

Windfall Policy

Lowell Observatory Foundation

Originally adopted, February 2016

Amended, July 2017

The Board of Trustees (“the Board”) recognizes their responsibility to manage all Foundation funds in a prudent manner and to ensure all donations will be put to use as designated by the donor. If the donor does not specify a restriction, the Board will make responsible decisions regarding the use of the funds.

I. Definitions

- Windfall: an unrestricted, unbudgeted bequest or unrestricted major gift valued at \$250,000 or more.
- Bequest: any gift, intended to take effect at or after death, by a donor through a Will, a Trust, an IRA, pension plan or similar benefit plan, an annuity or insurance policy of any type, any type of survivorship account, or similar wealth transfer document or plan.
- Major Gift: an unrestricted gift of \$250,000 or more made in the form of cash, pledges, securities, partnership interests, commercial property (contracts, promissory notes, mortgages, deeds of trust), insurance and benefits (life insurance, annuities, IRAs and pension benefits), real property and tangible personal property.

It shall be the policy of the Lowell Observatory Foundation that any Windfall be allocated as set forth below, in order and priority indicated:

II. Policy

1. For gifts specified by the donor to be endowment, either through outright gift, gift agreement or Bequest, 100% of the gift will be placed in the Lowell Observatory Endowment Fund.
2. For Major Gifts for which no restrictions are imposed by the donor in any manner, 10% of the gift shall be placed in the unrestricted Lowell Observatory Support Fund with the remaining 90% of the gift to be placed in the Lowell Observatory Reserve Fund. The Reserve Fund holds funds designated by the Board to function as an endowment but remains subject to future Board actions.
3. Unrestricted gifts which are Bequests being received from different sources but from the same decedent/donor shall be aggregated for the purpose of determining whether or not the gift is a Major Gift subject to this policy.

4. Multiple unrestricted gifts received from a single donor or married couple (regardless of whether the assets are community or separate property) within a 30 day period shall be aggregated for the purpose of determining whether or not the gifts are defined as a Windfall and therefore subject to this policy.
5. Exceptions to this policy of allowing less than a ninety-percent (90%) allocation of any particular gift to the Lowell Observatory Reserve Fund will require a two-thirds majority vote of the Board of Trustees and must adhere to the legal guidelines outlined by the Arizona “Management of Charitable Funds Act” ARS 10-11801 through 10-11806.
6. The allocation or use of any unrestricted gift received which is valued at less than the \$250,000 Windfall amount defined above will be completely subject to the discretion of the Board of Trustees of the Foundation at the time of its receipt.