

# Procedures for Accepting Planned Gifts

*Procedures of the Endowment and Directed Gifts Committee, UUFCC*

*Revision Adopted July 26, 2022*

## Types of Gifts

These procedures concern **planned gifts**, which are special in that they are not given as part the annual budget drive or the collection at services but are meant to ensure UUFCC's future financial welfare or to cover special projects or significant costs outside the ordinary, ongoing expenses. The Endowment and Directed Gifts (E&DG) Committee is UUFCC's committee responsible for these gifts. The procedures differ somewhat for different types of planned gifts, which we distinguish here. **Legacy gifts** are those that donors leave to UUFCC upon their deaths. **Memorial gifts** are donations that other people make to honor someone who has died. **Current gifts** are other major donations not associated with a death and not intended for normal operating expenses.

Any of those types of gifts may be directed or unrestricted. A **directed gift** arises when the donor specifies that it is to be used for a particular purpose. All other planned gifts are considered **unrestricted gifts**. Finally, planned gifts may be financial or tangible. **Tangible gifts** are those with a physical reality, such as a piano, a car, jewelry, or land. **Financial gifts** are any gifts with strictly financial value, such as cash, checks, stocks, and other financial instruments.

## Inquiries and Commitments about Potential Planned Gifts

Inquiries concerning planned gifts should be directed to the E&DG Committee. Members of the Committee will discuss potential gifts with donors and provide guidance to help donors formulate gifts that best match both their goals and the criteria for acceptance (below). The UUFCC Board of Trustees (Board) makes all decisions about acceptance of planned gifts; the E&DG Committee gathers information about proposed gifts and makes recommendations to the Board for its decisions, based on criteria listed below. Therefore, no commitment should be made to any potential donor by anyone in the Fellowship without consulting the chair of the Endowment and Directed Gifts (E&DG) Committee. That said, unrestricted gifts of cash or readily marketable securities typically will be readily accepted.

When potential donors inquire about making delayed, future directed gifts, such as bequests, the E&DG Committee should advise them to consider whether the gift will be useful at that time. For instance, a planned bequest that is directed to purchasing playground equipment or air conditioning would lose its relevance if the anticipated need had been addressed before the donor passes away. The Committee must be clear that any directed gift must be accepted by a future Board, and UUFCC can give no commitment in advance.

## Procedures for Directed Gifts

The E&DG Committee will provide the Board of Trustees with a recommendation as to whether or not to accept each directed gift. In developing its recommendations, the E&DG Committee should evaluate potential directed gifts based on the following three criteria, specified in the UUFCC Endowment and Directed Gifts Fund Policies. Each criterion is accompanied by examples of questions to address for evaluating that criterion:

1. Directed Gifts should further the mission and vision of UUFCC.  
In what ways and to what extent will the proposed gift help UUFCC advance its mission and vision? How would it advance UUFCC's priorities and well-being? Do we expect that the planned gift can be successfully implemented in a reasonable time frame and would have its desired consequences?
2. Directed Gifts should not entail additional obligations and costs unless the Board of Trustees judges them to be acceptable.  
Would the directed gift carry other costs for UUFCC, either for the initial implementation or on an ongoing basis, such as maintenance, supplies, staff time, or volunteer time? How large are those costs likely to be? Would the gains from the gift justify those costs? Does UUFCC have a means for meeting those costs?
3. The terms of a Directed Gift should not constitute a change in UUFCC priorities that would be inconsistent with UUFCC's democratic decision-making processes.  
Is this a project that had been proposed through the normal budget-making process but not funded? What priority would relevant committee(s) and staff members place on the project, and do they believe the project would enhance or detract from UUFCC's work in related areas? Are there reasons to think it might enhance or detract from UUFCC's work in other areas?

In the course of developing recommendations to the Board about potential directed gifts, the Committee should consult with relevant committees, task forces, and staff members. This may include preliminary conversations with the Board to ensure that the evaluation addresses issues of greatest concern.

If the Board of Trustees approves the gift, the Committee will place the funds in a separate accounting category and make arrangements for the funds to be used for the designated purpose. If the purpose entails regular expenditures over an extended period, such as an annual contribution, the Committee will retain and invest the funds and pay the expenses as intended. For non-repeating expenses over a limited period, the money will be transferred in a lump sum to a special UUFCC (non-E&DG) budget account for distribution by the UUFCC Treasurer.

The Committee will seek to ensure that UUFCC implements the terms of directed gifts as fully as possible, in good faith. If the Committee, or others at UUFCC involved in implementing a directed gift, determine it would be advisable to make significant changes to the terms of the gift, those changes must first be approved by the Board. If feasible, in advance of any significant changes, the Committee and Board shall consult with the donor or, if deceased, the donor's family or executor and strive for a set of changes that they support.

