



First Unitarian Society of Ithaca

Connect. Inspire. Engage.

Special Gifts Policy

I. General Provisions

A. The First Unitarian Society of Ithaca (FUSIT) encourages gifts that support its mission and identified needs, or gifts to the Endowment that help ensure the long-term vision for FUSIT.

B. FUSIT reserves the right to accept or decline all gifts offered to the Society.

C. The purpose of this policy is to make clear under what conditions FUSIT will accept gifts for the benefit of the Society, and to increase the timeliness of responses to potential donors.

D. Gifts subject to this policy do not include pledges to the annual operating budget or their payment. Gifts subject to this policy do not include pledges to the annual operating budget or their payment. Generally, gifts to the operating budget should be made through pledges or gifts in lieu of pledges, and may not be used to add staff or materials outside the operating budget, unless an exception is approved by the Board of Trustees (Board). Similarly, contributions to the annual recycling sale are not subject to this policy.

E. General Criteria for Gift Acceptance

For a gift to FUSIT to be acceptable, it must:

1. Be consistent with its Articles of Incorporation, Bylaws, and State and Federal laws and regulations;
2. Be consonant with its mission and values;
3. Not jeopardize FUSIT's status as a tax-exempt organization;
4. Not impair FUSIT's reputation or otherwise result in unacceptable consequences for FUSIT;
5. Not lack charitable intent or disproportionately benefit the donor as compared to FUSIT;
6. Have a value sufficiently in excess of the costs of administering, maintaining, selling or otherwise managing the gift;
7. If a gift is intended for sale by FUSIT, arrangements for its sale should be made by the donor prior to gift acceptance, so a sale can be completed promptly;
8. Not restrict FUSIT's right to resell real estate or tangible personal property if, in the future, it is no longer deemed necessary or desirable to support FUSIT programs.

F. Authority

1. The Board establishes this policy, and is responsible for its amendment or the approval of any exceptions to this policy. Exceptions to this policy should be rare, and shall be considered **upon the recommendation of the Minister after consultation with the Treasurer, with input as appropriate from the Minister, the Treasurer, and the Endowment and Finance Committees.** The Board is ultimately responsible for accepting gifts under this policy. All proposed *real estate* gifts cannot must be accepted by

the Board, until after first being they are evaluated under section III. below. Only the Board can accept such gifts. The Board delegates its gift acceptance responsibility under these policies to the Minister *for all gifts valued at \$20,000 or less, other than real estate or those subject to paragraphs 2. and 3. immediately below valued at \$20,000 or less* to the Minister, if available, acting upon recommendation of the Treasurer in consultation with the Endowment and Finance Committees. If the Minister is unavailable during the time period reasonably required for a response to the donor, the Treasurer shall act on the Minister's behalf.

2. For gifts valued at \$1,000 or less, the Minister may in turn delegate gift acceptance responsibility to the Treasurer in consultation with the Endowment and Finance Committees.

3. However, by Board delegation c Cash or marketable securities gifts to the operating budget in lieu of pledges may may be approved by the Stewardship Committee chair and cash or marketable securities gifts to the Endowment may be approved by the Endowment Committee chair.

G. Stewardship Considerations

1. Obligations to Donors:

- a. A donor's notification of a desire to make a gift to the Society will be kept confidential, will be promptly acknowledged, and arrangements made for next steps.
- b. A decision regarding acceptance or declination of a gift will be made as soon as reasonably possible and promptly communicated to the proposed donor.
- c. Upon acceptance and receipt of a gift, appropriate written acknowledgement including information necessary for itemized tax deduction will be promptly provided to the

- donor. The Society Administrator is responsible for issuing an appropriate receipt to the donor for tax purposes.
- d. Gifts to FUSIT and related correspondence will be considered confidential information. With donor permission, their name(s) may be added to donor recognition lists. All donor requests for confidentiality will be honored, unless disclosure is required by law.
 - e. Lists of donors' names or personal information will not be sold or given by FUSIT to other organizations.

2. Obligations of Donors:

- a. Donors are responsible for obtaining valuations of non-cash or marketable securities gifts.
- b. Donors are responsible for tax deduction filings and for obtaining appropriate professional tax accounting advice.
- c. Donors are responsible for obtaining professional advice as appropriate regarding financial and estate planning, taxation or related legal matters.
- d. Generally, donors are encouraged to sell or liquidate tangible personal property and gift the proceeds to FUSIT, unless the property is deemed by FUSIT to be necessary and desirable to support current programs. If the intent is for the property to be sold by FUSIT, then prior to making the gift the donor is responsible for preparing for the sale.
- e. For real estate gifts, donors are responsible for providing proof of clear title and, as appropriate, procuring an environmental assessment that the property is free of environmental liabilities.

3. Restrictions on the Actions of Society Officers, Employees and Volunteers:

- a. FUSIT representatives shall not provide tax, legal, financial or estate planning advice to donors or prospective donors.
- b. No one person acting on behalf of FUSIT, or their ~~its~~their business or family members, shall receive a fee, commission,

or other benefit for directing a donation to FUSIT, and FUSIT does not pay fees or commissions for directing a donor or gift to FUSIT.

