

Effective Date:
February 21, 2017

River Road Unitarian Universalist Congregation

GIFT POLICY

SECTION 1: PREFACE

1. This gift policy has been approved by the Board of Directors (“Board”) of the River Road Unitarian Universalist Congregation (“Congregation”) pursuant to the Board’s authority under Section 3.1 of the Congregation’s Bylaws (as amended June 7, 2015). This policy is effective as of the date indicated above. The Board may amend this policy in its discretion.
2. This gift policy shall govern the Congregation’s receipt of testamentary gifts, bequests or other donations from any source outside the Congregation’s customary annual operating activities or gifts of a perpetual nature (hereinafter, a “Gift”). This policy thus applies, for example, to the Congregation’s receipt of property transferred pursuant to a decedent’s will or by other operation of law (such as a probate court order), or to Gifts expressly designated for the Congregation’s Endowment Fund. For the avoidance of doubt, this policy shall not apply to the Congregation’s receipt of membership pledges, rental income, income from reserves or the Congregation bazaar, or donations during worship services.
3. This policy shall be interpreted in accordance with the Congregation’s Bylaws and applicable Maryland law.¹ To the extent of any inconsistencies, the Bylaws or Maryland law (as applicable) shall govern.
4. The Chair of the Endowment Committee (“EC Chair”) and the Chair of the Financial Stewardship Committee (“FSC Chair”), or such other person(s) as the Board may designate in place of the EC Chair and/or the FSC Chair, shall be responsible for administering this policy and are authorized to make decisions as outlined herein.² Any decisions of the EC Chair and FSC Chair under this policy

¹ For example, the Maryland Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), Md. Code tit. 15 § 15-401 *et seq.* (available at: <http://law.justia.com/codes/maryland/2015/article-get/title-15/subtitle-4/>), governs endowment funds of not-for-profit organizations such as the Congregation. Under UPMIFA, an “endowment fund” is “an institutional fund or part of an institutional fund that, under the terms of a gift instrument, is not wholly expendable by the institution on a current basis.” UPMIFA distinguishes endowment funds (for which UPMIFA imposes legal duties and responsibilities) from the institution’s own financial assets (which UPMIFA does not regulate).

² If the Board appoints a person to administer this policy in lieu of the EC Chair or the FSC Chair, such other person shall be treated as if he/she were the EC Chair or FSC Chair for purposes of this policy.

must be unanimous. If the EC Chair and FSC Chair cannot agree (or if there are not otherwise two individuals currently appointed to administer this policy), the Board shall resolve the issue. Any decisions by the Board under this policy require a majority vote of sitting Board members.

SECTION 2: RECEIVING AND DIRECTING GIFTS

1. Upon notice to any Board member, Congregation minister or staff member, or member of a standing Congregation committee that the Congregation is entitled to accept a pending Gift, notice shall be made to: the Board Chair, the Congregation's Treasurer, the EC Chair and the FSC Chair.
2. The EC Chair and FSC Chair shall review the nature of the pending Gift and decide: (i) whether to accept the Gift; and, if so, (ii) to which account the Gift should be credited. If the EC Chair and FSC Chair do not agree to accept a Gift, they shall notify the Board. The Board shall then decide whether to accept the Gift (and, if so, to which account the Gift should be credited).
 - a. Except as discussed in sub-sections 2.2.a.i and 2.2.b.ii below, the EC Chair and FSC Chair are authorized to accept on behalf of the Board and the Congregation any cash Gift or any Gift of securities, collectibles, interest in real property, or other property or financial asset that can readily be sold. In deciding whether to accept a Gift, the EC Chair and FSC Chair should consider the Gift's value, ease of disposition, source, and whether acceptance the Gift would necessitate any ongoing responsibilities for the Board or the Congregation.
 - i. The EC Chair and FSC Chair are not authorized to accept a Gift that cannot readily be sold, whether for legal reasons (such as because of a legally enforceable restriction imposed upon the Gift by the donor) or for practical reasons (such as because there is no market for the Gift). In the event of such a Gift, the decision whether to accept it (and, if so, where to credit it) shall be made by the Board.
 - b. If the EC Chair and the FSC Chair decide to accept a Gift, they are also authorized to decide to which account the Gift should be credited (such as the Endowment Fund or a Congregation account). The principles below shall guide their decision making. (The principles below will guide the Board's decision making as well, to the extent applicable.)

