

Winchester Unitarian Society, Winchester, Massachusetts

Gift Acceptance Policy

1. Introduction

Winchester Unitarian Society (WUS, the Society, the Congregation) solicits and accepts gifts to fund its activities and fulfill its mission. The Society urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. The following policies and guidelines govern acceptance of gifts made to The Society for the benefit of any of its operations, programs or services.

Decisions on the acceptance or refusal of a gift in a form other than cash or marketable securities shall be recommended to the WUS Standing Committee by the Stewardship and Finance Committee for gifts to the operating budget, for special campaigns, for gifts to the endowment and other invested funds, in consultation with the WUS Trustees of Permanent Funds.

2. Restricted and Unrestricted Gifts

The Society encourages its donors to make unrestricted gifts to the Congregation. Unrestricted gifts provide the Society the greatest flexibility to direct resources where they are most needed at any particular time. For that reason, unrestricted gifts are always preferred. The Society accepts restricted gifts as follows:

- Purpose-Restricted Gifts: WUS will accept gifts restricted as to the purpose for which they can be used when they support activities included in the annual budget or for purposes specified in a special campaign. Gifts of any size will be accepted for any given approved campaign. However when longer term investable funds are sought for special purposes, the minimum accumulated amount must be \$10,000. Specific gifts other than cash, cash equivalents and marketable securities must be reviewed and approved by the Standing Committee upon the recommendation of the Stewardship and Finance Committee.
- Permanently Restricted Gifts: Gifts for the endowment will be invested with the Congregation's other endowment funds and overseen by the Trustees of Permanent Funds. The minimum amount for purpose restricted gifts is \$10,000, and such gifts must be reviewed and approved by the Trustees. Amounts will be paid out from the fund in accordance with the donor's restrictions, if any, and with Society's spending policy, which may change from time to time. As with other gifts, the payout from the endowed fund may be unrestricted or purpose restricted.

3. Types of Gifts

A. Gifts of Cash

Cash is acceptable in any form. Checks shall be made payable to "Winchester Unitarian Society" and shall be delivered to the Treasurer in the Society's administrative office.

B. Gifts of Securities

- Marketable securities may be transferred to the Congregation's brokerage account which is managed by the Trustees of Permanent Funds. Contact the Office Manager for specific instructions. All marketable securities for the operating budget or specific campaigns shall be sold upon receipt. The Treasurer will send the donor an acknowledgment of the gift valued on the day the securities are received.

- Securities for which there is no active market, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Standing Committee, on the recommendation of the Stewardship and Finance Committee, in consultation with the Trustees of Permanent Funds for endowed and invested gifts. Gifts must be reviewed prior to acceptance to determine that:
 - There are no restrictions on the security that would prevent the Society from ultimately converting those assets to cash.
 - The security is marketable.
 - The security will not generate any undesirable tax or other financial consequences for the Congregation.
 - The gift transaction does not involve tax or other financial planning in which The Society would not wish to participate.
- 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 final determination on the acceptance of closely held securities shall be made by the Standing Committee, in consultation with the Stewardship and Finance Committee, and the Trustees of Permanent Funds for gifts for invested and endowed funds, with the advice of legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible. Valuation of the securities is the responsibility of the donor. However the church reserves the right to refuse the gift if it disagrees with the valuation or to request a second valuation.

C. Gifts of Real Estate

Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Valuation of the gift is the responsibility of the donor. Prior to acceptance of real estate, The Society shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the Congregation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor. When appropriate, a title binder shall be obtained by the Society prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor. Prior to acceptance of the real property, the gift shall be approved by the Standing Committee, on the recommendation of the Stewardship and Finance Committee, or by the Trustees of Permanent Funds for gifts to the endowment or for invested funds. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the Congregation?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, associated with the property?
- Does the environmental audit reflect that the property is not damaged?

D. Gifts of Tangible Property

All other gifts of tangible personal property shall be examined in light of the following criteria:

- Does the property contribute to or further the mission of the Congregation?
- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?

The final determination on the acceptance of other tangible property gifts shall be made by the Standing Committee upon the recommendation of the Stewardship and Finance Committee, for gifts in support of the annual budget or special campaigns, or in the case of investable and endowed gifts upon the recommendation of the Trustees of Permanent Funds. Unless otherwise agreed with the donor, the property will be sold as soon as practicable. Valuation of the gift is the responsibility of the donor.

E. Legacy Gifts

Guidelines for Legacy Gifts:

- Charitable gift annuities (CGA): the Society encourages its supporters to consider charitable gift annuities during their lifetimes. The minimum for a CGA is \$10,000. Such gifts can provide lifetime income, income tax deductions, and support to the Congregation. Donors interested in planned gifts should contact one of the Stewardship and Finance Committee members for guidance.
- Other planned gifts: The acceptance of other planned gift instruments, such as Charitable Remainder Trusts and Charitable Lead Trusts that will be administered by third party entities, including the Unitarian Universalist Association and other Unitarian Universalist organizations for the benefit of the Society are subject to the approval of the Standing Committee upon the recommendation of the Stewardship and Finance Committee. Donors interested in making such gifts should contact the Treasurer.
- Bequests: Donors and supporters of the Society are encouraged to make bequests under their wills and trusts. Such bequests will not be recorded as gifts to the Congregation 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.
- Life Insurance Beneficiary Designations: Donors and supporters of the Society are encouraged to name the Winchester Unitarian Society as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts 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.
- Life Insurance: The Winchester Unitarian Society 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, the Society 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, The Society may continue to pay the premiums, convert the policy to paid-up insurance, or surrender the policy for its current cash value.

F. Other Gifts:

Other more complicated and esoteric gifts – such as remainder interests in property; oil, gas and mineral interests; or bargain sales – may be accepted by the Society, but only with the approval of the Standing Committee on the recommendation of the Stewardship and Finance Committee, or by the Trustees of Permanent Funds for invested or endowed gifts. Consideration will be given to the time and costs involved in assessing and structuring the gift before accepting it.

G. Prohibited Gifts:

Winchester Unitarian Society will not accept gifts that:

- Would result in the Society violating its articles of incorporation or applicable state or federal laws and/or regulations
- Would result in the Society losing its status as a tax-exempt organization
- Are too difficult or too expensive to administer in relation to their value
- Would result in any unacceptable consequences for the Society including harm to its reputation
- Are for purposes outside the Society's mission

4. Gift Valuations

The Society shall follow accepted guidelines for income recognition and the valuation of gifts such as stock, real estate, personal property, and life insurance that require specific methods of valuation for the protection of both the donor and The Society. In general, valuation of non-cash gifts for tax purposes is the responsibility of the donor.

5. Stewardship

The Society will be responsible for good stewardship toward its donors by following these guidelines:

- All gifts will be acknowledged within the required, or otherwise reasonable, period of time.
- Gifts to the Society and accompanying correspondence will be considered confidential information, with the exception of the publication of donor recognition lists. All donor requests for confidentiality will be honored except as may be required by law.
- Lists or data files including the names of donors or other personal information will not be sold or given by The Society to other organizations.

6. Conflict of Interest

Those individuals who normally engage in the solicitation of gifts on behalf of the Society shall not personally benefit by way of commission, contract fees, salary, or other benefits from any donor in the performance of their duties on behalf of the Society, nor should any benefit be received by a family member or business of the solicitor. The active participation of the minister and the Society's staff in stewardship activities is not considered a conflict of interest.

Note of acknowledgment: This policy is largely based on a policy shared by Unitarian Universalist Association, based on versions from the First Parish of Arlington and the First Parish of Needham.

Adopted by the Standing Committee November 8, 2017.