

First Unitarian Universalist Congregation of Ann Arbor
Pledge and Gift Principles, Policies and Procedures

Adopted November, 2016

I. General Principles

- A. The First Unitarian Universalist Congregation of Ann Arbor (hereafter “Congregation”) welcomes gifts regardless of size or form, from any person or organization wishing to support the Congregation’s mission. Congregational leaders, lay and professional, are available to provide assistance to a prospective donor. Discussions often include areas of interest, the plans of the Congregation, types of gift commitments, and options for payment. A donor’s legal and financial advisors are welcomed participants as lay and professional leaders can neither provide estate and tax planning advice, nor recommend advisors, due to conflicts of interest. All discussions will be confidential and respect the donor(s)’ wishes regarding anonymity.
- B. Gifts are sought and accepted only for programs and purposes which have been approved by the Board of Trustees of the Congregation and must be consistent with the mission of the Congregation.
- C. Gifts to the Congregation should be made in the name of the Congregation and will be taken, held and administered, and acknowledged by the Board of Trustees. Options for giving include one, or a combination of the following:
- multi-year pledges;
 - appreciated securities or other personal assets;
 - deferred and planned gifts including:
 - trusts;
 - annuities;
 - insurance policies;
 - gifts of residence with or without retained life interest;
 - bequests or gift intentions in a will;
 - retirement plans;
 - and, creative options yet to be developed.
- D. The President of the Board of Trustees of the Congregation has the authority to sign planned giving agreements on behalf of the Congregation. Gifts that fall outside current guidelines shall require the approval of the Board of Trustees after considering recommendations of the Planned Giving Team. The Board of Trustees may decline any commitment that is offered. The Board determines how such commitments will be recognized. Requests by donors for anonymity will be honored.
- E. The ultimate responsibility regarding asset evaluations, tax deductibility, and/or similar federal, state, and local legal compliance issues rests with the donor(s). The Congregation recommends that potential donors obtain appropriate professional assistance in making these determinations.

First Unitarian Universalist Congregation of Ann Arbor
Pledge and Gift Principles, Policies and Procedures

Adopted November, 2016

- F. Except in the case of irrevocable planned gifts, a donor may, without explanation, withdraw or modify a commitment.
- G. No employee, board member, agent, or member of the Planned Giving Team shall knowingly serve as trustee, conservator, or executor for a donor without full disclosure to, and authorization by, the Board of Trustees. If a member of the Congregation is appointed to serve as trustee, conservator, or executor for a donor, that relationship shall be disclosed to the Board of Trustees.
- H. These policies will be reviewed and, if necessary, revised every two years, and thereafter on or before December 31st of years ending in an even number.

II. 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. It is the Board of Trustees' standard policy to sell publicly traded securities when received and reinvest the proceeds according to the current investment guidelines approved by 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.

First Unitarian Universalist Congregation of Ann Arbor
Pledge and Gift Principles, Policies and Procedures

Adopted November, 2016

4. Gifts of real estate must be accepted by the Congregation in accordance with the statutory requirements governing the acquisition of real property.
 5. In view of the potential liability for environmental cleanup and toxic and hazardous waste issues concerned with real estate, any proposed real estate gift shall be subjected to 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.
 6. 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.
 7. 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.
 8. The following are general guidelines or considerations in connection with gifts of tangible personal property:
 - a. Generally, the Congregation's acceptance of such gifts cannot involve significant additional expense for their present or future use, display, maintenance, or administration.
 - b. 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.
- C. 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.
- D. 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, undesignated bequest distributions will be allocated in the following manner:

First Unitarian Universalist Congregation of Ann Arbor
Pledge and Gift Principles, Policies and Procedures

Adopted November, 2016

- 33% to reduce church debt if any; 33% to the Endowment for a Liberal Church for capital improvements and maintenance; and 33% for use in accordance with Board of Trustees' policies; or,
- if there is no church debt then 50% to the Endowment for a Liberal Church and 50% for use in accordance with Board of Trustees' policies.

E. 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.

III. 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 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.

First Unitarian Universalist Congregation of Ann Arbor
Pledge and Gift Principles, Policies and Procedures

Adopted November, 2016

- 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.

First Unitarian Universalist Congregation of Ann Arbor
Pledge and Gift Principles, Policies and Procedures

Adopted November, 2016

First Unitarian Universalist Congregation of Ann Arbor

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

1. In consideration of a \$_____ gift from (Name of Donor(s)), the First Unitarian Universalist Congregation of Ann Arbor 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)

Date

**President, Board of Trustees
First Unitarian Universalist Congregation
of Ann Arbor**

Date