

GIFT ACCEPTANCE AND DISPOSITION POLICY

Unitarian Universalist Society of Amherst

The Unitarian Universalist Society of Amherst (UUSA), a not for profit organization organized in the State of Massachusetts, encourages the solicitation and acceptance of gifts to further and fulfill its mission.

I. Purpose of Policies

This statement articulates the policies of the Board of Trustees (the “Board”) of the UUSA concerning the acceptance of charitable gifts and provides guidance to prospective donors and their advisors when making gifts to the UUSA.

II. Responsibility to Donors

- A. Commitment to a Donor-Centered, Philanthropic Approach: The UUSA, its staff and volunteer representatives shall endeavor to assist donors in accomplishing their philanthropic objectives in a donor-centered way. In many circumstances, this may involve the donor’s professional advisors, as charitable support is often integrated with a donor’s overall tax, estate and financial planning.
- B. Confidentiality: Information concerning all transactions between a donor and the UUSA shall be held by the UUSA in confidence, and may be disclosed only with the permission of the donor or the donor’s designee.
- C. Anonymity: The UUSA shall respect the wishes of any donor offering anonymous support and will implement reasonable procedures to safeguard such donor’s identity.
- D. Ethical Standards: The UUSA is committed to the highest ethical standards. The UUSA, its staff and volunteer representatives shall adhere to both the [Model Standards of Practice for the Charitable Gift Planner](#), as adopted by the Partnership for Philanthropic Planning (“PPP”), and the [Code of Ethical Principles and Standards](#) as adopted by the Association of Fundraising Professionals (“AFP”). The UUSA will not participate in gift discussions if there is a question as to the title/ownership of the asset or the donor’s competency to transfer an asset.

III. Legal Considerations

- A. Compliance: The UUSA shall comply with all local, state and federal laws and regulations concerning all charitable gifts it encourages, solicits or accepts. All required disclosures, registrations and procedures shall be made and/or followed in a thorough and timely manner.
- B. Endorsement of Providers: The UUSA shall not endorse legal, tax or financial advisors to prospective donors.
- C. Finder’s Fees and Commissions: The UUSA shall not pay fees to any person as consideration for directing a gift by a donor to the UUSA.
- D. Legal, Tax and Financial Advice: The UUSA shall inform prospective donors that it does not provide, legal, tax or financial advice, and shall encourage prospective donors to discuss all charitable gift planning decisions with their own advisors before entering into any commitments to make gifts to the UUSA.

- E. Preparation of Legal Documents: The UUSA shall not prepare legal documents for execution by donors. The UUSA may provide model language, such as sample bequest language, gift agreements or charitable remainder trusts, but shall strongly encourage prospective donors to have this language reviewed by their own counsel.
- F. Payment of Fees: It will be the responsibility of the donor to secure an appraisal (where required) and to pay for the advice of independent legal, financial or other professional advisers as needed for all gifts made to the UUSA.
- G. Service as Executor or Living Trust Trustee: The UUSA will not agree to serve as executor of a decedent's estate or as trustee of a living trust or other trust intended to serve as a person's primary estate planning document.
- H. Use of Counsel: The UUSA shall seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate.

IV. Gift Acceptance

- A. Implementation: Gift acceptance, as outlined in these policies, is the responsibility of the Board or its designee. The UUSA is authorized to accept assets of all types, including gifts of cash, marketable securities, closely-held securities and limited partnership interests, interests in real estate, and tangible and intangible property. In considering whether to accept gifts the UUSA will follow the additional guidelines below. It is a priority for UUSA to have a written agreement with the donor regarding the intended use of a restricted gift, and for the written agreement to be in a general form approved by the Board.
- B. Approval of Exceptions: Acceptance of gifts outside the scope of this policy requires the written approval of the Board.
- C. Gift Agreements: The UUSA generally uses non-binding statements of intent (i.e., pledge forms) to document gift commitments. The Board shall create and maintain samples for use by staff and volunteer leadership.
 - a. All statements of intent shall be in writing and shall include the donor's commitment and timeframe for payments and the UUSA's intended use of the funds. In most cases, the statement of intent shall be a pledge form approved by the Board or a Committee designated by the Board.
 - b. Except for bequests, the UUSA requires an executed agreement between the UUSA and the donor for all commitments subject to restrictions including restricted endowment gifts. The form of agreement shall be approved by the Board.
 - c. Donors may intend to make gifts by bequest; in such cases, the UUSA will appreciate receiving notice of the donor's intended bequest, but it is recognized that an agreement to make a bequest may not be legally binding on the donor.
- D. Unrestricted and Restricted Gifts: The UUSA welcomes outright gifts, in which UUSA's full ownership of the asset is immediate once the asset is given and where neither the donor nor any other party retains an interest.
 - a. Securing outright gifts without restriction is UUSA's highest priority, permitting the Board to direct the use of resources to accomplish UUSA's mission.
 - b. Outright gifts with restrictions shall be accepted on a case-by-case basis, so long