## **Procedures for Unrestricted Gifts**

For unrestricted gifts, the Committee will make a recommendation to the Board as to whether the gift should be added to the Endowment, added to the Memorial Accumulation Fund, or used for immediate needs or current special projects. Spending of funds in the Endowment is limited to 1) financial emergencies declared by fellowship vote or 2) distributions of amounts that preserve the Endowment's purchasing power, and which cannot be used for expenses in the annual budget. Money in the Memorial Accumulation Fund is available for use with fewer restrictions. The Committee's recommendation will take into account: 1) goals for the size of the endowment, 2) the current size of the Memorial Accumulation Fund relative to limits and anticipated needs, and 3) current special needs or projects of which the committee is aware (recognizing that the Board may know of additional needs and is responsible for judging the relative priority of potential uses).

## **Procedures for Financial Gifts**

Cash gifts and funds from the sale of marketable securities will be invested with other E&DG funds, pending Board decisions about their allocation. All marketable securities given as gifts will be sold upon receipt, unless the Committee decides that a security is an appropriate addition to the E&DG investments and is consistent with the Committee's written Investment Strategy. The Committee will send the donor an acknowledgment of the gift, stating its value on the day the marketable securities were received by the fellowship.

Financial gifts that are not readily sold on an active market can only be accepted by a vote of the Board. Examples would include royalties, debts owed to donors, interests in closely held companies, or securities for which there is no active market. The E&DG Committee will provide a recommendation to the Board based on an investigation of the likely value, costs, risks, and potentially liabilities of accepting the gift. In general, the goal would be to sell rather than retain the financial gift, and to do so relatively soon.

## **Procedures for Tangible Gifts**

### ***Tangible Gifts Given for Their Financial Value***

If the tangible gift is intended for its financial value rather than for use by UUFCC, the E&DG Committee will evaluate the feasibility of selling it and the costs involved in doing so, relative to its likely value. The Committee will make a recommendation to the Board about whether to accept the gift and about the allocation of the resulting funds, if accepted. The Committee will implement the Board's decision.

### ***Tangible Gifts Intended for Use by the Fellowship***

The following terms will apply to tangible gifts offered for potential use by the fellowship.

- UUFCC shall retain proprietary rights as to the placement, use, storage, and possible disposition of the gift. Any preference a donor may have should be expressed and will be considered. A donor who wishes to *require* a specific use for a tangible gift may offer it as a directed gift under the procedures specified above.
- UUFCC cannot incur any liability for possible damage to the gift or for its loss.
- Decisions about acceptance or refusal of a gift will include consideration of safety, utility, quality, and storage.

The decision-making and information-gathering responsibilities for these gifts are somewhat different than for other planned gifts. Decisions about tangible gifts valued at \$500 or more (as set by the donor) will be made by the Board. For decisions about tangible gifts with a value of less than \$500, the Board has delegated decision-making responsibility to the appropriate committee chair or staff member, selected by the UUFCC President. If a committee is inactive or is without a chair, the decision will be made by the UUFCC President or their designee. For tangible gifts intended for use by UUFCC, the E&DG Committee's usual information gathering role is assigned to the decision-maker. The E&DG Committee's only role for tangible gifts intended for use is to provide guidance about these procedures.

The potential donor or their designee should be asked whether the value of the gift is \$500 or more and informed of these procedures for tangible gifts. Decisions about whether to accept tangible gifts for use by UUFCC should be based on the criteria of safety, utility, quality, and storage. If the gift requires alterations to the building or grounds, then the Building and Grounds Committee and the Aesthetics Committee should be consulted before a decision is made. For its decisions about gifts valued at \$500 or more, the board should also consult with any other relevant committees or staff members. For gifts valued at less than \$500, the appropriate committee chair or staff member has sole decision-making responsibility; this person is welcome to solicit input from others in the fellowship they judge to have useful knowledge or perspective.

For gifts accepted by the board, the Treasurer will send thank-you notes on behalf of the Board. The committee chair or staff member will send thank-you notes for gifts they accept. These

notes should include a clear description of the item (such as make, model, size, age, condition, etc., as applicable) and state whether goods or services were provided in exchange for the gift. The notes do not need to provide an estimate of the gift's financial value. With the donor's permission, UUFCC will also acknowledge gifts through announcements to the congregation.

### ***Thanking and Informing Donors***

The E&DG Committee will send thank you notes acknowledging all planned gifts, except tangible gifts intended for use, which will be acknowledged by others. The Treasurer will send a thank-you note on behalf of the Board that includes the value of the gift and specifies whether the donor received items or services of financial value (for the donor's tax records). Unless donors request anonymity, the Board will also acknowledge planned gift in announcements to the congregation. They will also notify the donor or, if deceased, the donor's family or executor of whether the Board accepts or declines gifts, when a Board decision is required.

These procedures were first adopted by the Endowment and Directed Gifts Committee, September 29, 2020. They replaced the previous Procedure for Memorial and Special Gifts, which was a board policy (versions: Revised 9/13/95; Reviewed by the E&DG Committee 7/13/2016; Approved by the UUFCC Board on 3/20/17).

Revised to incorporate and replace the former board Tangible Gifts Policy, 7/26/22. (Added section on Tangible Gifts Intended for Use by UUFCC.)