

PENNSYLVANIA SOUTHEAST CONFERENCE OF THE UNITED CHURCH OF CHRIST

# Gift Acceptance Policy

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Adopted by the Endowment Committee (January 29, 2015)

**Adopted by the Conference Consistory (03/21/2015)**

Amended by (date)

**Pennsylvania Southeast Conference  
United Church of Christ  
GIFT ACCEPTANCE POLICY**

**PURPOSE**

This policy serves as a guideline to the members of the Pennsylvania Southeast Conference staff, Conference Consistory, and Endowment Committee involved with accepting gifts on behalf of the Conference. This policy is intended as an internal guide and allows flexibility in treatment of gifts on a case by case basis.

The Pennsylvania Southeast Conference Gift Acceptance Policy rests on several assumptions and principles:

The Conference's Consistory has adopted an annual spending policy for endowment income. This policy in combination with the management objectives of the Endowment Committee is intended to protect the inflation-adjusted value of gifts.

- All accepted gifts shall be consistent with the Mission Statement of the Pennsylvania Southeast Conference of the United Church of Christ.
- Not all gifts will necessarily be accepted, and this document is intended to guide the process of determining whether an offered gift may be accepted. In any instance, however, gratitude will always be expressed to the potential donor for their thoughtfulness.
- The solicitation and administration of charitable gifts is a process involving spiritual, philanthropic, personal, financial, legal, and tax considerations. The Pennsylvania Southeast Conference intends the process will achieve a fair and proper balance between the interests of the donor and the purposes of the Conference.
- In all that it does, the Conference will strive to fulfill the donor's expressed charitable intention.
- Donors are encouraged to make unrestricted gifts and gifts earmarked for special appeals because they enable the Conference to promptly fund new ministries in response to changing conditions.
- Donors wishing to make restricted gifts for a specific purpose are encouraged to contact the Endowment Committee or Gift Review Committee (when established) for guidance. Either of these committees will work with the donor to evaluate such gifts in accordance with this policy.
- Donors should be encouraged to discuss deferred giving plans with their professional advisors. Any communications with donors regarding planned giving or deferred gifts should clearly indicate that the Pennsylvania Southeast Conference does not provide legal or tax advice.
- All donors shall be gratefully acknowledged publicly by the Conference for their gifts; however, the Conference will respect the intent of the donor relating to the desire to remain anonymous, if applicable.

**DEFINITIONS**

In this policy statement, a "donor" is a person or group that gives a valuable asset (which may include, for example, cash, securities, gifts in kind, or real estate), or that makes a bequest of such an asset for the benefit and use of the Pennsylvania Southeast Conference. A bequest is a promise made in a will to donate an asset to the Conference after one's death.

#### RESTRICTED GIFTS\*

**Gifts may be restricted by the donor to specific purposes that are consistent with the Pennsylvania Southeast Conference's mission, purposes and priorities. Such restrictions and conditions shall be contained in a Gift Instrument, which will be reviewed by the Endowment Committee** (or its designated subcommittee, the Gift Review Committee when established)**modified if deemed necessary, and signed by the donor and the Conference Minister to indicate acceptance of the restrictions and conditions contained in the Gift Instrument.** Designated gifts less than \$25,000 will be spent on the purposes for which they were accepted, and it is expected those funds will be spent promptly. Funds which have not been spent for their intended purpose within two years or which have been left over from a completed project or goal will be applied to another Consistory approved ministry or project, at the discretion of the Endowment Committee and Conference Consistory.

The Gift Review Committee, when established, shall be comprised of the Conference Minister and at least two but not more than four other members as may be appointed from time to time by the Consistory of the Conference.

**\*Please note that donors may not revise restrictions or influence the use of funds after the gift has been made and accepted by the Pennsylvania Southeast Conference.**

#### CASH

All unrestricted gifts by cash, check, credit card, via on online contribution, or money order shall be accepted by the Pennsylvania Southeast Conference. Checks shall be made payable to the Pennsylvania Southeast Conference, and include information as to the intent of the donor. In no event shall a check be made payable to an individual who represents, in any way, the Pennsylvania Southeast Conference. Unrestricted cash gifts will be accepted and acknowledged through the normal accounting procedures of the Conference. Restricted or designated cash gifts will be accepted upon approval of the Endowment Committee.

