

1                                   **GIFT ACCEPTANCE POLICIES AND GUIDELINES**  
2                                   **UNIVERSITY CONGREGATIONAL UNITED CHURCH OF CHRIST**  
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4   **University Congregational United Church of Christ, a not for profit church organized**  
5   **under the laws of the State of Washington, welcomes and encourages the solicitation**  
6   **and acceptance of gifts to University Congregational United Church of Christ**  
7   **(hereinafter referred to as the Church) for purposes that will help the Church to**  
8   **further and fulfill its mission. The following policies and guidelines govern acceptance**  
9   **of gifts made to the Church or for the benefit of any of its programs.**

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11   **I. Purpose of Policies and Guidelines**

12   The Church, through its various boards and committees, and its staff, solicit current and  
13   deferred gifts from individuals and families to secure the future growth and missions of  
14   the Church. These policies and guidelines govern the acceptance of gifts by the Church and  
15   provide guidance to prospective donors and their advisors when making gifts to the Church.  
16   The provisions of these policies shall apply to all gifts, including gifts in memory or in honor  
17   of an individual and bequests, as well as other gifts received by the Church for any of its  
18   programs or services.

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20   **II. Use of Legal Counsel**

21   The Church shall seek, as needed the advice of legal and/or financial counsel in matters  
22   relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- 23       □ Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- 24       □ Real Estate transactions
- 25       □ Documents naming the Church or its officers or pastors as Trustee.
- 26       □ Gifts involving contracts, such as bargain sales or other documents requiring the
- 27       Church to assume an obligation.
- 28       □ Transactions that may raise questions regarding IRS rules.
- 29       □ Other instances in which use of counsel is deemed appropriate by the Stewardship
- 30       and Finance board.

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32   **III. Conflict of Interest**

33   The Church will urge all prospective donors to seek the assistance of personal legal and  
34   financial advisors (at the donor's expense) in matters pertaining to their gifts and the  
35   resulting tax and estate planning consequences. No member of University Congregational  
36   United Church of Christ shall engage in any self-dealing or transactions in which the member  
37   has direct or indirect financial interest and shall at all times refrain from any conduct in  
38   which his/her personal interests would conflict with the interest of the Church.

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40   **IV. Restrictions on Gifts**

41   The Church will accept unrestricted gifts, and gifts which are restricted by the donor to be  
42   used for specific programs and purposes, provided that such gifts are consistent with the  
43   Church's stated mission, purposes, and funding and programmatic priorities. The Church will  
44   not accept gifts that are deemed too restrictive in purpose. Gifts that are too restrictive are  
45   those that violate the mission and covenant of the church, gifts that are too difficult to  
46   administer, or gifts that are for purposes outside the mission and funding and programmatic  
47   priorities of the Church. The Church Council, upon recommendation of the Stewardship and

48 Finance Board, shall have final decision on the restrictive nature of a gift, and its acceptance  
49 or refusal.

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51 All gifts become the property of the Church. If, in the course of time, the specific purpose of  
52 a restrictive gift becomes obsolete, the Church Council, upon recommendation of the  
53 Stewardship and Finance Board, reserves the right to transfer the gift for a purpose that  
54 maintains its spirit and is more attuned to the current purpose and mission of the Church.

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#### 56 **V. Gift Acceptance and Confidentiality**

57 The Stewardship and Finance Board will review all gifts made to the Church and make  
58 recommendations to the Church Council on gift acceptance issues when appropriate.

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60 For gifts other than cash or publicly traded stock, the Stewardship and Finance Board shall  
61 evaluate the gift and make a recommendation to Church Council as to whether the gift should  
62 be accepted or declined. In the event of a particularly sensitive gift, a task force, including a  
63 minister, the Business Manager, the Moderator, the Treasurer, and the Chair of the  
64 Stewardship and Finance Board may be established to aid the Stewardship and Finance  
65 Board in its work.

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67 The Church shall adhere to strict confidentiality with regard to any information, records,  
68 letters and personal documents pertaining to donors and gifts.