- i. *Gifts to the Endowment Fund.* In accordance with Maryland law,³ the following Gifts shall be credited to the Endowment Fund:
 1. any Gift that names the Endowment Fund as beneficiary, or any Gift made pursuant to a written instrument (such as a will) that states the Gift is intended as an “endowment,” is intended to “preserve the principal intact” or be used to generate “income,” “interest,” “dividends,” “rents, issues or profits,” or that contains words of similar import, and
 2. provided the Gift is not otherwise incompatible with the Endowment Fund (such as because the gift instrument states the Gift must be used for purposes inconsistent with the Endowment Fund or has other unreasonable covenants or restrictions).
 - ii. *Restricted Gifts Not Credited to the Endowment Fund.* In the event of a Gift to the Endowment Fund that the EC Chair and FSC Chair do not decide to accept (such as because the Gift is incompatible with the Endowment Fund), the decision whether to accept the Gift shall be made by the Board.⁴
 - iii. *Gifts to the Congregation.* All other accepted Gifts shall become the Congregation’s property and shall be credited to the Congregation’s reserves or to such other account as may be determined by the Board.
- c. Upon the EC Chair and FSC Chair deciding to accept a Gift, they shall notify the Board Chair, Treasurer and Congregation bookkeeper of the following information about the Gift: (i) the source, (ii) estimated fair market value, (iii) date of acceptance, and (iv) to which account the Gift should be credited (*i.e.*, the Endowment Fund or a Congregation account).
 - i. Unless the Board Chair objects on behalf of the Board, the Treasurer and Congregation bookkeeper shall take custody of the Gift, arrange for the sale of the Gift if it is in a form other than cash, and deposit the Gift proceeds into the appropriate account.

³ See UPMIFA Section 15-403(C).

⁴ Accepting a Gift of this nature could, for instance, require the Board to create an entirely separate institutional fund pursuant to the Board’s authority under Section 7.7(h) of the Bylaws.

- ii. The Board is authorized to accept and retain a non-cash Gift in kind. The Board thus may direct the Treasurer not to sell a non-cash Gift and instead to receive the Gift in the form it was donated. This applies to Gifts for the Congregation or the Endowment Fund. (For example, the Board might choose to receive in kind a Gift of artwork or unmarketable securities.)
- iii. If the Board elects to receive a Gift in kind, doing so shall not limit or otherwise restrict the Congregation's inherent property rights in the Gift. A Gift received in kind thus may be sold or otherwise disposed of by the Board at a later time.

SECTION 3: REJECTED GIFTS

1. In accordance with Bylaws Section 7.7(b), only the Board may reject a Gift. The Board may do so for any reason, in its discretion. This authority extends to Gifts intended for the Congregation, the Endowment Fund or otherwise.⁵
2. If the Board rejects a Gift, the Treasurer shall arrange for return of the Gift to the donor or the donor's lawful representative.

SECTION 4: ANNUAL GIFT RECONCILIATION

1. The Treasurer and Congregation bookkeeper shall annually reconcile the number and value of Gifts accepted and whether each Gift was properly credited to the appropriate account.
2. The Treasurer and bookkeeper shall report the results of this annual Gift reconciliation to the Board, the EC Chair and the FSC Chair.

SECTION 5: RECORDKEEPING

1. The Treasurer and Congregation bookkeeper shall maintain appropriate records of Gifts received by the Congregation and coordinate with the Audit Committee as needed to ensure Gifts are accurately reflected in the Congregation's books and records. These records shall include with respect to each accepted Gift (to the extent known): the name, address, and telephone number of the donor(s); the date of acceptance; the fair market value as determined by the Congregation; and the Congregation account to which the Gift was credited.

⁵ For example, the Board might choose to reject a Gift that would be overly burdensome to administer or that was given by a donor whose belief system is incompatible with Unitarian Universalism.

2. Records or information about pending, accepted or rejected Gifts may be shared as needed from time to time with then-current Congregation ministers or staff, Board members, members of the Audit Committee, Financial Stewardship Committee, Endowment Committee, Investment Committee, or Finance Committee, the Congregation's external legal counsel or external auditor, or as otherwise required by law.
 - a. Disclosure of records or information about pending, accepted or rejected Gifts to any person outside the scope of sub-section 5.2 above requires Board approval.
 - b. The Board shall not disclose to any person outside the scope of sub-section 5.2 above the identity of a Gift donor who has requested in writing to remain anonymous.
3. For every Gift accepted pursuant to these policies, the Treasurer shall ensure that an appropriate letter of appreciation is provided to the donor or the donor's lawful representative. The letter shall include the date of acceptance and the estimated fair market value of the Gift as determined by Congregation. The Board may undertake additional efforts of recognition in its discretion.