

**POLICIES AND PROCEDURES  
OUACHITA TECHNICAL COLLEGE**

**SUBJECT AREA: Foundation**

**POLICY/PROCEDURE: Charitable Remainder Unitrust**

**DATE: July 25, 2000**

**NUMBER: 3.52**

**REVISION(S):**

1. The suggested minimum asset fair market value for establishing a unitrust is \$100,000 (to justify the donor's start-up costs for legal and accounting fees of perhaps \$1,500 or more). A lower minimum may be considered if the donor anticipates making future contributions to the trust.
2. It is questionable whether the OTC Foundation should facilitate the creation of a unitrust that generates a charitable deduction equal to less than 15% of the gift value. Participation must be justified as cost-effective on a case-by-case basis.
3. The OTC Foundation representatives should not promote unitrusts as investment vehicles or compare them to investment alternatives. A unitrust is a gift vehicle that generates income payments and other tax benefits for a donor.
4. Generally, the OTC Foundation will not serve as trustee. Exceptions will be reviewed on a case-by-case basis. Trustee fees should be paid by the trust and not by the OTC Foundation.
5. Any proposals and tax calculations prepared by the OTC Foundation are for illustrative purposes only. Final authority rests with a donor's tax advisor.
6. The final trust document must be prepared or approved by an attorney representing the donor. The OTC Foundation representatives may provide sample documents to the donor and the donor's advisors for preliminary discussion and review.

AUTHENTICATION (Signature):

COPP

\_\_\_\_\_  
President

7/25/00  
(Date)

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