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#### 70 **VI. Types of Gifts**

71 The following gifts are acceptable and welcomed:

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○ Cash

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○ Tangible Personal Property

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○ Securities

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○ Real Estate – Unencumbered

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○ Remainder Interests in Property

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○ Life Insurance

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○ Charitable Gift Annuities

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○ Charitable Remainder Trusts

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○ Charitable Lead Trusts

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○ Retirement Plan Beneficiary Designations

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○ Bequests

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○ Life Insurance Beneficiary Designations

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85 The following criteria govern the acceptance of each offered gift form:

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87 **1) Cash.** Cash is acceptable in any form. Checks shall be made payable to University  
88 Congregational United Church of Christ and shall be delivered to the Church's Business  
89 Manager.

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91 **2) Tangible Personal Property.** In evaluating whether to accept or decline a gift of tangible  
92 personal property the following factors shall be considered:

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• Does the property help to fulfill the mission of the Church?

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• Is the property marketable?

- 95                   • Are there any restrictions on the use, display, or sale of the property that would  
96                   cause it to be difficult to accept?  
97                   • Are there any carrying costs for the property?  
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99 **3) Securities:** The Church can accept both publicly traded securities and closely held  
100 securities.

101           **a) Publicly Traded Securities.** Marketable securities may be transferred to an  
102           account  
103           maintained at one or more brokerage firms or delivered physically with the  
104           transferor's  
105           signature or stock power attached. As a general rule, all marketable securities shall be  
106           sold upon receipt unless otherwise directed by the Stewardship and Finance Board. In  
107           some cases marketable securities may be restricted by applicable security laws; in  
108           such instance the final determination on the acceptance of the restricted securities  
109           shall be made by the Church Council upon recommendation of the Stewardship and  
110           Finance Board.

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112           **b) Closely Held Securities.** Closely held securities, which include not only debt and  
113           equity positions in non-publicly traded companies but also interests in limited  
114           partnerships and limited liability companies, or other ownership forms, can be  
115           accepted by the Church Council upon recommendation of the Stewardship and  
116           Finance Board. However, gifts must be reviewed before acceptance to determine:

- 117                   • There are no restrictions on the security that would prevent the Church  
118                   from ultimately converting those assets to cash;  
119                   • The security is marketable; and  
120                   • The security will not generate any undesirable tax consequences for the  
121                   Church.  
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123 If potential problems arise on initial review of the security, further review and  
124 recommendation by an outside professional may be sought before making a final decision on  
125 acceptance of the gift. Every effort shall be made to sell closely held securities as quickly as  
126 possible.  
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128 **4) Real Estate.** Gifts of real estate may include developed property, undeveloped property,  
129 or gifts subject to a prior life interest. Prior to acceptance of real estate, the Church shall  
130 require an initial environmental review of the property to ensure that the property has no  
131 environmental damage. In the event that the initial inspection reveals a potential problem, the  
132 Church shall retain a qualified inspection firm to conduct an environmental audit. The cost of  
133 the environmental audit shall generally be an expense of the donor. In addition, the Church  
134 shall request a copy of the qualified appraisal on the property if such is required of the donor  
135 by the IRS.  
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137 When appropriate, a preliminary title policy shall be obtained by the Church prior to the  
138 acceptance of the real property gift. The cost of this preliminary title policy shall generally be  
139 an expense of the donor.  
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141 If the Church deems it to be in its best interests to secure a second qualified appraisal of the  
142 property, the Church shall pay for that appraisal.

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Prior to acceptance of the real property, the gift shall be evaluated by the Stewardship and Finance Board and by the Church’s legal counsel. Criteria for acceptance of the property shall include:

- Can the property be used to help fulfill the purposes of the Church?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there any carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

**5) Remainder Interests in Property.** The Church will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4 above. The donor(s) may continue to occupy the real property for the duration of the stated life. At the death of the donor, the Church may use the property or sell it. If the Church receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor(s).

**6) Life Insurance.** In order for a life insurance policy to be recorded as a gift the Church must be named as both beneficiary and irrevocable owner. The gift is valued at its interpolated terminal reserve value upon receipt. If the church is irrevocable owner and the donor contributes future premium payments, the Church 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 Church may:

- continue to pay the premiums;
- convert the policy to paid up insurance; or
- surrender the policy for its current cash value.