#### PUBLICLY TRADED SECURITIES

Readily marketable securities, such as those traded on a stock exchange, will be accepted by the Pennsylvania Southeast Conference.

- Gift securities will be sold immediately by the Conference.
- For the Pennsylvania Southeast Conference's gift crediting and accounting purposes, the value of the securities is the average price of the security on the date delivered to them. For the purposes of the donor's charitable deduction, the donor, as determined under IRS rules, is responsible for valuing the stock.
- Usually delivery date determines the valuation date and year of deduction. Accordingly, delivery date will be confirmed by the Finance Operations Manager and communicated to the donor on the Form of Acknowledgement.

If the securities are held at the donor's brokerage firm or bank, the donor should instruct the broker or bank to contact the Finance Operations Manager for transfer instructions.

If the securities are held by the donor in the form of stock certificates, the donor should deliver unendorsed certificates by registered or certified mail to the Pennsylvania Southeast Conference. The donor must also provide the Pennsylvania Southeast Conference with a signed Irrevocable

Stock Power that has been Medallion Signature Guaranteed (available at commercial and savings banks and credit unions), for each stock certificate delivered to the Conference. The stock powers should always be sent separately from the stock certificates.

#### CLOSELY-HELD SECURITIES, PARTNERSHIP INTERESTS

Gifts of non-publicly traded securities and general partnership interests must be reviewed on a case-by-case basis by the Endowment Committee and legal counsel.

Before acceptance, the Pennsylvania Southeast Conference shall explore methods of liquidation of the securities through redemption or sale. The Pennsylvania Southeast Conference will consider accepting such property only if there is a realistic prospect of selling it quickly. A representative of the Pennsylvania Southeast Conference will contact the closely held corporation or other entity (partnership, LLC) to determine:

- an estimate of fair market value
- any restrictions on transfer
- any potential liabilities or adverse tax consequences

The Endowment committee may request an appraisal by a qualified professional.

No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

#### GIFTS IN KIND

Gifts in Kind (real estate, life insurance, equipment, books, works of art, etc.) should be reviewed with special care to ensure that acceptance will not involve financial or time 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.

#### REAL ESTATE

Gifts of real estate must be reviewed on a case by case basis by the Endowment Committee before acceptance, taking into account, among other things:

- physical condition of the property
- likelihood of an immediate sale
- current market analysis
- environmental liabilities
- potential use of the property other than sale

No gift of real estate will be accepted unless the estimated net proceeds to the Pennsylvania Southeast Conference would be at least \$25,000.

In order to review the gift, the Pennsylvania Southeast Conference will require the donor to provide a copy of the deed, current property tax bill title reports, notes or mortgages, surveys, if available, carrying costs (e.g. dues, fees, taxes and insurance), and a Phase 1 Environmental Impact Report, described below, at donor's expense.

No gift of real estate will be accepted unless and until:

1. the property has been inspected by the Pennsylvania Southeast Conference or its agent

2. a reasonably current appraisal or market analysis in consultation with a real estate agent has been reviewed
3. a written environmental audit and report, in form and content satisfactory to the Pennsylvania Southeast Conference, has been issued
4. a title search has been performed
5. a review of the tax consequences of the donation and of any subsequent sale or other transaction has been secured
6. all mortgages and other encumbrances have been discharged, except in cases where the fair market value of the Pennsylvania Southeast Conference's interest, net of all liability, is substantial.
7. legal counsel has been retained by the Pennsylvania Southeast Conference, as appropriate, to assist with analysis and compliance and, if accepted, gift completion

The Pennsylvania Southeast Conference will not appraise or assign a value to the gifted property. For income tax purposes, the donor is responsible for obtaining an appraisal of the property made no earlier than 60 days before the date of the gift, performed by a qualified independent appraiser for purposes of supporting the donor's charitable deduction. It is the donor's responsibility to furnish IRS Form 8283 for the Pennsylvania Southeast Conference's acknowledgement and return to the Donor. The Conference Minister has authority to sign the acknowledgment on Form 8283 on behalf of the Pennsylvania Southeast Conference. The cost of the appraisal shall be borne by the donor.

