

Title: Gift Acceptance Policy

1.0 PURPOSE:

Procedures for USNH personnel involved in accepting gifts.
Guidelines for outside advisors who assist in the gift planning process.
Guidelines for prospective donors considering gifts to USNH.
For Tracking gifts to Endowment and Legacy refer to SOP-0004.

USNH actively seeks gifts to enable it to fulfill its mission and is grateful for generosity of members and friends.

2.0 OVERALL RESPONSIBILITIES

- 2.1** The Management Team has prime responsibility for this policy.
- 2.2** The Gift Review Process, section 3.0, shall be followed closely.
- 2.3** The gift committee will offer assistance to donors when needed.
- 2.4** Other sections of this procedure are intended as a guide and aide to donors.

3.0 GIFT REVIEW COMMITTEE

- 3.1 Members.** Voting members are the senior minister, a representative of the management team, the chair of endowment, the board president and the chair of the building and grounds committee.
Others may be called upon, ad hoc, for advice when needed.

3.2 Responsibilities.

3.2.1 Resolves questions in the review and acceptance of gifts to USNH.

3.2.2 Meets as needed to review gifts of real estate, closely held stocks, partnership interests, assets conveying cost or risk to USNH, gifts carrying donor restrictions and donor requests for recognition falling outside normal accounting.

3.3 Decisions.

3.3.1 At least 4 voting members must agree to accept a gift.

3.3.2 The committee shall decline any gift that would not further the mission or goals of USNH.

3.3.3 The committee shall decline any gift that would create an administrative burden or require excessive expenditures.

3.3.4 The committee shall decline any irrevocable gift, whether outright or providing life-income, if such a gift might be expected to jeopardize the donor's financial security.

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4.0 SOLICITATION GUIDELINES

4.1 Management Team. The management team shall approve and coordinate all appeals. Solicitations shall be based on lists of USNH members and friends.

5.0 GIFT DEFINITIONS

5.1 Unrestricted Gifts. Pledge payments, contributions collected during a service, gifts made in honor or memory and other gifts that support general operations.

5.2 Temporarily Restricted Gifts. One-time or multi-payment donations may be donor-designated for capital needs or specific programs (e.g. social justice or RE). These shall be recorded and treated as temporarily restricted and expended only for their intended use.

5.3 Endowment Gifts. Donors of gifts intended for endowment must be advised that the intention is clearly stated in writing. Such evidence shall be forwarded to the Endowment committee. Such gifts shall be permanently restricted. Endowment gifts may be further restricted with such intention in writing if/as acceptable to the endowment committee.

Gifts without instructions shall be presumed to be unrestricted. When it is known or suspected that a gift is intended or likely to be intended for endowment the donor should be advised that such funds will be presumed as unrestricted unless written instructions are received.

6.0 ACCEPTANCE AND CREDITING OF GIFTS

6.1 Cash.

6.1.1 All unrestricted gifts by cash, check, Electronic Funds Transfer, or credit card shall be accepted by USNH regardless of amount.

6.1.2 Checks shall be made payable to USNH. In no event shall a check be made payable to an individual who represents USNH in any capacity.

6.1.3 Gifts by credit card shall be accepted. The name and billing address of the donor, the amount of the gift, the donor's credit card number, and the credit card expiration date shall be mailed or otherwise communicated to USNH.

6.1.4 For restricted gifts, the donor must designate the restriction (e.g. the USNH Endowment, a capital project, a USNH program or a social justice activity) in writing. Gifts cannot be transferred to endowment unless such intent is made in writing.

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6.2 Publicly Traded Securities.

6.2.1 Readily marketable securities, such as those traded on a stock exchange, can be accepted by USNH.

6.2.2 When a donor wishes to make a gift of securities, the donor should advise the office that a gift of securities is planned. A **Securities Transfer Form** is located in the current year giving options within the Stewardship section of the USNH website.

6.2.3 For gift crediting and accounting purposes, the value of the gift of securities is the average of the high and low price on the date of the gift. For a gift of shares of a mutual fund, the value of the gift is the closing price on the date of the gift.

6.2.4 A gift of securities to USNH normally would be liquidated as soon as possible. However, if the gift is designated for the Endowment Fund, the Endowment and Legacies Committee will decide whether to sell or hold the securities, which decision will be made based on portfolio considerations.

6.3 Closely Held Stock and Partnership Interests

6.3.1 Gifts of closely held or non publicly traded securities or of partnership interests shall be accepted only after favorable evaluation by the Gift Review Committee, and when necessary, outside advisors. The fair market value and methods of liquidation shall be determined prior to acceptance.

6.3.2 Valuation of non-publicly traded securities for income tax charitable deduction purposes shall be the responsibility of the donor. If the value of the gift is estimated to be \$10,000 or more, a qualified appraisal will be required, which will be the responsibility of the donor. For purposes of crediting the gift, USNH in its sole discretion, may use a qualified appraisal or the price for which the securities actually sold.

