

Policy Statement

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Seattle Pacific Gift Fund Policy Statement

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Introduction

This Policy Statement describes the donor-advised program of the Seattle Pacific Gift Fund (“Fund”), as well as important policies, procedures and benefits associated with establishing and maintaining an Advised Fund. The Fund’s Board of Directors (“Board”) has authorized and ratified the establishment of Advised Funds and the adoption of procedures for administration. The Board reserves the right to modify procedures at any time, when deemed necessary or desirable.

Public Charity

The Fund acts as a public charity that facilitates, administers, and encourages charitable giving. The Fund seeks to aid, support, and assist qualifying charitable organizations, with an emphasis on support for education and other efforts consistent with the mission of Seattle Pacific University. The Fund is established to further the bringing of knowledge, skill, faith and hope to local communities and beyond, in ways that make a difference.

Educational Emphasis

The Fund may, either on its own or in conjunction with other organizations, maintain a program designed to educate Donors and other interested persons on issues relating to philanthropy. The Fund’s educational program may include publicizing these procedures and the specific charitable needs and may be part of a larger effort of the Fund to educate the public with regard to the scope of the charitable services of the Fund.

Creating an Advised Fund

WHO

Any individual, married couple or business entity (“Donor”) may establish an Advised Fund.

MULTIPLE DONORS

If more than one individual establishes an Advised Fund, the term “Donor” refers to each individual. Unless otherwise specified in writing by the Donor, multiple donors may make Contributions and recommendations separately or jointly.

HOW

An Advised Fund may be established by completing an Application and transferring money or property by donation, contribution, gift, bequest, or devise, or by transfer from a charitable or other organization (“Contribution”).

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NAMING THE ADVISED FUND The Donor may name the Advised Fund. Typically, the Advised Fund is named after the Donor, or the Donor may wish to honor a family member, relative or friend.

Contributions

IRREVOCABLE Contributions to the Fund are irrevocable, and are not refundable.

ASSETS TO CONTRIBUTE Contributions most often consist of cash and securities, including mutual fund shares, stocks, bonds and other securities, including certain private and restricted stock.

MINIMUMS An Advised Fund may be established with as little as \$20,000. Additional Contributions of \$1,000 or more may be made at any time.

ACCEPTANCE The Board must approve proposed Contributions that (i) exceed \$100,000; (ii) are not in the form of cash or readily marketable securities; and (iii) include any material restrictions or conditions that would prevent the Fund from freely and effectively employing the Contributions, or the income derived therefrom, in furtherance of a charitable purpose of the Fund. The Board reserves the right to refuse to accept any proposed Contribution that it believes is not consistent with the objectives of the Fund.

OWNERSHIP The Fund owns all of the assets in each Advised Fund, and holds such assets in its normal corporate capacity. The Fund has the ultimate authority and control of all property in the Fund, and the income derived therefrom, for the charitable purposes of the Fund. Each Advised Fund may be recorded on the books and records of the Fund as an identifiable or separate fund and may be given a name or other appropriate designation as requested by the Donor. Advised Funds shall be administered as components of the Fund.

Taxation

TAX DEDUCTION Contributions are immediately tax deductible to the fullest extent under the law.

INCOME AND CAPITAL GAINS Income that accrues to the Fund is income of the Fund, not of the Donor. Therefore, it is not taxable to the Donor, nor does it constitute an additional charitable deduction. Likewise, the Donor does not realize gains the Fund distributes.

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DISTRIBUTIONS

Distributions from an Advised Fund do not qualify the Donor for additional charitable deductions, even though the amount distributed may include appreciation since the date of the contribution.

ESTATE PLANNING

Any amounts remaining in the Advised Fund at the death of the Donor are not part of the Donor's taxable estate. At the last Donor's death, the Advised Fund shall become part of the Seattle Pacific Gift Fund Unrestricted Fund ("Unrestricted Fund") unless the Donor directs otherwise.

Professional Management of Fund Assets

Fund assets are invested and professionally managed, offering the potential for Contributions to grow and ultimately result in greater gifts to charity.

INVESTMENT RESPONSIBILITY

The Fund has the sole responsibility and authority for the investment of the assets of each Advised Fund. The assets of any Advised Fund may be commingled with those of other Advised Funds, or with other funds of the Fund, or may be invested in units of a common investment fund which may be established or utilized by the Fund. However, the Fund has no obligation to commingle the assets for investment purposes and may, in its discretion, retain any assets received or hold the assets of an Advised Fund as a separate unit for investment purposes.

AUTHORITY

The Board has authority to make all decisions with respect to the retention, investment, or reinvestment of assets and with respect to commingling of assets. The Board may delegate this authority to a committee, agent or director authorized by the Board, in accordance with regular procedures. All Advised Funds may be charged an appropriate allocation of direct and indirect expenses attributable to the creation and maintenance of such Advised Funds as determined by the Board from time to time.

EXPENSES

The Fund charges an annual fee to each Advised Fund of one and one half percent (1.5%) of its total value. The Board will waive this fee for Advised Funds that contribute at least five percent (5%) of their total value to Seattle Pacific University, the Seattle Pacific Foundation, or the Unrestricted Fund.

REPORTING

The Fund maintains records and provides statements to the Donor at periodic intervals. A report of distributions from Advised Funds shall be included in an annual report from

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the Fund. Additional reports of Advised Funds may be made as prescribed by the Board.