**7) Charitable Gift Annuities.** The Church may offer charitable gift annuities through the United

Church of Christ Office of Development. The minimum gift for funding is \$5,000 (or whatever the current limitation of the UCC Office for Development stipulates). The Stewardship and Finance Board may make exceptions to this minimum. The minimum age for life income beneficiaries of a gift annuity shall be 65. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries to begin receiving benefits shall be 65. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual, or annual schedule, based upon UCC Foundation guidelines.

Generally speaking, the Church will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. The Church may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a five-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Stewardship and Finance Board approves the arrangement.

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Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once these payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to the Church's general endowment funds, or to such specific fund as designated by the donor.

**8) Charitable Remainder Trusts.** The Church may be designated as remainder beneficiary of a charitable remainder trust. The Church will not accept appointment as Trustee of a charitable remainder trust.

**9) Charitable Lead Trusts.** The Church may be designated as income beneficiary of a charitable lead trust. The Church will not accept appointment as Trustee of a charitable lead trust.

**10) Retirement Plan Beneficiary Designations.** Donors and supporters of the Church are encouraged to name the Church as a beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Church 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.

**11) Bequests.** Donors and supporters of the Church are encouraged to make bequests to the Church under their wills and trusts. Such bequests will not be recorded as gifts to the Church 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.

**12) Life Insurance Beneficiary Designations.** Donors and supporters of Church are encouraged to name the Church as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the Church until such time as the gift is irrevocable. Where the gift is irrevocable, but it is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

**VII. Liability:** Members of the Church and staff shall not be liable for any losses which may be incurred upon the investments of the assets except to the extent such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable as long as he/she acts in good faith and with ordinary prudence. Each member shall be liable only for his/her own willful misconduct or omissions, and shall not be liable for the acts or omissions of any other member.

## **VIII. Size of Gift and Endowment**

**1) Size of Gift.** The Church welcomes gifts of any amount to further its mission.

**2) Endowment.** The Church welcomes endowment gifts that may be combined with the undesignated endowment of the Church or placed in one of the following endowment areas:

- Building Sustaining Fund
- Christian Education
- Mission

- 239 • Music
- 240 • Parish Life
- 241 • Worship

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243 **3) Named Endowment.** If a donor wishes to create a named endowment a minimum gift of  
244 \$50,000 is needed. This amount may be in one lump sum or pledged over a period of five  
245 years. Until the full \$50,000 is received, the funds will be held in a designated account. Upon  
246 receipt of the full \$50,000, the account will be activated. If the named endowment has not  
247 reached the minimum amount of \$50,000 after five years, the Business Manager and Chair of  
248 the Stewardship and Finance Board will meet with the donor to determine how the  
249 endowment may be combined with the undesignated endowment of the Church or placed in  
250 one of the endowment areas listed above.

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## 252 **IX. Miscellaneous Provisions**

253 **1) Securing appraisals and legal fees for gifts to Church.** It generally will be the  
254 responsibility of the donor to secure an appraisal (where required) and independent legal  
255 counsel for all gifts made to the Church.

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257 **2) Valuation of gifts.** The Church will record a gift received by the Church at its valuation,  
258 for gift purposes, on the date of the gift.

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260 **3) Acknowledgement** of all gifts made to the Church and compliance with the current IRS  
261 requirements in acknowledgement of such gifts shall be the responsibility of the Stewardship  
262 and Finance Board.

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## 264 **X. Changes to Gift Acceptance Policies**

265 These policies and guidelines have been reviewed and accepted by the Stewardship and  
266 Finance Board and the Church Council of University Congregational United Church of  
267 Christ.

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269 Approved on the 12 day of April 2006 by the Stewardship and Finance Board.

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271 Approved on the 15 day of May 2006 by the Church Council.

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Moderator, Church Council of University Congregational United Church of Christ

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Chair, Stewardship and Finance Board of University Congregational United Church of Christ