6.4 Real Estate.**6.4.1 Acceptable Gifts of Real Property.**

USNH may accept gifts of both improved or unimproved real property (e.g. detached single-family residences, condominiums, apartment buildings, rental property, commercial property, farms, and land, including residential property subject to a retained life estate) after a thorough review of the relevant facts:

6.4.1.1 Marketability of the property, as determined by the likelihood of USNH selling the subject property within a reasonable period of time.

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- 6.4.1.2** Environmental risks potentially associated with the subject property.
- 6.4.1.3** The existence of encumbrances on the property such as mortgages and mechanics' liens.
- 6.4.1.4** Carrying costs, such as property owner's association dues, taxes and insurance.
- 6.4.1.5** Fair market value.
- 6.4.1.6** Usefulness of the property to USNH, in the event the property is not to be sold.

6.4.2 Process for Considering Gifts of Real Property.

6.4.2.1 All proposed gifts of real property shall be accepted by USNH only after favorable evaluation by the Gift Review Committee, in consultation with other relevant USNH leaders and outside advisors, and approval by the USNH Board of Trustees. Documentation must include:

- 6.4.2.1.1** A qualified appraisal by an independent professional agent consistent with IRS standards; the appraiser shall be chosen by USNH and, when appropriate, USNH may request an additional gift from the donor to cover the cost of the appraisal.
- 6.4.2.1.2** A copy of the deed.
- 6.4.2.1.3** A copy of the property tax bill.
- 6.4.2.1.4** A plot plan.
- 6.4.2.1.5** Substantiation of the zoning status. When possible, a Phase 1 environmental assessment and, when appropriate, USNH may request an additional gift to cover the cost of the environmental assessment.

6.4.2.2 Potential gifts of real estate shall have an estimated value of \$25,000 or more to merit consideration for acceptance.

6.4.2.3 Representatives of USNH shall conduct a visual inspection of the potential gift of real estate. At that time, a decision shall be made about whether to require the donor to provide an environmental impact study and/or marketability study.

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6.4.2.4 In the event that the potential gift of real estate is evaluated favorably for acceptance, and depending on the value and desirability of the gift, the donor may be asked to pay for all or a portion of maintenance costs, real estate taxes, insurance, closing costs, real estate broker's commissions and other costs of the transaction.

6.4.3 Transferral of Real Property to USNH.

6.4.3.1 If accepted, the property must be transferred to USNH prior to any formal offer or contract for purchase being made by a third party.

6.4.3.2 Until the ownership of the property has been transferred to USNH, the donor will pay all **carrying costs** including maintenance, real estate taxes and insurance.

6.4.3.3 For gift crediting and accounting purposes, the value of the gift is the **appraised value** of the real estate on the date of the gift; however, this value may be reduced by costs of maintenance, insurance, real estate taxes, broker's commission, and other expenses of sale. The donor is responsible for obtaining a qualified independent appraisal to determine the value for tax purposes.

6.5 Tangible Personal Property

6.5.1 Acceptable Gifts of Personal Property.

6.5.1.1 Any significant gift of tangible personal property shall be reviewed by the Gift Review Committee prior to acceptance. (For exception see 6.5.1.3)

6.5.1.2 A gift of jewelry, artwork, collections, a vehicle, a boat, equipment, or software shall be assessed for its value to USNH, which may be realized either by being sold or by being used in connection with the congregation's exempt purpose.

6.5.1.3 Outright gifts of books, CDs, DVDs and Blu-Ray discs to the USNH Library, or ephemera relating to the history of USNH, do not require a review by the Gift Review Committee. These items shall be accepted at the discretion of the USNH archivist and a member of the Gift Review Committee and become the property of USNH. The library reserves the right to sell donations and to decide when a gift to the collection may be sold.

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6.6 Life Insurance.

6.6.1 Proposed gifts of life insurance shall be reviewed by the Gift Review Committee.

6.6.2 Gifts of life insurance shall be accepted when USNH is named the owner and sole beneficiary of the policy. USNH shall, at its option, surrender the policy for its cash value, or retain the policy until the death of the insured.

6.6.3 USNH can also be designated as a beneficiary of a policy in which the donor retains ownership, and USNH will accept the proceeds from the policy, unless the gift is encumbered by restrictions that USNH cannot meet.

6.6.4 For gift crediting purposes, the value of a gift of a fully paid policy shall be the replacement cost of the policy. The value of a gift of a partially paid policy shall be the cash surrender value.

6.7 Retirement Plan Assets.

6.7.1 The USNH Endowment and Legacies Committee encourages planned gift support through a variety of gift vehicles:

6.7.1.1 A bequest in a will or trust.

6.7.1.2 A beneficiary designation on a retirement account or insurance policy.

6.7.1.3 A charitable gift annuity, or a deferred charitable gift annuity, paying lifetime income to one or two annuitants; these are offered to USNH members through the Unitarian Universalist Association.

