

The First Unitarian Church of Wilmington

Gift Acceptance Policy

1. Introduction

First Unitarian of Wilmington (First U) solicits and accepts gifts to fund its activities and fulfill its mission. We urge 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 procedures govern acceptance of gifts made to the Church to benefit operations, programs or services.

The gift acceptance policies herein apply to all gifts, whether to the annual operating fund, special or capital campaigns, or legacy giving.

2. Restricted and Unrestricted Gifts

- **Unrestricted:** First U encourages its donors to make unrestricted gifts to the Church. Unrestricted gifts enable the Trustees and Executive Team to allocate resources in accordance with the budget approved by the Congregation.
- **Purpose-Restricted:** First U accepts purpose-restricted gifts from time to time for capital or other special campaigns. In general, First U does not accept purpose-restricted or earmarked gifts for annual operations, as we encourage giving to support the democratically approved operating budget in its entirety.
- **Permanently Restricted:** Gifts for the *Heritage Fund Endowment* are permanently restricted and will be invested with the Church's other endowment funds overseen by the Trustees and governed by the bylaws. A gift to the Heritage Fund can also be **purpose-restricted**, if the amount is at least \$10,000 and is approved by the trustees. Amounts will be paid out from the fund in accordance with the donor's restrictions, if any, and with Heritage Fund spending policy, which may change from time to time.

If restricted funds cannot be used for their originally specified purpose, First U shall endeavor to find a complementary use, or shall reserve the right to expend the gift. Any agreements made at the time of donation shall not supersede First U's right to ultimate determination of the use of contributions.

3. Types of Gifts

First U is equipped to accept virtually any type of asset in the form of cash or cash-equivalent or can be easily converted to cash upon receipt. The church maintains a brokerage account, which is readily available to receive gifts of publicly traded securities. The following are the types of gifts readily accepted:

- Checks, cash, donations via credit or debit card, and electronic fund transfers are welcome and require no further processing. Checks should be made payable to "First Unitarian Church".
- Marketable securities, which are processed by the Church's broker; donors should contact the First U office for instructions.

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- Legacy Gifts, such as Charitable gift annuities (CGA), other planned gifts such as Pooled Income Trusts, Charitable Remainder Trusts, and Charitable Lead Trusts; Bequests by will and trusts; Beneficiary Designations: as beneficiary or contingent beneficiary of life insurance policies and Qualified Retirement Plans such as IRAs.
- Life Insurance policies wherein First U is named as both beneficiary and irrevocable owner of a policy.

Because of the expense and risk involved, First U does not generally accept other types of non-cash gifts, such as real estate, securities for which there is no active market, tangible property including works of art and vehicles, and similar assets that are not easily converted to cash. Donors are encouraged to sell such assets and donate the proceeds, although First U may consider such gifts on a case-by-case basis.

Procedures

1. Gift Acceptance

Upon receiving appropriate written notification of a donor's desire to make a gift the trustee or staff member who was notified will begin the acceptance process:

- If a **decision is not required** regarding acceptance, i.e. unrestricted gifts for operations or for the Heritage Fund, the Business Manager and office staff will immediately deposit gifts in the form of cash, credit card, debit card, or electronic fund transfers, or marketable securities. For gifts in other forms, the ET shall make the decisions on the acceptance for operations or special campaigns, while the Trustees shall make the decisions regarding acceptance for gifts to the Heritage Fund Endowment.
- If a **decision is required** regarding acceptance, e.g. purpose-restricted gifts, the Business Manager will obtain decisions from the ET or from the Trustees as appropriate.

2. Gift Processing

Once decisions have been made regarding acceptance, gifts will be evaluated and processed as described below. In all cases the Business Manager will arrange for the sale or disposition of the assets and their deposit or placement.

- **Cash, credit card, debit card, or electronic fund transfers** the Business Manager and office staff will immediately deposit or transfer these gifts to the appropriate accounts.
- **Marketable securities** will be received through the Church's brokerage account and sold immediately. First U will send the donor an acknowledgment of the gift valued on the day the securities are received.
- **Legacy Gifts** will be processed as follows:

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- Charitable gift annuities (CGA): First U encourages its supporters to consider charitable gift annuities during their lifetimes. The current minimum for a CGA is \$10,000. Such gifts can provide lifetime income, income tax deductions, and support to the Church. Donors interested in planned gifts should contact one of the Trustees for guidance. These are most easily arranged through the UUA.
- Other planned gifts: The acceptance of other planned gift instruments, such as Pooled Income Trusts, Charitable Remainder Trusts, and Charitable Lead Trusts are subject to the approval of the ET and usually facilitated through the UUA. Donors interested in making such gifts should contact one of the Trustees.
- Bequests: Donors and supporters of First U are encouraged to make bequests under their wills, trusts, and retirement plans. 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. Donors should inform the office re. the details of the bequest.
- Life Insurance Beneficiary Designations: Donors and supporters of First U are encouraged to name the Church 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. Donors should inform the office re. The details of the designation.
- Life Insurance: First U 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, First U 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, First U may continue to pay the premiums, convert the policy to paid-up insurance, or surrender the policy for its current cash value.

3. Stewardship

First U 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 First U and accompanying correspondence will be considered confidential information, with the exception of the publication of donor

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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 First U to other organizations.

4. Gift Valuations

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

5. Conflict of Interest

Those individuals who normally engage in the solicitation of gifts on behalf of First U 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 First U, nor should a family member or business of the solicitor receive any benefit. The active participation of the minister and First U staff in stewardship activities is not considered a conflict of interest.

Note of acknowledgment: This policy is largely based on a policy shared by First U Needham and First Parish Unitarian Universalist of Arlington.

— Adopted by the Board December 17, 2018