

# **All Souls Church Unitarian, Washington, DC**

## **Gift Acceptance Policy**

### **1. Introduction**

All Souls Church Unitarian, Washington, DC solicits and accepts gifts to fund its activities and fulfill its mission. All Souls urges 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 guidelines govern acceptance of gifts made to All Souls for the benefit of any of its operations, programs or services.

All Souls will not accept gifts that (a) would result in All Souls violating its articles of incorporation, (b) would result in All Souls losing its status as an IRC § 501(c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences for All Souls including harm to its reputation, or (e) are for purposes outside All Souls' mission. Decisions on the acceptance or refusal of a gift shall be made by the Board of Trustees in its absolute discretion.

### **2. Unrestricted Gifts**

All Souls encourages its donors to make unrestricted gifts to All Souls Church. Unrestricted gifts provide All Souls the greatest flexibility to direct resources where they are most needed at any particular time. For that reason, unrestricted gifts are always preferred. Unrestricted gifts are placed in the General Endowment.

### **3. Restricted Gifts**

All Souls accepts restricted gifts as follows:

- a. Purpose-restricted gifts  
All Souls will accept gifts restricted as to the purpose for which they can be used when they support activities included in the annual budget or for purposes specified in a special campaign.

In addition to the unrestricted General Endowment, All Souls currently has named Endowments that can be grouped according to purpose:

Social Justice: Beckner, Shively, and Davies Memorial Endowments

Building and Grounds: Holmwood Endowment

Religious Education (RE): RE Endowment

General Purpose: Mason Endowment

There are specific church committees already in place to review and recommend specific uses of disbursements from these Endowment Funds. If a purpose-restricted gift is designated as either Social Justice, Building and Grounds, or Religious Education, it can, therefore, be more simply managed and disbursed for the specified purpose within these defined areas. Persons making a purpose-restricted gift not specifically for an existing annual budget item or special congregation-approved campaign are encouraged to designate its purpose broadly as one of the following categories (social justice, building and grounds, RE or music). Wherever possible, donors are encouraged to augment a specific fund with the desired purpose, rather than creating a new set of restrictions that need to be separately managed.

Gifts for other purposes must be reviewed and approved by Board of Trustees. (see addendum for Models of Purpose Restricted Gift).

b. Permanently restricted gifts

Gifts for the purpose of creating a named endowment must be at least \$500,000 or another amount as approved by the Board of Trustees on an exceptional basis. Such gifts will be invested with All Souls' other endowment funds under guidance of the Investment Committee and overseen by the Board of Trustees. Amounts will be disbursed from the fund in accordance with All Souls' spending policy, which may change from time to time. Currently All Souls' endowment funds are invested with the UU Common Endowment Fund and The Investment Fund for Foundations both of which seek to return 5% above inflation over the long term. As with other gifts, disbursements from the endowed fund may be unrestricted or purpose restricted. The language of "permanent restriction" used in the gift may limit the investment options, long-term yield and resulting impact on church functions. Therefore permanent-restriction language should be carefully considered (see addendum on Model for Permanent Restriction Gift).

c. Gifts to congregation-approved special campaigns

The acceptance and management of gifts to a congregation-approved special campaign (e.g., the Third Century Campaign for church renovation) will be accepted and managed according to the specific needs as determined by the Board of Trustees in its absolute discretion. For example, they may be managed separately from the long-term endowment funds listed previously. Gifts to any such campaigns for a purpose outside the original plan must be approved by the Board of Trustees (see addendum for Model for Special Campaign Gift).

#### **4. Types of Gifts**

##### **a. Gifts of Cash**

Cash is acceptable in any form. Checks should be made payable to All Souls and should be delivered to the Executive Director in the All Souls administrative office.

##### **b. Pledges**

All Souls welcomes support in the form of pledges. Pledges should extend no more than five years.

##### **c. Gifts of securities**

- Marketable securities may be transferred to All Souls' brokerage account with the transferor's signature or stock power attached. Contact the church Executive Director for specific instructions. All Souls will send the donor an acknowledgment of the gift valued on the day the securities are received.
- Securities for which there is no active market, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, may be accepted subject to the approval of the Board of Trustees in its absolute discretion. However, gifts must be reviewed prior to acceptance to determine that:
  - there are no restrictions on the security that would prevent All Souls from ultimately converting those assets to cash,
  - the security is marketable, and
  - the security will not generate any undesirable tax consequences for All Souls.

If potential problems arise on initial review of the security, further review and recommendation by an independent financial advisor or other independent professional may be sought before a final decision on acceptance of the gift is made. The Board of Trustees may also engage independent legal counsel to review the advisability of accepting such gifts. The final determination on the acceptance of closely held securities shall be made by the Board of Trustees in its absolute discretion. The Executive Director will acknowledge gifts of stock within a month of receipt.

##### **d. Gifts of real estate**

Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Valuation of the gift is the responsibility of the donor unless the property is sold by All Souls within six months of the gift being accepted, in which case the sale value shall be the value of the gift. Prior to acceptance of real estate, All Souls shall require an initial review of the property to ensure that the property has no

hidden or undesirable contingencies, encumbrances, or liabilities such as environmental damage or liabilities. In the event that the initial inspection reveals a potential problem, the Board of Trustees shall retain an independent qualified inspection firm to conduct an appropriate audit. The cost of the audit shall be an expense of the donor. When appropriate, a title binder shall be obtained by All Souls prior to the acceptance of the real property gift. The cost of this title binder shall be an expense of the donor.

Prior to acceptance of the real property, gifts of \$25,000 and above shall be approved by the Board of Trustees. The Executive Team can determine acceptance for gifts under \$25,000.

Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the Congregation?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there 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 and has no environmental liabilities?

**e. Gifts of tangible property**

All other gifts of tangible personal property shall be examined in light of the following criteria:

- Does the property fulfill the mission of the Congregation?
- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?

The final determination on the acceptance of other tangible property gifts shall be made by the Board of Trustees for gifts of \$25,000 and above and by the Executive Team for gifts below \$25,000. Unless otherwise agreed in writing with the donor, the property will be sold as soon as practicable.

**f. Legacy gifts**

- Charitable gift annuities (CGA): All Souls encourages its supporters to consider charitable gift annuities during their lifetimes. The minimum for a CGA is \$10,000. CGAs will be managed by the Unitarian Universalist Association and will be subject to the policies of the UUA. Donors interested in planned gifts should contact one of the Trustees for guidance.

- 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 Board of Trustees. Donors interested in making such gifts should contact the Executive Director.
- Bequests: Donors and supporters of All Souls are encouraged to make bequests under their wills and trusts. Such bequests will not be recorded as gifts to All Souls 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.
- Life Insurance Beneficiary Designations: Donors and supporters of All Souls are encouraged to name the All Souls 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.
- Life Insurance: All Souls Church 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 as determined by Internal Revenue Code and its corresponding regulations. If the donor contributes future premium payments, All Souls 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, All Souls Board of Trustees at its absolute discretion may:
  - continue to pay the premiums,
  - convert the policy to paid up insurance, or
  - surrender the policy for its current cash value.

**g. Other gifts**

Other more complicated and esoteric gifts – such as remainder interests in property; oil, gas and mineral interests; bargain sales; may be accepted by All Souls, but only with the approval of the Board of Trustees. Consideration will be given to the time and costs involved in assessing and structuring the gift before accepting it.