as the gift furthers UUSA's mission and institutional goals established by the Board.

- c. The UUSA may accept gifts restricted to non-budgeted programs and purposes only upon the prior, written approval of the Board. The UUSA reserves the right to decline gifts which are too restrictive in purpose, too difficult to administer, or for purposes outside of its mission.
 - d. Donors may notify the UUSA of future intended gifts, such as bequests, retirement plan and life insurance designations. If such gifts are unrestricted, the Board will determine when the gift is received how the gift will be used.
- E. Assets Accepted: The UUSA will consider accepting all asset types, including cash; marketable securities; closely-held or restricted securities or limited partnership interests; interests in real estate; tangible personal property; and intangible personal property (such as copyright interests or life insurance).
- a. Cash. As a general rule, UUSA will accept unrestricted outright gifts of cash.
 - b. Marketable Securities. As a general rule, UUSA will accept unrestricted gifts of securities once it has determined that the securities are readily marketable (publicly-traded or otherwise marketable without substantial restriction).
 - c. Closely-Held or Restricted Securities or Limited Partnership Interests. As a general rule, gifts of closely-held or restricted securities or limited partnership interest will be accepted only if they meet UUSA's policy guidelines as stated in this document (particularly as to the value of the asset vis-à-vis the expected cost of administering or maintaining the asset). UUSA will evaluate each proposed gift on a case-by-case basis using criteria relevant to the proposed gift. Decisions regarding acceptance of such gifts will be made by the Board.
 - d. Interests in Real Estate. As a general rule, real estate or other interests in real property (leaseholds, life estates, easements, etc.) will be accepted only if:
 - i. The asset has been established as having no significant environmental concerns as determined by an outside consultant agreeable to both the donor and the Board, or the cost of cleaning up any environmental concerns has been determined and found acceptable to the Board.
 - ii. The asset has been physically inspected and evaluated by appropriate qualified experts of UUSA's choosing;
 - iii. The asset has no mortgage or other encumbrance, such as leasehold or life estate interests or easements benefiting other parties, that would significantly diminish the asset's value or cause ownership or management to be costly or an administrative burden; and
 - iv. The UUSA has evaluated and approved the property for other relevant criteria, such as present market value based on an appraisal as determined by an appraiser agreeable to both the donor and the Board within the last 12 months; marketability; cost of acquisition; income potential while the property is held; zoning; appreciation / depreciation potential; maintenance and repair expense; loan expense; property taxes, unrelated business income tax and other possible tax implications; marketing,

commission and closing costs for a future sale; improvement, renovation or retrofitting costs; safety, other liabilities and appropriate insurance costs.

- v. The title and transfer documents are satisfactory to UUSA.
 - vi. For gifts subject to a retained life estate, the donor or primary life beneficiary shall be responsible for all expenses other than capital expenditures during the life tenancy, including but not limited to maintenance, real estate taxes, assessments and insurance.
 - vii. Decisions regarding acceptance of interests in real property will be by the Board.
- e. Tangible Personal Property. As a general rule, UUSA will accept gifts of tangible personal property (jewelry, books, works of art, collections, equipment and other property which may be touched). In determining whether a gift should be accepted, the board will consider whether
- i. the asset would be useful to UUSA without substantial additional cost or administrative burden, or that the cost is justified under the circumstances, or
 - ii. the asset can be disposed of in a timely and cost-effective manner.
- f. Intangible Personal Property. As a general rule, UUSA will accept gifts of intangible personal property (e.g., copyrights, trademarks, patents). In determining whether a gift should be accepted, the board will consider criteria relevant to the proposed gift (particularly as to the value of the asset vis-à-vis the expected cost of administering or maintaining the asset).
- g. Life Insurance. An outright gift of a paid-up life insurance policy with current cash value may be accepted and submitted for redemption by the issuing insurer. Policies with outstanding loans may result in adverse tax consequences to the donor and will not be accepted unless the donor has acknowledged in writing that there may be possible adverse consequences and that he or she has had an opportunity to consult with his or her own advisors. A gift of life insurance when UUSA is designated both as owner and beneficiary and the donor pledges to contribute all future premiums requires approval of the board.
- h. IRA Charitable Rollover. The UUSA may accept all gifts directly transferred from an IRA, as permitted under the Pension Protection Act of 2006 and subsequent extensions.
- i. Assets that are not readily marketable will be accepted only after the board has determined that
- i. the asset is of a type that will be in furtherance of the UUSA's mission and is not difficult or costly to administer or maintain; or
 - ii. the value of the asset is such that the cost of administering or maintaining the asset would be justified, taking into consideration both the time during which the gift would likely be held, and competing UUSA needs and priorities during the holding period.

