

Gift Acceptance and Disposition Policy

Adopted 3/12/2019

The Unitarian Church of Lincoln, Nebraska (UCL), a Nebraska religious society, encourages the solicitation and acceptance of gifts to further and fulfill its vision.

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Section 1 – Purpose of Policy

This purpose of this policy is to articulate the decisions of the UCL Board of Trustees (“the Board”) concerning the acceptance of charitable gifts other than

- 1) payments on pledges for the annual operating budget,
- 2) pledges to a capital campaign, and
- 3) gifts reported on the individual's financial statement of contributions to the church, such as Share the Plate, and contributions to the Minister's Fund.

This policy also is intended to provide guidance to prospective donors and their advisors when making gifts to UCL.

Section 2 – Direction of Gift

A. Gifts Directed to the Unitarian Church of Lincoln (UCL). Gifts may be directed to UCL to further the vision, mission and strategic plan of the church.

B. Gifts Directed to the Lincoln Unitarian Foundation (LUF).

Gifts may be directed to LUF. The principal purpose of Lincoln Unitarian Foundation (LUF) shall be to acquire property, both real and personal, by gift or bequest, and to provide for its increase by suitable investment to support the building, any addition, new building, and the contents therein, the grounds or equipment, and to support the general welfare and use of the Unitarian Church of Lincoln, Nebraska. Refer to the Lincoln Unitarian Foundation (LUF) Resolution and Operating Policies.

C. Financial Intake Form. The Financial Intake Form will be filled out for any gifts to the church or LUF that do not fit into an existing campaign, which is reported on the church’s financial statement for the individual.

Section 3 – Responsibility to Donors

A. Commitment to a Donor-Centered, Philanthropic Approach: UCL, its staff and volunteer representatives shall endeavor to assist donors in accomplishing their philanthropic objectives in a donor-centered way. In many circumstances, this may involve the donor’s professional advisors, as charitable support is often integrated with a donor’s overall tax, estate and financial planning.

B. Confidentiality & Anonymity: Information concerning all transactions between a donor and UCL shall be made available only to church personnel with a need to know in the performance of their official functions; otherwise, such information shall be held by UCL in strict confidence and may be disclosed only with the permission of the donor or the donor’s designee. UCL shall

respect the wishes of any donor offering anonymous support and will implement reasonable procedures to safeguard such donor's identity.

Section 4 – Legal Considerations

A. Legal Compliance: UCL shall comply with all local, state and federal laws and regulations concerning all charitable gifts it encourages, solicits or accepts. All required disclosures, registrations and procedures shall be made and/or followed in a thorough and timely manner.

B. No Legal, Tax and Financial Advice: UCL shall inform prospective donors that it does not provide legal, tax or financial advice, and shall encourage prospective donors to discuss all charitable gift planning decisions with their own advisors before entering into any commitments to make gifts to UCL.

C. No Endorsement of Providers: UCL shall not endorse legal, tax or financial advisors to prospective donors.

D. Payment of Fees: It will be the responsibility of the donor to secure an appraisal (where required) and to pay for the advice of independent legal, financial or other professional advisers as needed for all gifts made to UCL.

E. No Preparation of Legal Documents: UCL shall not prepare legal documents for execution by donors.

F No Finder's Fees or Commissions: UCL shall not pay fees to any person as consideration for directing a gift by a donor to UCL.

G. Service as Executor or Living Trust Trustee: UCL will not agree to serve as executor of a decedent's estate or as trustee of a living trust or other trust intended to serve as a person's primary estate planning document.

H. Use of Consultants: When appropriate UCL shall seek the advice of legal and other consultants in matters relating to the acceptance of gifts.

Section 5 – Gift Acceptance Guidelines

A. Implementation: UCL will accept assets of all types, including gifts of cash, marketable securities, closely-held securities and limited partnership interests, interests in real estate, and tangible and intangible property. In considering whether to accept gifts, the Board shall follow the additional guidelines below.

B. Unrestricted and Restricted Gifts: UCL welcomes outright gifts, in which UCL's full ownership of the asset is immediate once the asset is given and where neither the donor nor any other party retains an interest.

1. Securing outright gifts without restriction is UCL's highest priority, permitting the Board to best direct the use of resources to accomplish UCL's mission and ends.

2. Restricted gifts:

a. Outright gifts with restrictions which are directed to programs included in the church's general operating budget, to the church's endowment funds, or to an existing restricted reserve fund will be accepted.

b. Other outright gifts with restrictions may be accepted on a case-by-case basis if they further UCL's vision. If necessary, new reserve funds may be established for such gifts.

c. UCL reserves the right to decline gifts which are too restrictive in purpose, violate the by-laws, are too difficult or costly to administer, or are for purposes outside of its vision.

d. Gifts offered to the church that would significantly alter the aesthetics of the church or programs of the church will be referred to the Board, which will seek recommendation from the Program Council. The council will refer the matter to the appropriate cluster for review and recommendation to the council, which has the ultimate authority to make the recommendation to the Board.

e. Gifts offered to the church to enable a restricted long-term and significant alteration of the Church's property or program will be received only:

1). Upon the Board of Trustees' approval of the proposal or approval by the Church Membership if the gift is more than 5 percent of the current church budget.