The Pennsylvania Southeast Conference will dispose of all gifts of real estate (other than property that it wishes to retain) as expeditiously as possible. The Conference Minister (or designee) is responsible for filing IRS Form 8282 to report any sale of the real estate within two years of the gift.

### ***Environmental Issues***

Prior to acceptance all real estate will be evaluated for all elements of environmental impacts, such as: underground tanks, hazardous waste disposal, ground contamination, history of dumping, etc. No property shall be accepted where any legal liability may exist for noncompliance factors affecting Federal, State and Local environmental laws and regulations. Environmental surveys to ensure compliance shall be the responsibility of the prospective donor.

A Phase 1 Environmental Site Assessment should, at a minimum, include inquiry into the following areas:

- 50-year title history
- Aerial photographs and Sanborn Fire Insurance maps
- Existence of Federal, State and local statutory environmental clean-up liens.
- Review of government records of sites where there have been releases that are likely to cause contamination at the site
- Visual inspection of the site and immediately adjacent sites, including investigation into chemical use, storage, treatment and disposal practices at the site and adjacent sites.
- On-site interview
- Asbestos
- Radon
- Lead-based paint
- Underground and above ground storage tanks. The Fire Marshall may be asked to assist in determining the location of all such fuel oil tanks

The vendor doing the Phase 1 research and testing should be asked to provide a certificate of insurance, which verifies a minimum of \$1 million of insurance and indemnification coverage.

### ***Acceptance and Disposition***

With assistance of legal counsel, the Conference Minister, on behalf of the Pennsylvania Southeast Conference, will execute the following, as appropriate:

- Life Estate Agreement as to the rights and responsibilities of the life tenant/donor and the Pennsylvania Southeast Conference if the gift is a remainder interest in the donor's residence.
- Expense Reimbursement and Fee Agreement, if any. The costs associated with the conveyance and delivery will be paid by either by the donor or the Pennsylvania Southeast Conference, according to terms of the agreement.
- Closing papers, as appropriate, with respect to conveyance to the Pennsylvania Southeast Conference.
- Receipt for the gift in compliance with tax laws.
- Acknowledgement on IRS Form 8283 as furnished by donor and returned to donor for filing with donor's income tax return.
- Contract with real estate agent to sell the property
- Form 8282 filed with the IRS if the property is sold within two years of gift date

### **BARGAIN SALE ARRANGEMENTS**

A bargain sale may be considered if the sale would benefit the Pennsylvania Southeast Conference and would be handled on a case by case basis along with the help of legal counsel. The bargain sale would be the sale of property for less than its fair market value. This may be utilized when the donor wants to maximize the charitable deduction, but the donor needs some funds or an installment income stream from the sale. It is also one way to enable a gift of encumbered property to proceed. If the property or item is desired by the Conference, a bargain sale is one means to acquire the property that may be advantageous for the donor and the Conference.

Before entering into a bargain sale, the Endowment Committee will need to do due diligence by taking into account the 5 bullet points as referenced under Real Estate above.

### **LIFE INSURANCE**

Life insurance gifts will be considered on a case by case basis. The Pennsylvania Southeast Conference will accept life insurance policies only when the Conference is named as the owner and beneficiary of 100% of the policy. The Pennsylvania Southeast Conference accepts insurance policies for which the donor has relinquished ownership by assigning all rights, title, and interest to the Conference. If the insurance policy is not fully paid up and the gift is accepted, the Pennsylvania Southeast Conference may choose either to cash it in for the current surrender value or continue to pay the premium so long as the donor provides an annual contribution equal to the premium.

### **TANGIBLE PERSONAL PROPERTY**

Tangible personal property (including but not limited to cars, boats, art, collectibles, etc.) shall be accepted if approved by the Endowment Committee on a case by case basis.

The property should be able to be sold within a reasonable period of time. The property must be reviewed for any lien or collateral items against it. Arrangements for satisfaction of any such claims must be made prior to acceptance of the gift.

Items donated for special events, to be consumed or used for prizes or auctions shall generally be exempt from this section.

