



REVISION HISTORY

New document.

BACKGROUND/PURPOSE

In the past, donations have been accepted with no guidelines or means for evaluating the appropriateness of the donation.

The purpose of this policy is:

- To determine what types of gifts Unitarian Universalist Church at Washington Crossings (UUCWC) will accept and not accept;
- To prevent UUCWC from accepting gifts that may be inappropriate;
- To determine under what circumstances gifts will be accepted;
- To create a system for how gifts will be recognized and tracked;
- To manage how major gifts like real estate, life insurance policies, and stock, will be handled;
- To prevent the acceptance of gifts that have requirements from the donor that may not be appropriate for UUCWC to adhere; and
- To have consistent policies for staff and for everyone in the congregation.

UUCWC acknowledges the great importance and meaning physical gifts may have to the donor and their relation to the church. UUCWC welcomes material gifts that meet the criteria of the Policy prior to acceptance.

POLICY

UUCWC will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with UUCWC's stated mission and purpose. UUCWC will not accept gifts that are too restrictive in purpose or gifts that are too difficult to administer. The Gift Acceptance Review Board (GARB) of UUCWC shall make recommendations to the Board. The Board will make all final decisions. Should any gift be received without being prior reviewed by GARB, said acceptance will be managed in a way as best suits the needs of the church.

Exception to the above will be permissible with regards to small donations of non-cash items, including household furnishings or electronics. Those types of donations that are not one generation better than existing church property will only be accepted at the discretion of the Office Administrator. When furnishings are accepted, any furnishings that are being replaced will need to be recycled/removed by the donor at their expense at time of delivery of the upgraded donation. The Office Administrator will notify the appropriate committee(s) for proper acknowledgement based on the type of gift.

While the intent and wishes of the donor are recognized and appreciated, no donor may place restrictions on gifts and the acceptance of such gifts by UUCWC. No gift of any property shall be received and accepted if the condition is limited in some manner as to require the disposition



of the income, or its principal, to any person or organization other than UUCWC. Nor will a gift be accepted of real estate if a requirement is to never sell that property.

Questions regarding other types of gifts not discussed in this document should refer to related policies outlined by the Endowment Committee.

GUIDELINES

When a major gift is offered, GARB shall convene and discuss its acceptance or refusal. GARB is charged with the responsibility of reviewing all extraordinary and unusual gifts made to the UUCWC, screening those gifts, and making recommendations to the Board of Trustees.

GARB will consist of: 1) the president of the Board of Trustees; 2) one additional member of the Board, appointed by the president; 3) minister; 4) office administrator, when applicable; 5) Stewardship chair; and 6) representative from Endowment, when applicable.

GIFT POLICY SCOPE:

The scope of gifts generally outlined in this document are those gifts that are major donations of cash, stock, property or other tangible assets that can be sold for cash.

Types of Gifts

The following gifts are acceptable:

- Cash.
- Tangible Personal Property.
- Securities.
- Real Estate.
- Remainder Interests in Property.
- Oil, Gas, and Mineral Interests.
- Bargain Sales.
- Life Insurance.
- Charitable Gift Annuities.
- Charitable Remainder Trusts.
- Charitable Lead Trusts.
- Retirement Plan Beneficiary Designations.
- Bequests.
- Life Insurance Beneficiary Designations.

Explanations of all gifts listed above are available in IRS publication 526.

NOTE: any items donated for an auction or sale, and meant for resale do not qualify under this policy. The remainder of auction items or sale items will be deposited at the discretion of UUCWC.



The following criteria govern the acceptance of each gift form:

1) **Cash.** Cash is acceptable in any form. Checks shall be made payable to Unitarian Universalist Church at Washington Crossing (or UUCWC) and shall be delivered to the Treasurer in the UUCWC administrative office.

2) **Tangible Personal Property (non-cash).**

Types of Tangible Personal Property include but are not limited to: Artwork, photos, photo collections, electronics, furniture, household accessories, appliances, jewelry, linens, flatware, lamps, etc.

Tangible personal property shall be examined in light of the following criteria:

- Does the property fulfill the mission of the UUCWC?
- Is the property marketable or has value and can be sold?
- Are there any undue restrictions on the use, display, or sale of the property? Are there any carrying costs for the property? GARB will make recommendations to the Board on the acceptance of other tangible property gifts. UUCWC has the first right of refusal.
- No photos of individuals will be accepted.

GARB will review materials from estates on a case-by-case basis.

3) **Securities.** The UUCWC can accept both publicly traded securities and closely held securities.

Publicly Traded Securities. Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the GARB. In some cases marketable securities may be restricted by applicable securities laws; in such instance the Board shall make the final determination on the acceptance of the restricted securities.

