

PROPOSED

Eastrose Fellowship Unitarian Universalist Gift Acceptance Policy

PURPOSE:

Eastrose Fellowship Unitarian Universalist (hereafter referred to as “Eastrose”), solicits and accepts gifts for purposes that will help Eastrose further fulfill its mission. This policy serves as an internal guide to the Eastrose and its Board of Trustees and allows flexibility in treatment of gifts on a case-by-case basis.

The Eastrose Gift Acceptance Policy rests on several assumptions and principles:

1. All gifts shall be consistent with the mission statement of Eastrose.
2. The solicitation and administration of charitable gifts is a process involving spiritual, philanthropic, personal, financial, legal, and tax considerations. Eastrose intends that the process will achieve a fair and proper balance between the interests of the donor and the purposes of Eastrose.
3. Donors are encouraged to discuss gift planning with their professional advisors. Any communication with donors regarding planned giving or deferred gifts should clearly indicate that Eastrose does not provide legal or tax advice.
4. No irrevocable gift, whether outright or life-income in character, will be accepted if Eastrose has cause to believe that, under any reasonable set of circumstances, the gift would jeopardize the donor’s financial security.

The following policies and guidelines govern acceptance of gifts made to Eastrose for the benefit of any of its operations, programs or services:

USE OF LEGAL COUNSEL:

Eastrose will seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate. Review by counsel is recommended for:

1. Gifts of securities that are subject to restrictions or buy-sell agreements.
2. Documents naming Eastrose as trustee or requiring Eastrose to act in any fiduciary capacity.
3. Gifts requiring Eastrose to assume financial or other obligations.
4. Transactions with present or potential conflicts of interest.
5. Gifts of property which may be subject to environmental or other regulatory restrictions.

RESTRICTIONS ON GIFTS:

Eastrose will not accept gifts that:

1. Would result in the violation of its corporate charter;

2. Would result in Eastrose losing its status as a not-for-profit organization;
3. Are too difficult or too expensive to administer in relation to their value;
4. Would result in any unacceptable consequences for Eastrose; or
5. Are for purposes outside the mission of Eastrose.

Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board of Trustees in consultation with the Eastrose Finance Committee and the Eastrose minister.

GIFTS GENERALLY ACCEPTED WITHOUT REVIEW:

1. **Cash.** All unrestricted gifts by cash, check or money order shall be accepted by Eastrose. Gifts shall be made payable to Eastrose, and include information as to the intent of the donor. In no event shall a check be made payable to an individual who represents Eastrose.
2. **Pledges.** Pledges of unrestricted cash may be payable in single or multiple installments. The pledge should generally not exceed three (3) years in duration, unless otherwise agreed to by Board of Trustees in consultation with the Eastrose Finance Committee, or in the case of specific major giving campaigns for which longer term pledges may be appropriate. Donors using this option must complete a pledge form or otherwise confirm the pledge in writing.
3. **Marketable Securities.** Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by the Board of Trustees in consultation with the Finance Committee. In some cases marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Eastrose Board of Trustees.
4. **Planned Gifts and Life Income Arrangements.** Planned gifts are given from accumulated assets that will provide future financial resources for mission and ministry while providing current benefits to donors or their designees. Eastrose encourages planned gifts to benefit the present and future setting of the church. Planned gifts include bequests and beneficiary designations under revocable trusts, life insurance policies, commercial annuities and retirement plans.

Certain forms of gifts or donated properties may be subject to review by the Board of Trustees in consultation with the Finance Committee and minister.

GIFTS SUBJECT TO REVIEW:

Certain forms of gifts or donated properties may be subject to review by the Board of Trustees prior to acceptance, with consultation with the Finance Committee as appropriate. Examples of gifts subject to prior review include, but are not limited to:

1. **Highly designated gifts.** Gifts that are highly designated as to a specific project, geographical location, or that would be counter to or cause a shift in program priorities.
2. **Tangible Personal Property.** The Board of Trustees in consultation with the Finance Committee shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations:
 1. Does the property further the organization's mission?
 2. Is the property marketable? Are there any unacceptable restrictions imposed on the property?
 3. Are there any carrying costs for the property for which the organization may be responsible?
 4. Is the title/provenance of the property clear?
3. **Certain Other Gifts** - real property, personal property, in-kind gifts, non-liquid securities, and contributions whose sources are not transparent or whose use is restricted in some manner, must be reviewed prior to acceptance due to the special obligations raised or liabilities they may pose for Eastrose. Eastrose will accept gifts of life insurance where Eastrose is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
4. **Real Estate.** All gifts of real estate are subject to review by the advisors the Board of Trustees chooses. A residential property shall require an inspection, paid for by the donor, according to industry standards. Prior to acceptance of any gift of real estate other than a personal residence, Eastrose shall require an environmental review by a qualified environmental firm. In the event that the initial review reveals a potential problem, the organization may retain a qualified environmental firm to conduct an environmental audit. Criteria for acceptance of gifts of real estate include:
 - Is the property useful for the organization's purposes?
 - Is the property readily marketable?
 - Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
 - Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
 - Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?
5. **Gifts in Kind.** Gifts in kind (real estate, life insurance, equipment, works of art, etc.) should be reviewed with special care to ensure that acceptance will not involve financial commitments disproportionate to the usefulness of the gift. Consideration should be given to the cost of maintenance, cataloging, transportation, delivery, insurance, display, storage, any space requirements for exhibition or storage, repair, inspection, and costs of selling.

6. **Endowment.** Eastrose will work with prospective donors on the terms and conditions of restricted or unrestricted endowments, provided they support the mission of Eastrose. A minimum donation of \$50,000 is required to create a named endowment. Donors who wish to work toward the creation of a named endowment may request that contributions be earmarked for the future establishment of a named endowment, provided the \$50,000 minimum is accomplished within 36 months after receipt of the first earmarked contribution. Eastrose will ensure that, once \$50,000 in earmarked funds has accumulated within the stipulated time period, a newly created endowment is established in accord with the wishes of the donor. All endowments will be invested in the Unitarian Universalist Endowment Fund.

In all cases, the establishment of a special purpose endowment fund requires the approval of the Board of Trustees based upon recommendations from the Finance Committee and the minister. Because conditions change over time, all endowment Memos of Understanding should contain the following contingency clause: *“If, in the opinion of the Administration of Eastrose, all or part of the funds cannot be applied in strict conformance with the purposes previously stated, the Eastrose may use these funds for other appropriate purposes as nearly aligned to the original intent of the donor as good conscience and needs dictate and within the authorized powers of the Board of Trustees.”*

GIFT ACKNOWLEDGMENT:

Eastrose will provide acknowledgments to donors meeting IRS substantiation requirements for property received by the charity as a gift. However, except for gifts of cash and publicly traded securities, no value shall be ascribed to any receipt or other form of substantiation of a gift received by Eastrose. Eastrose will respect the intent of the donor relating to gifts accepted for restricted purposes and those relating to the desire to remain anonymous. With respect to anonymous gifts, Eastrose will restrict information about the donor to only those staff members with a need to know.

ADMINISTRATION

These policies shall be reviewed periodically and may be revised from time to time by Eastrose Board of Trustees.