of air emission (smoke stacks, chimneys, vents, paint booths etc.) _____
- Septic System _____
- Roads or tire tracks with no apparent destination _____
- Railroad tracks _____
- Truck or heavy equipment parking _____
- Signs of illicit dumping _____
- Pipeline _____
- Evidence of PCB's (electrical transformers, capacitors) _____

- Other (specify) _____

4. Describe any improvements on the property. _____

If there are improvements, is there any evidence of asbestos (sprayed on fire proofing, pipe wrap, friable ceiling or floor tiles, acoustical plaster) or that asbestos has been removed? Yes No
If "Yes", explain: _____

5. Is there any evidence of landfilling or waste disposal on the property?
 Yes No
If "Yes", explain: _____

6. Was all of the site viewed (including all structures, yard areas, vacant lands, etc.)?
 Yes No
If "No", list areas not seen and reason. _____

7. Are there any easements on the property (roadways, pipelines etc. with potential environmental implications)? Yes No
If "Yes", explain: _____

8. All adjacent properties should be viewed. What are the current and past uses of the surrounding property? Could the activities on such properties pose potential environmental risks? If any evidence of hazardous wastes (refer to the list in 3. above) was discovered, please describe. _____

9. List all commercial activities within a one mile radius. If substantial, describe generally. _____

10. Is the groundwater in the immediate area used as a source of drinking water?
 Yes No
If "Yes", describe: _____

11. Note here any information that could be helpful for further investigation, such as names of people you spoke with at the site or documents reviewed. _____

12. Please note any other observations you have regarding past, current, or possible future contamination. _____

This report was prepared by:

_____ Title:
Signature

Date

Reviewed by:

_____ Title:
Signature

Date

**ENDOWMENT MANAGEMENT
POLICY**

ADOPTED - December 1, 1988

Amended – September 2, 1999

1. Establishment of the KQED Endowment Fund

WHEREAS the Board of Directors has determined that having an endowment fund to receive contributions from donors interested in preserving the principal amount of their gift or in imposing other restrictions is important to the success of KQED;

NOW, THEREFORE, IT IS RESOLVED that the KQED Board of Directors hereby creates the KQED Endowment Fund (the “Fund”) that shall be subject to the terms set forth in the attached Exhibit A; and

RESOLVED FURTHER that the officers of KQED, or any one of them, are hereby authorized and directed to take any other actions on behalf of this corporation they deem necessary or appropriate to document, consummate, or evidence the establishment of the KQED Endowment Fund approved in the foregoing resolution.

2. Establishment of the KQED Endowment Fund – Board Designated

WHEREAS KQED currently holds approximately \$500,000 of its total endowment assets as a Board designated endowment; and

WHEREAS the Board of Directors has determined that these assets and future assets that the Board determines to add to the Board-Designated Endowment should be held according to terms expressly approved by the Board;

NOW, THEREFORE, IT IS RESOLVED that the KQED Board of Directors hereby adopts the terms of the KQED Endowment Fund – Board Designated (the “Board-Designated Fund”) set forth in the attached Exhibit B; and

RESOLVED FURTHER that the approximately \$500,000 currently held as Board designated endowment shall be held in the Board-Designated Fund; and

RESOLVED FURTHER that all receipts from wills, trusts or other planned giving instruments, not subject to other endowment or purpose restrictions, shall be added to the Board-Designated Fund;

RESOLVED FURTHER that the officers of KQED are hereby authorized and directed to take any other actions on behalf of KQED they deem necessary or appropriate to document, consummate, or evidence the establishment of the KQED Board-Designated Fund approved in the foregoing resolution.