

Gift Giving Policies Unitarian Universalists of New Braunfels

General Principles and Policies

The Unitarian Universalists of New Braunfels (UUNB) welcome gifts, regardless of size or form, from any person or organization wishing to support our mission. A donor's legal and financial advisors are welcomed participants as UUNB leaders can neither provide estate and tax planning advice, nor recommend advisors, due to conflicts of interest.

Gifts are sought and accepted for programs and purposes that have been approved by the UUNB Board and must be consistent with the mission of the congregation. They are given in the name of the congregation and held by the Board.

Options for giving include, but are not limited to, multi-year pledges, appreciated securities or other personal assets, deferred and planned gifts, and tangible personal property.

The President of the UUNB Board has the authority to sign planned giving agreements on behalf of the congregation. Requests by donors for anonymity will be honored.

As requested, donors will work with the President to identify specific activities or areas to benefit from the donations. Unspecified donations will be used to enhance UUNB activities, reduce church debt, cover operational costs, or provide support for other needed areas of the church, as identified by the President and Board.

Gifts that fall outside current guidelines require the approval of the Board. The Board may decline any commitment that is offered, with an explanation to the potential donor. Possible reasons for declining gifts include, but are not limited to, expense of repairing or maintaining the gift, donor conditions that unnecessarily restrict the gift's use, and violations of UUNB principles.

The ultimate responsibility regarding asset evaluations, tax deductibility, and/or similar federal, state, and local legal compliance issues rests with the donor.

Except in the case of irrevocable planned gifts, a donor may withdraw or modify a commitment in consultation with the President and Board.

No employee or board member shall knowingly serve as trustee, conservator, or executor for a donor without full disclosure to, and authorization by, the Board.

These policies will be reviewed every two years and revised as necessary by the Board on or before Jan.1 of the second year. Revisions require a majority vote.

Policies Pertaining to Certain Types of Commitments

- A. Rules and regulations of the Internal Revenue Service will be followed where those rules and regulations pertain to receiving and accounting for gifts to the congregation.
- B. Gifts shall be valued (for receipting purposes) on the date the donor(s) relinquish control of the assets in favor of the Congregation. In cases where gifts are made with assets other than cash, the following guidelines will be observed:
 - 1. Gifts of publicly traded securities will be receipted at the average of the high and low market value on the date the donor(s) relinquish control of the assets in favor of the Congregation; such securities will be conveyed to the Congregation for sale, consistent with the policies of the Board of Trustees.
 - 2. Gifts of closely held stock will be receipted at the per-share cash purchase price of the most recent transaction. Normally, this will be the buy-back transaction. If no buy-back is consummated within twelve months, a gift of closely held stock may be receipted and reported at the value determined by a qualified independent appraiser. All such gifts of closely held stock will be held until liquidated, at which time the funds will be used consistent with the gift intentions of the donor and the established policies of the Board of Trustees.
 - 3. Outright gifts of real estate, or other intangible interests not otherwise referenced, will be receipted, reported, and/or recognized at the fair market value (less any encumbrances) at the time the asset is transferred to the Congregation. The fair market value of the property shall be determined by an independent, qualified appraiser retained by the donor.
- C. Gifts of real estate must be accepted by the Congregation in accordance with the statutory requirements governing the acquisition of real property.