Or

2) With the donor's agreement to an alternate disposition of the gift, upon approval by the Board of Trustees' or by the Church membership if the gift is more than 5 percent of the current church budget.

3. Donors may notify UCL of future intended gifts, such as testamentary bequests, trust provisions, and retirement plan and unrestricted gifts. The Board will determine how the gift will be used, when the gift is received.

C. Memorial Gifts

1. All gifts received by the Church in memoriam will be managed and invested by LUF and separately accounted for, pending instruction from the Executive Committee, as to their disposition.

2. The Executive Committee may authorize the expenditure of in memoriam gifts only for acquisitions or projects which are expected to serve the church for at least five years.

3. If there are no members of the memorialized person's family who are also active members of the church, the Executive Committee may authorize expenditure of the in memoriam gifts as it deems will best serve the church's vision.

4. If there are members of the memorialized person's family who are active members of the church, the Executive Committee may authorize expenditure of those in memoriam gifts only with the agreement of those church members. The Executive Committee may suggest acquisitions or projects, which the Committee feels would best serve the church.

5. When an agreement with members is required to authorize the expenditure of in memoriam gifts, the Executive Committee will seek an agreement for such expenditure at least through one full church fiscal year following the receipt date of the most recent gift. Beyond the end of that fiscal year, if no agreement for the expenditure has been reached, the Executive Committee may elect to either:

a.) Continue to seek an agreement for expenditure

b.) Convey the gifts to the Lincoln Unitarian Foundation for incorporation into the general investment fund.

D. Assets Accepted as Gifts: UCL will consider accepting all asset types as gifts, including cash; marketable securities; closely-held or restricted securities or limited partnership interests; interests in real estate; tangible personal property; intangible personal property (such as copyright interests or life insurance); IRA charitable rollover; IRAs and retirement plan beneficiary designations; and bequests in wills and trusts.

1. Cash: As a general rule, UCL will accept unrestricted outright gifts of cash.

2. Marketable Securities: As a general rule, UCL will accept unrestricted gifts of securities once it has determined that the securities are readily marketable (publicly-traded or otherwise marketable without substantial restriction).

3. Closely-Held or Restricted Securities or Limited Partnership Interests: As a general rule, gifts of closely-held or restricted securities or limited partnership interests will be accepted only if they meet UCL's guidelines as stated in this policy. See D. 11. a. and b.

4. Interests in Real Estate: Gifts of interests in real estate may be accepted only with the approval of the Board. As a general rule, real estate or other interests in real property (leaseholds, life estates, easements, etc.) will be accepted only if:

a. The property has no significant environmental concerns as determined by an outside consultant agreeable to both the donor and UCL, or the cost of cleaning up any environmental concerns has been determined and found acceptable by the Board;

b. The property has been physically inspected and evaluated by appropriate qualified experts of UCL's choosing;

c. The property has no mortgage or other encumbrance, such as leasehold or life estate interests or easements benefiting other parties, that would significantly

diminish the asset's value or cause ownership or management to be costly or an administrative burden;

d. UCL has evaluated and approved the property based on other relevant criteria, including but not limited to present market value based on an appraisal as determined by an appraiser agreeable to both the donor and UCL within the last 12 months; marketability; cost of acquisition; income potential while the property is held; zoning; appreciation/depreciation potential; maintenance and repair expense; loan expense; property taxes, unrelated business income tax and other possible tax implications; marketing, commission and closing costs for a future sale; improvement, renovation or retrofitting costs; safety, other liabilities and appropriate insurance costs;

e. The title and transfer documents are satisfactory to UCL; and

f. For gifts subject to a retained life estate, the donor or primary life beneficiary shall be responsible for all expenses other than capital expenditures during the life tenancy, including but not limited to maintenance, real estate taxes, assessments and insurance.

5. Tangible Personal Property: As a general rule, UCL will accept gifts of tangible personal property (jewelry, books, works of art, collections, equipment and other tangible property). In determining whether a gift should be accepted, the Board shall consider whether the asset would be useful to UCL without substantial additional cost or administrative burden or that the cost is justified under the circumstances, or whether the asset can be disposed of in a timely and cost-effective manner. If the tangible item offered as a gift is intended for display or other use in the church facilities, the Board may ask for recommendation from the program council and relevant cluster to determine the acceptability of the gift.

6. Intangible Personal Property: As a general rule, UCL will accept gifts of intangible personal property (e.g., copyrights, trademarks, patents). In determining whether a gift should be accepted, the Board shall consider criteria relevant to the proposed gift (particularly as to the value of the asset vis-à-vis the expected cost of administering or maintaining the asset).