- j. Other types of assets not outlined may be accepted by the UUSA on a case by case basis and may require deliberation of the board and/or consultation with legal counsel.
- F. Planned Giving (Split-interest Gifts, Charitable Lead Gifts; Charitable Remainder Gifts; Charitable Gift Annuity; Other): The UUSA welcomes planned gifts in which UUSA's ownership of an asset is not outright. Such gifts will be addressed on a case-by-case basis and must be approved by the Board.
Examples:
 - a. "Split interest gift" – gift in which UUSA is granted an irrevocable right, while at the same time the donor retains rights or grants other parties rights.
 - b. "Charitable lead gift" -- gift that begins with an interest that is retained or directed by the donor or other party and then passes to UUSA upon completion of the non-charitable phase.
 - c. "Charitable gift annuity" -- contract between UUSA and a donor where UUSA agrees to pay the donor a lifetime annuity in return for a gift of cash, securities or other property.
 - d. "Charitable remainder gift" – gift that benefits UUSA first, following which a remainder interest passes to the donor or beneficiaries.
- G. Not All Gifts Accepted: Not all proposed gifts will be accepted. Some proposed gifts, while deeply appreciated, will not meet UUSA's policy guidelines and will be declined, with regret.
- H. Sources of Gifts: The UUSA is authorized to receive gifts made legally from any source. The Board may decline to accept a gift, for example, if inappropriate or undesirable political or social consequences may result from the gift.
- I. Disposition of Gifts: The UUSA's general policy is to sell or otherwise monetize the value of a gift so as to convert a gift to cash as soon as practicable. Assets that are or can be made readily marketable and that can be promptly sold or otherwise disposed of are preferred.
- J. Costs: Unless otherwise approved by the Board, or unless the costs are *de minimus*, as determined by the Board, the donor is expected to pay the costs associated with a gift, such as costs of documenting essential information regarding a gift, costs of environmental assessments, and costs of appraisals and other means of establishing the value of a gift.
- K. Valuations: The tax-deductible value of an asset acknowledged to the donor will be established in accordance with regulations issued by the Internal Revenue Service, or in the absence of such regulations, in accordance with guidance provided by UUSA's legal and accounting advisors. For outright gifts, the UUSA shall follow the Council for Advancement and Support of Education ("CASE") Reporting Standards and

Management Guidelines for Educational Institutions, Fourth Edition, 2009. For future gifts, the UUSA shall follow the [PPP Guidelines for Reporting and Counting Charitable Gifts](#), Second Edition, 2009. The UUSA shall follow the [PPP Valuation Standards for Charitable Planned Gifts](#). All exceptions to these standards shall be made by the Board.

- L. Board Approval: Board approval is not required for
 - a. Restricted gifts in support of items or projects previously approved by the Board;
 - b. Unrestricted gifts of cash or marketable securities;
 - c. Restricted gifts of cash or marketable securities designated for existing endowments or for projects previously approved by the Board
 - d. Board approval is required for all other proposed gifts.

V. Donor Recognition

- A. General: The Board will establish criteria for the recognition, honoring and stewarding of donors.
- B. Buildings: Except in the case of naming opportunities that appear on a schedule approved by the Board, the UUSA shall make no commitments to donors concerning the naming of buildings or facilities without the approval of the Board.

VI. Regular Review: The Board shall review these policies at least once every 5 years to ensure that they continue to accurately describe the policies of the UUSA with respect to acceptance of charitable gifts.