Closely Held Securities. Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership forms, can be accepted subject to the recommendation for approval by GARB. Sometimes, GARB will require the assistance of legal counsel, before making its recommendations. Every effort will be made to sell non-marketable securities as quickly as possible.

However, gifts must be reviewed *prior* to acceptance to determine:

- There are no restrictions on the security that would prevent UUCWC from ultimately converting those assets to cash;
- The security is marketable; and
- The security will not generate any undesirable tax consequences for UUCWC.

4) **Real Estate.** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. UUCWC will accept said gift of real estate *only after* the disposal of the property. Proceeds from sale may then be donated to the church. UUCWC will not enter into a real estate holding arrangement.



- 5) **Remainder Interests in Property.** UUCWC will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of the donor's life. At the death of the donor, UUCWC will accept proceeds from the said property, following the sale. UUCWC will not enter into a real estate holding arrangement.
- 6) **Oil, Gas, and Mineral Interests.** UUCWC may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest, the gift shall be reviewed by GARB, and if necessary, by UUCWC's legal counsel. Criteria for acceptance of the property shall include:
 - Gifts of surface rights should have a value of \$20,000 or greater.
 - Gifts of oil, gas, and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
 - The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate
 - A working interest is rarely accepted. A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.
 - The property should undergo an environmental review to ensure that UUCWC has no current or potential exposure to environmental liability.
- 7) **Bargain Sales.** UUCWC will not accept this type of gift. Only proceeds from such sale will be accepted.
- 8) **Life Insurance.** UUCWC must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, UUCWC will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, UUCWC may:

 - Continue to pay the premiums;
 - Convert the policy to paid up insurance; or
 - Surrender the policy for its current cash value.
- 9) **Charitable Gift Annuities.** The Endowment Committee will process this type of gift.
- 10) **Charitable Remainder Trusts.** The Endowment Committee will process this type of gift.
- 11) **Charitable Lead Trusts.** The Endowment Committee will process this type of gift.
- 12) **Retirement Plan Beneficiary Designations.** Congregants and friends of UUCWC will be encouraged to name the UUCWC Endowment Fund as beneficiary of their retirement



plans. Such designations will not be recorded as gifts until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

- 13) **Bequests.** Congregants and friends of UUCWC will be encouraged to make bequests under their wills and trusts via the Endowment Committee. Such bequests will not be recorded as gifts to the UUCWC until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
- 14) **Life Insurance Beneficiary Designations.** Congregants and friends of UUCWC will be encouraged to name the UUCWC Endowment Fund as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the UUCWC Endowment Fund until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

Miscellaneous Provisions

- **Securing appraisals and legal fees for gifts to the UUCWC.** It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the UUCWC.
- **Valuation of gifts for development purposes.** UUCWC will record a gift received at its valuation for gift purposes on the date of gift.
- **Responsibility for IRS Filings upon sale of gift items.** The Treasurer of the Unitarian Universalist Church at Washington Crossing is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the UUCWC when the charitable deduction value of the item is more than \$5,000. UUCWC must file this form within 125 days of the date of sale or disposition of the asset.

Acknowledgement of all gifts made to the UUCWC and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Board of Trustees, or Stewardship or Endowment Committees of UUCWC, or as directed.

IRS Publication 561 *Determining the Value of Donated Property* and IRS Publication 526 *Charitable Contribution* is to be used.

- **Acknowledgement to Donor.** The appropriate people as determined by the GARB, Minister or President of the Board of Trustees would supply acknowledgement in a timely manner.
- **Changes to Gift Acceptance Policies.** These policies and guidelines have been reviewed and accepted by the Board of Trustees of UUCWC. GARB as well as the Board of Trustees must approve any changes to, or deviations from, these policies.



PROCEDURE

- Congregation will be made aware of policy above.
- Gifts being received by the minister, staff, or those individuals wishing to donate to the church should inform the Board of Trustees prior to making the gift.
- Once notification has been received, GARB will convene to determine appropriateness of gift and put into motion the processes needed to accept the gift. This will include notifying the appropriate people/committee(s) who will be responsible for properly acknowledging receipt of gift.
- GARB will notify donor of the decision along with other appropriate church officers as determined at the time of the gift decision.

Forms and documents are available by visiting the IRS Publication website and include but may not be limited to the following forms:

- 1) IRS Form 8282
- 2) IRS Publication 561-Determining the Value of Philanthropy
- 3) IRS Publication 526-Charitable Contributions

Document prepared by: Holly Bussey, Board of Trustees and Jim Sanders, Chair of Endowment and Stewardship.