7. Life Insurance: An outright gift of a paid-up life insurance policy with current cash value may be accepted and submitted by UCL for redemption by the insurer; however, cash-value policies with outstanding loans may result in adverse tax consequences to the donor and will not be accepted unless the donor has acknowledged in writing that there may be possible adverse consequences and that he or she has had an opportunity to consult with his or her own advisors. UCL also will accept a gift of term life insurance or not-fully-paid-up cash value insurance when UCL is designated both as owner and beneficiary and the donor pledges to contribute all future premiums.

8. IRA Charitable Rollovers: UCL may accept all gift directly transferred from an IRA, as permitted under the Pension Protection Act of 2006 and subsequent extensions.

9. IRAs and Retirement Plan Beneficiary Designations. Donors and supporters of the church shall be encouraged to name the Unitarian Church of Lincoln as beneficiary of their IRA's and retirement plans. Such designations shall not be recorded as gifts to the Unitarian Church of Lincoln 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 on the Financial Intake Form at the time the gift becomes irrevocable.

10. Wills and Trusts: Donors and supporters of the church shall be encouraged to make bequests to the UCL under their wills and trusts. Such bequests shall not be recorded as gifts to the UCL 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 on the Financial Intake Form at the time the gift becomes irrevocable.

11. Assets Not Readily Marketable: Assets that are not readily marketable may be accepted only with the approval of the Board. Such assets will be accepted only after the Board has determined that:

- a. The asset is of a type that will be in furtherance of UCL's vision and is not difficult or costly to administer or maintain; or
- b. The value of the asset is such that the cost of administering or maintaining the asset would be justified, taking into consideration both the time during which the gift would likely be held, and competing UCL needs and priorities during the holding period.

12. Other Types of Assets: Other types of assets not mentioned in this policy may be accepted by UCL with the approval of the Board on a case-by-case basis and may require consultation with legal and other consultants.

E. Planned Giving (Split-interest Gifts; Charitable Lead Gifts; Charitable Gift Annuities; Charitable Remainder Gifts; Other): UCL welcomes planned gifts in which UCL's ownership of an asset is not outright. Such gifts will be addressed on a case-by-case basis and acceptance must be approved by the Board. Examples:

1. Split interest gift: A gift in which UCL is granted an irrevocable right, while at the same time the donor retains rights or grants rights to other parties.
2. Charitable lead gift: A gift that begins with an interest that is retained or directed by the donor or other party and then passes to UCL upon completion of the non-charitable phase.
3. Charitable gift annuity: A contract between UCL and a donor in which UCL agrees to pay the donor a lifetime annuity in return for a gift of cash, securities or other property.
4. Charitable remainder gift: A gift that benefits UCL first, following which a remainder interest passes to the donor or beneficiaries.
5. Other types of planned giving: Other types of planned giving not mentioned in this policy may be accepted by UCL with the approval of the Board on a case-by-case basis and may require consultation with legal and other consultants.

F. Sources of Gifts: UCL is authorized to receive gifts made legally from any source. However, the Board may decline to accept a gift, for example, if there are concerns about the legal competency of the donor, or if inappropriate or undesirable social consequences may result from acceptance of the gift.

G Not All Gifts Accepted: Not all proposed gifts will be accepted. Some proposed gifts, while deeply appreciated, will not meet UCL's policy guidelines and will be declined, with regret.

H. Disposition of Gifts: UCL's general policy is to sell or otherwise monetize the value of a gift so as to convert a gift to cash as soon as practicable. Assets that are or can be made readily marketable and that can be promptly sold or otherwise monetized are preferred.

I. Costs: Donors are expected to pay the costs associated with UCL's decisions concerning acceptance of gifts, such as costs of documenting essential information regarding a gift, costs of environmental assessments, and costs of appraisals and other means of establishing the value of a gift. However, after UCL has accepted a gift, UCL will pay the costs associated with monetizing or administering the gift unless otherwise agreed with the donor.

J. Valuations: The tax-deductible value of an asset acknowledged to the donor will be established in accordance with regulations issued by the Internal Revenue Service, or in the absence of such regulations, in accordance with guidance provided by UCL's legal and accounting advisors.

Section 6 – Donor Recognition

A. Gift Recognition Displays:

1. UCL will maintain a unified public display recognizing:
 - a. persons, in whose memory gifts have been received after September 9, 2008
 - b. persons from whom a gift by bequest has been received after September 9, 2008
2. So long as this public display is maintained, expenditures funded by such gifts will not result in separate recognition displays (such as plaques or signs affixed directly to the specific acquisitions or improvements so funded) unless the Board specifically votes to approve such separate recognition.

B. Buildings: Except in the case of naming opportunities approved by the Board, UCL shall make no commitments to donors concerning the naming of buildings or facilities..

Section 7 – Periodic Review

The Board shall review this gift acceptance and disposition policy at least once every five years to ensure that it continues to accurately and adequately describe the policies of UCL with respect to acceptance and disposition of charitable gifts.