

GIFT ACCEPTANCE POLICIES AND GUIDELINES

January 15, 2024

The Unitarian Society of Delaware County (hereafter called "UUCDC"), a not for profit organization under the laws of the Commonwealth of Pennsylvania, encourages the solicitation and acceptance of gifts to UUCDC for purposes that will help UUCDC to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to UUCDC or for the benefit of any of its programs.

Purpose of Policies and Guidelines

The Board of Trustees of UUCDC and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of UUCDC. These policies and guidelines govern the acceptance of gifts by UUCDC and provide guidance to prospective donors and their advisors when making gifts to UUCDC. The provisions of these policies shall apply to all gifts received by UUCDC for any of its programs or services.

Use of Legal Counsel

UUCDC may seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- Documents naming UUCDC as Trustee.
- Gifts involving contracts or other documents requiring UUCDC to assume an obligation.
- Transactions with potential conflicts of interest that may invoke IRS sanctions.
- Other instances in which use of counsel is deemed appropriate by the accepting Committee.

Conflict of Interest

UUCDC will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

Restrictions on Gifts

UUCDC prefers to accept only unrestricted gifts. This type of gift allows the flexibility to use the gift as it will be most effective. A donor wishing to make a restricted gift should consult with the Endowment and/or Finance Committee. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Endowment Committee or Finance Committee, whichever is responsible for acceptance.

Acceptance

The Endowment Committee is charged with the responsibility of reviewing all gifts made to the Endowment Fund. The Finance Committee is charged with the responsibility of reviewing and

accepting gifts to all other funds as authorized by the Board of Trustees. Said committees will accept gifts and make recommendations to the Board on gift acceptance issues when appropriate.

- All accepted gifts under the amount of \$500 shall be allocated to “contributions”.
- All accepted gifts between \$500 and \$4,000 shall be allocated to the general reserve fund.
- All accepted gifts over \$4,000 shall be allocated as follows:
 - At least 25% endowment fund
 - At least 25% general reserve fund
 - No more than 50% current operating budget

For donated amounts between \$4,000 and \$10,000, the lead minister, after consulting with the finance chair and the Board President, has the authority to determine the allocation. For gifts larger than \$10,000, the Board will determine the allocation in consultation with the finance committee.

All (non-endowment fund) interest income shall be allocated to the general reserve fund.

Types of Gifts

The following gifts are acceptable: Cash, Securities, Charitable Remainder Trusts, Charitable Lead Trusts, Retirement Plan Beneficiary Designations, Bequests, and Life Insurance Beneficiary Designations. Other gifts will be considered on a case-by-case basis.

The following criteria govern the acceptance of each gift form:

1. **Cash.** Cash is acceptable in any form. Checks shall be made payable to UUCDC.
2. **Securities.** UUCDC 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 investment committee. In some cases marketable securities may be restricted by applicable securities laws; in such instances the final determination on the acceptance of the restricted securities shall be made by the UUCDC Endowment or Finance Committee, whichever is responsible for acceptance of the gift.
 - **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 approval of the Endowment or Finance Committee, whichever committee is responsible for the acceptance of the gift. However, gifts must be reviewed prior to acceptance to determine:

- There are no restrictions on the security that would prevent UUCDC from ultimately converting those assets to cash;
 - The security is marketable; and
 - The security will not generate any undesirable tax consequences for UUCDC.
 - If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The Endowment or Finance Committee of UUCDC, whichever is responsible, and legal counsel shall make the final determination on the acceptance of closely held securities when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.
3. **Life Insurance Beneficiary Designations.** Donors and supporters of UUCDC will be encouraged to name UUCDC as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to UUCDC 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.
 4. **Charitable Remainder Trusts.** UUCDC may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Endowment or Finance Committee, as appropriate, of UUCDC. UUCDC will not accept appointment as trustee of a charitable remainder trust.
 5. **Charitable Lead Trusts.** UUCDC may accept a designation as income beneficiary of a charitable lead trust. UUCDC will not accept an appointment as trustee of a charitable lead trust.
 6. **Retirement Plan Beneficiary Designations.** Donors and supporters of UUCDC will be encouraged to name UUCDC as beneficiary of their retirement plans. Such designations will not be recorded as gifts to UUCDC 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.
 7. **Bequests.** Donors and supporters of UUCDC will be encouraged to make bequests to UUCDC under their wills and trusts. Such bequests will not be recorded as gifts to UUCDC 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.

Miscellaneous Provisions

- If there are fees associated with UUCDC acceptance of a gift then the donor is responsible for these fees.
- Responsibility for IRS Filings upon sale of gift items. The Endowment Committee of UUCDC is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by UUCDC when the charitable deduction value of the item is more than \$5,000. UUCDC must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies.

- Acknowledgment of all gifts made to UUCDC and compliance with the current IRS requirements in acknowledgment of such gifts shall be the responsibility of the Endowment Committee or Finance Committee, whichever is appropriate.

Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and accepted by the Board of Trustees, the Endowment Committee, and the Finance Committee of UUCDC. Changes to or deviations from these policies must be approved by the aforementioned administrative bodies.

Adoption of the Policy

This policy has been accepted by the Finance Committee by Jing Wang
Finance Chair
and by the Endowment Committee by David Leaman
Endowment Chair

This policy by vote of the board is hereby adopted.

UUCDC by Marylin Huff
[Name of Congregation] Board President
and Abby Houston
Board Vice President

Dated this 15 day of Jan, 2024.