- D. In view of the potential liability for environmental cleanup and toxic and hazardous waste issues concerned with real estate, any proposed real estate gift may, at the discretion of the Board, be required to undergo an environmental audit of the property by a professional consultant and submitted to the Planned Giving Committee for review and recommendation to the Board of Trustees. The environmental audit shall be performed in accordance with the generally accepted commercial standards and directed to the Board of Trustees in order to ensure standards of due diligence. The Board of Trustees must have control over the conduct of the audit and preparation of the audit, even though it shall be the responsibility of the donor to pay for the cost of the audit.
- E. Outright gifts of hard-to-value assets such as mineral rights or limited partnerships will be reported at \$1 and additional credit will be given as proceeds are received. As previously stated, the Board of Trustees reserves the right to accept or decline any commitment that is offered to them, considering the recommendations of the Planned Giving Team.
- F. In order to qualify for current income tax charitable deduction at the full fair market value, appreciated gifts of tangible personal property must be used by the Congregation in ways that are related to the tax-exempt purposes of the Congregation.
- G. The following are general guidelines or considerations in connection with gifts of tangible personal property:
 - 1. Generally, the Congregation's acceptance of such gifts cannot involve significant additional expense for their present or future use, display, maintenance, or administration.
 - 2. The Congregation will not accept gifts of tangible personal property (such as books, paintings, etc.) if such gifts are to be made with a condition, understanding, or expectation that the gifted items will be loaned to the donor for life or for an extended period as determined by the donor.
- H. Revocable gift commitments will be permanently recognized, subject to the donor's specific request and intent, only when the funds are irrevocably committed to the Congregation or when the gift matures.
- I. Bequest distributions will be allocated to such program or activities as indicated by the donor's will, subject to the provisions of Section I regarding receipt of gifts. Lacking any such designation in the donor's will, the gift will be allocated to uses determined by the UUNB Board, based on

needs and goals of the congregation at the time of the receipt of the gift.

- J. The Congregation will not accept gifts that:
 - 1. Necessitate infractions of the law, including gifts that necessitate discrimination based on race, color, sex, sexual preference, creed, ethnic or national identity, handicap, or age;
 - 2. Restrict the acceptance of gifts from other donors.

Policies Pertaining to Named Endowment Funds

- A. Endowment fund defined: an “endowment fund” is a gift to the Congregation that is not wholly expendable on a current basis according to the written document that establishes the gift.
- B. Endowment funds are invested according to the policies established by the Endowment Committee and approved by the Board of Trustees.
- C. In order to fund the specific activities in each endowment agreement, the Congregation may draw upon the funds of an endowment according to the gift document and policies established by the Board of Trustees.
- D. Endowment gifts may be used to establish a special endowment fund or may be added to an existing endowment fund.
- E. Endowments are established through discussions among the donor, the Planned Giving Team, and the Board of Trustees. They are concluded with a written gift document signed by the donor and the President of the Board of Trustees. During these discussions the participants will seek to:
 - 1. Describe the purpose as broadly as possible while consistent with donor(s)’ wishes;
 - 2. Avoid detailed limitations and restrictions;
 - 3. Provide a clause granting the Congregation flexibility in using the funds to achieve the goals set forth in the gift document. A sample endowment fund letter of understanding is attached.
- F. Gifts to establish named endowment funds for specific purposes must meet the minimum dollar requirements set by the Board of Trustees, which is currently \$250,000.

- G. The Board of Trustees reserves the right to review the minimum amounts required for named endowments periodically and to amend the minimum amount required so that endowment proceeds are sufficient to fund the intended purpose(s) of the endowment. If, and when, the Board of Trustees acts to increase the minimum amount required to establish a particular named endowment fund, such action will not be retroactive to named funds that have already been established.

**Letter of Understanding establishing the
(NAME OF ENDOWMENT FUND)**

1. In consideration of a\$_____ gift from (Name of Donor(s), the Unitarian Universalists of New Braunfels will establish an endowment fund to be known as the:

(Name of Endowment Fund)

2. The fund will be held and administered by the Congregation as an endowment. The Fund shall not be wholly expendable by the Congregation on a current basis, and shall be invested according to policies established by the Board of Trustees. The investments may be made independently of, or in common with, other funds of similar character.

3. A portion of the earnings of the Fund, as determined by policies established and periodically reviewed by the Congregation's Board of Trustees, shall be expended by the Congregation on a current basis to provide funding for (nature of specific projects, educational, etc.) and to offset administrative and general program costs associated with the purpose of the endowment as established in the gift document.

4. Revenues from the Fund shall be used periodically to advance the goals established in the gift document. If circumstances should arise that make it impossible for the Congregation to use Fund revenues for these purposes, the Congregation's Board of Trustees may redirect revenues to program(s)/activities that closely parallel the donor(s)' original interests and intent.

5. This understanding regarding the (Name of Endowment Fund) is confirmed by:

Name(s) of Donor(s)

_____ **President, Board of Trustees**
Unitarian Universalists of New Braunfels

Date