Note: Extra IRS scrutiny results from gifts of tangible personal property. An appraisal is required for value above \$5,000 with the appraisal performed by an acknowledged expert in the area who has formal education demonstrating such knowledge. This cost will be absorbed by the donor. It is the donor's responsibility to furnish IRS Form 8283 for the Pennsylvania Southeast Conference's acknowledgement and return to the Donor. The Conference Minister has authority to sign the acknowledgment on Form 8283 on behalf of the Pennsylvania Southeast Conference.

#### 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. The Pennsylvania Southeast Conference encourages a donor to discuss all aspects of planned gifts with the donor's lawyer, financial advisor, and tax advisor.

United Church of Christ Planned Gifts can be administered on behalf of the PSEC by the United Church of Christ Financial Development Ministry. Planned Gifts through the UCC Financial Development Ministry group can be made to benefit any setting of the church: the congregation, the Conference, related educational and health and human service ministries, national ministries of the church, or simply the United Church of Christ. The Pennsylvania Southeast Conference encourages donors to use this organization to administer their planned gifts and life income arrangements.

The following planned gift opportunities are presently available from the UCC Financial Development Ministry:

- Charitable Gift Annuities
- Pooled Life Income Funds
- Charitable Remainder Trusts
- Revocable Living Trusts
- Charitable Lead Trusts

Individuals interested in making a planned gift may contact the Conference Minister for information about the gift plans. Individuals may contact the UCC Financial Development Ministry directly for information about gift plans, application forms, or to request a personalized and confidential illustration showing terms payments, tax deductions, and other information about a specific gift plan.

For information regarding Planned Giving contact:

Conference Minister OR  
Pennsylvania Southeast Conference of the UCC  
1441 Laura Lane, Ste 100  
Pottstown, PA 19464

Financial Development Ministry  
United Church of Christ  
700 Prospect Avenue East  
Cleveland, OH 44115-1100

Phone: 484-949-8774  
E-mail: [worley@psec.org](mailto:worley@psec.org)

Phone: 800-826-6822  
E-mail: [giving@ucc.org](mailto:giving@ucc.org)

#### UNACCEPTABLE GIFTS

- Those gifts that restrict use based on race, religion, creed, nationality, sex, or exclusiveness.
- Restrictions as to donors' relatives or descendants as beneficiaries.
- Restrictions reserving the designation of the beneficiary of gifts to the donor or his/her assign.

- Restrictions on future employment of the recipient of any gift.
- Donor-imposed restrictions on interest, rates, and conditions for repayments of loans.
- Any endowment fund with limited corpus for which additional sums that are not assured, certified, and in writing, as determined by the Endowment Committee and the Consistory.

## **BEQUESTS**

The Pennsylvania Southeast Conference encourages donors to consider making gift provisions in their will or revocable trust agreement, to take effect on the donor's death. This is one of the simplest and most frequently used methods for making a planned or deferred charitable gift.

A bequest can take various forms. It may be (1) a stated dollar amount – “the sum of \$20,000”, (2) a specific property – “my residential real property located at \_\_\_”, or (3) a percentage of the residue – “one-tenth of my estate”. A “residuary bequest” grants the Pennsylvania Southeast Conference of the United Church of Christ all or a percentage of the donor's estate after other gifts, debts, taxes and administrative expenses have been satisfied.

All unrestricted bequests received will be placed in the Unrestricted Endowment Fund, unless otherwise specified by the donor. If the bequest involves securities, real estate, or personal property, etc., the respective policies for those types of items will be followed.

## **MEMORIAL AND HONOR GIFTS**

All memorial and in honor of gifts will be placed in the Unrestricted Endowment Fund, unless otherwise specified by the donor or donor's estate representative. Alternatives to the Unrestricted Endowment Fund are an Endowment with a specific purpose, the purchase of a specific item for the benefit of the Pennsylvania Southeast Conference, or a contribution to cover a specific budgeted expense of the Conference.

## **ADMINISTRATION**

The Pennsylvania Southeast Conference will pay reasonable fees for professional services rendered in connection with the completion of a gift to the Conference, unless otherwise noted under specific items. Such fees will be paid only with approval of the Endowment Committee and will be netted out of gift proceeds.

These policies and guidelines have been recommended by the Endowment Committee and approved by the Conference Consistory of the Pennsylvania Southeast Conference. These policies shall be reviewed periodically and may be revised from time to time by the Consistory as recommended by the Endowment Committee.