Identification of Charitable Recipients

CHARITABLE NEEDS

The Board, with the assistance of the officers of the Corporation, determines specific charitable needs to which distributions from Advised Funds may be made and identifies such needs on a List of Charitable Needs. The Board may alter or amend the List of Charitable Needs. The List of Charitable Needs will be maintained at the Fund's office and made available to all interested persons.

CHARITABLE ORGANIZATIONS

The Board, with the assistance of the President of the Fund, may maintain a List of Charitable Organizations, listing specific charitable organizations which the Board determines are deserving of support. The List of Charitable Organizations will be maintained at the Fund's office and made available to all interested persons.

RECOMMENDATIONS

The Fund encourages all sources, including persons other than Donors, to recommend qualified charitable organizations and/or programs, projects, and activities of qualified organizations for inclusion in the List of Charitable Needs and List of Charitable Organizations.

Donor Distribution Recommendations

DONOR RECOMMENDATIONS

The Donor may recommend to the Fund distributions from the Donor's Advised Fund which are consistent with the specific charitable objectives of the Fund. The Donor's privilege to make recommendations continues as long as the Donor's Advised Fund is in existence, unless earlier terminated by (i) death, (ii) written notice to the Fund of resignation or release, or (iii) a finding by the Fund that the person involved is not available or is incompetent to exercise the privilege.

RECOMMENDATIONS FROM OTHERS

An individual Donor may designate in writing a person or persons other than or in addition to the Donor to make recommendations, but in such case the privilege will exist only during the lifetime of such Donor, unless earlier terminated by (i) death, (ii) written notice to the Fund of resignation or release, or (iii) a finding by the Fund that the person involved is not available or is incompetent to exercise the privilege.

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SUCCESSOR DONOR

The Successor Donor named by the Donor may make recommendations for future distributions when, at the last Donor's death, the value of the Advised Fund exceeds \$250,000. Extension of this privilege to the Successor Donor is contingent upon a Board determination that the Successor Donor to the original Donor would further continued participation, support, and involvement.

DEATH, ETC., OF DONOR

Upon the termination, by death or otherwise, of the privilege of a Donor of an Advised Fund to make recommendations, the Advised Fund shall become part of the Unrestricted Fund, unless the Donor previously designated a particular recipient of the assets of the Advised Fund.

MEMORIAL FUNDS

If the value of the Advised Fund exceeds the sum of \$500,000 when the foregoing privilege to make recommendations terminates, the Advised Fund will continue as an identified memorial fund named for the Donor (or for such other designation as the Donor may have requested in writing).

**RECOMMENDATIONS FROM
BUSINESS ENTITIES**

A business entity that establishes an Advised Fund may make recommendations for a period not to exceed ten years from the date of the establishment of the Advised Fund. The privilege to make recommendations may be extended beyond the ten-year period if the business entity maintains a continuing charitable involvement with the Fund and makes substantial additional Contributions. Such business entity, or those acting on its behalf, shall designate one person (and may designate his or her successor) to submit the recommendations of the business entity to the Fund.

REQUIREMENTS

Donors' recommendations with respect to distributions from an Advised Fund must be in writing, addressed to the Fund.

FUND CONSIDERATION

The Fund shall consider and evaluate recommendations from Donors, but such recommendations will be solely advisory and the Fund is not bound by such recommendations. The Fund will keep Donors advised of the most current List of Charitable Needs and List of Charitable Organizations and will encourage Donors to make recommendations with respect to the charitable needs enumerated by the Fund as being most deserving for distributions by the Fund.

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INVESTIGATION

The Board, with the assistance of the Fund's officers and staff, will determine whether each recommendation is consistent with specific charitable needs most deserving of support by the Fund as determined by the Fund. The degree of formality employed by the staff in making an evaluation will depend upon the nature and category of the charitable organization and information already available to the staff with respect to the grantee and the purposes of the grant. In considering a Donor's recommendation, the staff may consider and make an independent investigation of any recommended grantee with a view to assisting the Board in determining whether such grantee is deserving of support by the Fund and whether the particular grant should be made. If the Board, with the assistance of the staff, determines that the recommendation is not consistent with the specific charitable needs of the Fund, the Fund will inform the Donor that the recommendation does not meet the Fund's standards for distributions.

BOARD DISCRETION

The Board has the exclusive right to direct all distributions of income and principal of each Advised Fund.

Distributions from Advised Funds

MINIMUM DISTRIBUTION

The minimum amount of any one distribution from an Advised Fund is \$500. Each Advised Fund must distribute at least five percent of the market value of its assets valued on the last day of the prior calendar year or the date the Advised Fund is established, whichever is later. In the event a Donor does not exercise his or her privilege to make a recommendation, the Board may distribute five percent of the Donor's Advised Fund to the Fund's Unrestricted Fund or to a charitable organization included on the List of Charitable Organizations.

BOARD ACTION

The Board will meet regularly in order to facilitate distributions as needs appear. The Board will allocate funds from Advised Funds in accordance with regular Board grant making procedures.

NOTIFICATION OF SOURCE

Any distribution from an Advised Fund will identify to the grantee organization the name of the Advised Fund from which the distribution is made, unless otherwise requested by the Advised Fund's Donor.

CHARITABLE PURPOSE

The Fund, as a public charity, will not make any distribution from an Advised Fund except as a distribution from the Fund for its charitable purposes, and no such

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distribution may be used to discharge or satisfy a legally enforceable pledge or obligation of any person, including the Donor of an Advised Fund.

**NO TANGIBLE BENEFIT
TO DONOR**

Neither the Donor of an Advised Fund nor any other person may receive any tangible benefit or privilege in return for a distribution from an Advised Fund.