

## **GIFT POLICY**

Approved February 21, 2017

Amended November 20, 2018

### **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, donations to organizations or causes for which the Congregation solicits gifts, donations during worship services, or donations in kind of supplies, equipment, or other consumables or non-durable goods for use of the Congregation approved by the Senior Minister or a staff in their area of responsibility.
3. This policy shall be interpreted in accordance with the Congregation’s Bylaws and applicable Maryland law.<sup>1</sup> To the extent of any inconsistencies, the Bylaws or Maryland law (as applicable) shall govern.
4. The Treasurer (in coordination with congregational staff), or such other person(s) as the Board may designate, shall be responsible for administering this policy and is authorized to make decisions as outlined herein.

### **SECTION 2: RECEIVING AND DIRECTING GIFTS**

1. Upon receipt of a Gift or notice that the Congregation is entitled to accept a pending Gift, the Treasurer, Chair of the Board, and Senior Minister shall be informed.
2. The Treasurer shall review all Gifts or proposed Gifts to determine their terms and which accounts should be credited with the related funds. Normally the options are the Endowment Fund, the Johnson Fund (College Access Fund), the capital campaign, an operating fund, or a new endowment. If the terms of the Gift are not clear under the circumstances of the Gift, the Treasurer (working with staff) shall follow up with the donor, their representative, or others to gain as much clarity as possible, including the exact language of the Gift, if available.

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<sup>1</sup> 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).

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3. Where the terms of the Gift are clear after any necessary due diligence, the Treasurer shall determine the disposition of the Gift or develop a recommendation to the Board. Where the terms of the Gift remain unclear after due diligence, the Treasurer shall make a recommendation to the Board on the disposition of the Gift. At any time, the Treasurer may consult with staff and other stakeholders, including the Financial Stewardship, Finance, and Endowment Committees, in making their determination or recommendation.
  - a. If the Gift is cash, stock or readily convertible to cash, the Treasurer shall direct the Bookkeeper on which account to credit with the Gift. Alternatively, the Treasurer may choose to instead to recommend a particular disposition to the Board, including rejection of the Gift.
  - b. If the cash, stock, or readily-convertible-to-cash Gift is valued greater than \$1000, the Treasurer shall notify (soon after directing where to credit the Gift) the Senior Minister, the Board, Congregational Administrator, and the Chairs of the Finance, Financial Stewardship, and Endowment Committees of the Gift, its value, its terms, and its disposition or planned disposition, (Notice via email is sufficient.) If any of these stakeholders has a concern that the Gift may have been misdirected, they should immediately follow-up directly with the Treasurer. If they then still have a concern, they shall timely raise it with the group above. If it cannot be resolved through discussion, the Board will resolve in its discretion. Board members should raise their concerns or questions with the Chair of the Board or their designee who will communicate with the Treasurer.
  - c. If the Gift is not cash, stock, or readily convertible to cash or comes with atypical restrictions (including naming requirements), the Treasurer shall develop a recommendation to the Board, consulting, as appropriate, the Senior Minister, staff, and other relevant stakeholders on the feasibility of accepting the Gift and its restrictions. Typical restrictions would include designations for the Endowment Fund, the Johnson Fund, or for a specific operating account.
4. The Treasurer shall send their recommendations regarding any Gift to the Chair of the Board, along with the Senior Minister, the Congregational Administrator, the Chairs of the Finance, Financial Stewardship, and Endowment Committees, and any other appropriate stakeholders in their judgment. The recommendation should include a description of the Gift, its terms, the recommended disposition, a summary of any dissenting views that the Treasurer is aware of, and any other information that would assist the Board in making its decision. (Transmission via email is sufficient.) If any of these stakeholders has a concern not reflected in the Treasurer's recommendation, they should timely raise it with the Chair of the Board. The Chair of the Board is responsible for transmitting the recommendation and any related information to the members of the Board and putting any question related to the Gift before the Board for decision.
5. Other than a minister, all communications with the donor or their representative shall be through the Treasurer or staff working with the Treasurer unless approved by the Chair of the Board. Such approval should only be granted in unusual circumstances.

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6. 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.
7. In accordance with Maryland law,<sup>2</sup> 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, shall be credited to the Endowment Fund, unless other information appears to contradict this disposition (e.g., names another fund administered by RRUUC or the Board), provided that 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).

### **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.<sup>3</sup>
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. It is sufficient for the Treasurer to include this reconciliation in their regular report to the Board.

### **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.
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,

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<sup>2</sup> See UPMIFA Section 15-403(C).

<sup>3</sup> 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.

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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.