II. Gifts of Cash or Marketable Securities

A. Unrestricted Gifts

Donors are encouraged to make unrestricted gifts to FUSIT, which afford maximum flexibility in meeting FUSIT's needs. In the case of marketable securities, they will be sold as soon as possible upon receipt and the proceeds applied to the operating budget, the Endowment including its sub-funds such as capital projects, or other purposes as appropriate.

B. Restricted Gifts

Restricted gifts are also welcome, but restrictions must be mutually acceptable to FUSIT and the donor.

III. Gifts of Real Property or Tangible Personal Property

A. Real Estate

1. At a minimum the following considerations should be reviewed when determining whether to accept gifts of real estate:

- a. Is the property useful and desirable for the purposes of the Society;
- b. Is the property marketable;
- c. Are there carrying costs associated with the property (which may include insurance, property taxes, maintenance, etc.);
- d. Does the donor have clear title to the property;
- e. Are there any restrictions, reservations, zoning provisions, easements or other limitations associated with the property; and
- f. Are there any environmental liabilities associated with the property?

2. Prior to acceptance of a gift of real estate, the Society may require an environmental review. When appropriate, the Society may require title insurance obtained by the donor as a condition of acceptance of the real estate gift.

3. Valuation and Costs

If the real estate is intended and accepted for use by the Society, then the valuation of the gift is the responsibility of the donor consistent with applicable tax regulations regarding assessed value and other considerations. If the real estate gift is intended for sale, then the valuation of the gift shall be determined by applicable tax regulations such as the sale price, comparable property sales, or assessed valuations. All costs associated with the sale of property gifted to the Society shall be paid from the sale proceeds unless otherwise paid by the donor.

B. Gifts of Tangible Personal Property (pianos, other musical instruments, paintings or other artistic works, furniture, computers and office equipment, jewelry sound systems, etc.):

1. At a minimum, the following considerations should be reviewed when determining whether to accept gifts of tangible personal property:
 - a. Is the gift currently useful and desirable for purposes of the Society;
 - b. Are there any carrying costs associated with the gift property; and
 - c. Are there any undue restrictions on the use or sale of the property?
 - d. If the gift does not meet a current need of the Society, is appropriate for sale, and is immediately marketable, the donor should sell the property and gift the proceeds to FUSIT. This seems overly broad. What about the gift of something that could easily be sold, but would fulfill a need of the Society (e.g. a computer for the office)
 - e. If in unusual circumstances the gift is to be sold after acceptance by FUSIT, then the donor should arrange for a sale prior to acceptance of the gift by FUSIT.

2. Valuation and Costs

If the property is intended and accepted for use by the Society, the valuation of the gift is the responsibility of the donor in keeping with applicable tax regulations. If the gift is sold by the Society, then the valuation shall be determined upon the sale price. All costs of the sale, if any, shall be deducted from the sale proceeds.

IV. Gifts by Will, Living Trusts, Life Insurance, Other Beneficiary Designations, Pooled Life Income Funds, and Charitable Gift Annuities

A. Donors are strongly encouraged to discuss these instruments and beneficiary designations with FUSIT in advance (see the list of appropriate contacts below).

B. Such bequests or beneficiary designations will not be recorded as gifts to FUSIT 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 the gift may be recorded at the time the gift becomes irrevocable. Discussions encouraged in IV. A. above may be necessary to determine the point at which designations can be recorded as gifts.

C. For a donated life insurance policy to be recorded as a gift, FUSIT must be named as a non-contingent beneficiary and the irrevocable owner of the policy. If the donor of a life insurance policy contributes future life insurance premium payments, FUSIT will consider the premium payment as a gift in the year it is paid. If the donor does not elect to continue to make premium payments on the life insurance policy, FUSIT may continue to pay the premiums, convert the policy to paid-up insurance, or surrender the policy for its current cash value.

D. Planned gifts such as Charitable Gift Annuities are strongly encouraged. Prospective donors should contact the chair of the Endowment Committee to discuss such gifts, as well as discussing them with their financial, tax, or legal advisors.

V. Other Complex or Esoteric Gifts (remainder interests in property; oil, gas, and mineral interests, charitable remainder trusts, etc.)

In general, such gifts are not accepted by FUSIT. However, a donor proposing such a gift may wish to discuss it with the Minister. After soliciting appropriate internal or professional advice, the Minister may recommend to the Board that in a specific case an exception be made to this general provision. Unless approved by the Board, FUSIT shall not serve as trustee or co-trustee of trusts or charitable remainder trusts.

VI. Contacts for prospective donors:

- A. Cash and marketable securities gifts in lieu of or in addition to operating budget pledges may be discussed with the chair of the Stewardship Committee;
- B. Gifts to the Endowment must be discussed with the chair of the Endowment Committee;
- C. Gifts of real estate must initially be discussed with the Minister or the Minister's designee; and
- D. Gifts of tangible personal property must be discussed with the Minister or the Minister's designee.
- E. When in doubt, or if the designated person is not available, the Minister may be consulted by a prospective donor about the appropriate FUSIT contact.