6.7.1.4 A charitable remainder trust paying lifetime income and then benefiting USNH.

6.7.1.5 A charitable lead trust paying income to USNH for a period of years, after which the trust assets return to the donor or family members.

6.7.1.6 A retained life estate, allowing the donor to continue to use a primary or weekend home during lifetime, after which the property transfers to USNH.

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7.0 VALUE OF GIFTS FOR TAX PURPOSES

7.1 Donor's Responsibility. USNH will provide a letter describing the property that has been donated, but will not provide the donor with a value for tax purposes. It is the donor's responsibility to consult with professional advisors to determine the value of a gift relative to tax deductibility.

7.2 Third Party Appraisal. For gifts with an estimated value of \$5,000 or more, the donor must obtain a qualified, independent third-party appraisal of the property to determine a value for income tax purposes, and provide USNH with a copy of the appraisal.

7.3 IRS Form 8283. For gifts other than cash or publicly traded securities, the donor is required by the IRS to file Form 8283 with his or her tax return for the year of the gift in order to take an income tax charitable deduction of more than \$500. The value of the property to be reported to the IRS is a decision between the donor and his or her tax advisor.

USNH is required to file an IRS Form 8282 reporting the transfer of donated property (other than money or publicly traded securities) within two years of the date of a gift for which a qualified appraisal was required.

8.0 LIMITATIONS ON USNH STAFF AND MEMBERS

8.1 Trustees. USNH, its staff or any of its members shall not act as trustee of a charitable remainder trust that will benefit USNH.

8.2 Executors.

Staff or members of USNH shall not act as an executor or personal representative for a donor's estate. If a member of USNH serves as personal representative for a member of USNH, he/she does so in a personal capacity and not as an agent of USNH.

9.0 GIFT NAMING AND RECOGNITION

9.1 Naming Opportunities.

As fundraising and gift opportunities arise, the Gift Review Committee shall recommend policies to the Management Team regarding the offering of naming opportunities for facilities, programs and endowments. The policies will cover naming that recognizes the donor(s), that honors another person or that identifies a functional space, for example "The Gratitude Garden" or "The Path for Reflection". The policies will also determine the duration of naming rights, the process for changing or eliminating named structures or programs, and the re-naming or de-naming of buildings, objects, programs and endowments.

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9.2 Recognition of Gifts.

Gifts to name a physical entity may be recognized via signage, plaques, displays or other physical installations. The donor(s) may also be recognized via other means, such as by events and/or media announcements that are appropriate for the type, amount and purpose of the gift.

9.3 Current-use Gifts. For current-use gifts, naming terms, including duration, shall be set forth in writing by USNH and the donors. If circumstances change so that the purpose for which a named entity was established needs to be significantly altered, is no longer needed, or ceases to exist, USNH will consult with the donor, if possible, or representatives of the donor's estate, when practicable, to determine an appropriate way to recognize the original naming gift.

10.0 GIFT DOCUMENTATION**10.1 Requirements.**

Documentation will be required for the official crediting of gifts. Letters of intent, instruments of transfer, email confirmations and pledge forms will be used when appropriate to identify the gift arrangement and asset being given, its intended use, pledge payments schedules (where applicable) and the donor. All gift instruments referenced above must be in writing and dated.

11.0 ETHICAL CONSIDERATIONS**11.1 Unacceptable Gifts.**

USNH shall not accept gifts that are inconsistent with its mission, or gifts that involve unlawful discrimination based on race, religion, sex, gender, national origin, color, or disability.

11.2 Conflict of Interest.

Individuals representing USNH shall be circumspect in all dealings with donors in order to avoid even the appearance of any act of self-dealing or conflict of interest.

11.3 USNH to Use Qualified Professional Counsel.

USNH will seek qualified professional counsel in the exploration and execution of all planned gift agreements. USNH recognizes the right of fair and just remuneration for professional services.

11.4 Donor's Legal and Tax Advisors.

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In the event that individuals representing USNH provide a prospective donor with financial, estate planning, or charitable tax planning information, the prospective donor shall be strongly encouraged in writing to consult with his/her own legal and tax advisors before acting on any recommendations.

11.5 Best Interests of Donors. Individuals representing USNH will only propose, encourage and accept gifts from a particular donor that are in a form consistent with the known best interest of that donor.

11.6 Confidentiality.

All information obtained from or about donors/prospects shall be held in the strictest confidence by USNH, its staff and volunteers. Neither the name, the amount, nor the conditions of any gift shall be published without the express written approval of the donor and/or beneficiary.

11.7 Guidelines for this Policy.

The guidelines set forth in this policy are in full compliance with the Association of Fund Raising Executives’ “Standards of Professional Practices” and the Partnership for Philanthropic Planning’s “Model Standards of Practice for the Charitable Gift Planner”.

REVISION HISTORY

Rev	By	Date	Changes Made
1	G. Heuss-Severance	20 April 2018	Initial draft transcribed by J Hill
A	Management Team	30 April 2018	Approved initial release