

UNITED HEBREW CONGREGATION GIFT ACCEPTANCE POLICIES

OCTOBER 17, 2012

And God spoke to Moses, saying: Tell the Israelite people to bring me gifts: You shall accept these gifts for me from every person whose heart so moves him . . .for they shall make me a sanctuary that I may dwell among them. Exodus 25: 1-8

Table of Contents

Purpose.....	3
Authorizations.....	3
Gift Documentation Policies.....	5
Types of Gifts and Valuation of Gifts.....	5
Cash	6
Pledges.....	6
Marketable Securities	6
Closely Held Securities	6
Real Estate	6
Tangible Personal Property	7
Gifts of Insurance	7
Corporate Matching Gifts.....	8
Bequests.....	8
Gift Recognition Opportunities.....	9
Named Endowed or Named Funds	9
Policy Review	9
Definitions.....	10
Bequest	10
Designation Pending.....	10
Endowment.....	10
Gift.....	10
Gift Recognition	11
Grant	11
Matching Gift	11
Planned Gift.....	11
Pledge	11

Purpose

Gift acceptance policies provide qualitative and quantitative guidelines to assess the acceptability of gifts made to United Hebrew Congregation (also known as UH.) These guidelines will serve to prevent misunderstanding between donors and the Congregation as well as among volunteers and staff, and help to ensure the optimal use and accountability of gift income to United Hebrew Congregation.

The purpose of this document is to provide for:

- 1) Complete and accurate reporting of gifts and pledges
- 2) Compliance with IRS regulations and acceptable business practices
- 3) Guidance for persons involved in gift solicitation, recording, and management for United Hebrew Congregation
- 4) Equity and fairness for the purpose of donor gift recognition and stewardship

Gift acceptance policies are designed to ensure that gifts are appropriate to the mission and needs of the Congregation, and impose no undue financial burdens on the Congregation. Further, if gifts are restricted in use, these policies assure that terms are written to establish the donors desired use of the funds in reasonably broad and flexible terms to maximize their usefulness to the Congregation, and include language that permits the Congregation to apply the gift to a related purpose in the event that the designated purpose is no longer practical, necessary, or able to be performed.

These policies apply to all components of United Hebrew Congregation, including but not limited to, the Religious School, Pre-School, Youth Programs, auxiliaries, Clergy, Administrators, and board committees that operate under the Congregation's 501 (c) (3) designations.

Authorizations

- 1) The Board of Trustees of United Hebrew Congregation has full authority over policies and procedures for all solicitation activities and acceptance of all gifts to United Hebrew Congregation respectively.

With certain exceptions provided herein, such authority has been delegated to the Senior Rabbi, the Executive Director and the Director of Development of the Congregation.

- 2) Working in concert with the Executive Director, the Director of Development is responsible for the development of fund raising policies for Board approval and subsequent implementation of Board-approved policies. Questions regarding

specific capital and major gifts and the interpretation of Congregation gift policies will be referred to either the Executive Director or the Board President.

- 3) Every effort will be made to work with the various components, committees, auxiliaries, administration and clergy of the Congregation to achieve their fund raising needs. All fund raising initiatives must be submitted in advance of any solicitation of funds, services or goods, to the Director of Development who in consultation with the Executive Director, will review the request with regard to purpose, priority, and timing.
- 4) To ensure the optimal consideration for all solicitations of tangible and intangible gifts (e.g. funds, goods, and services...), and to minimize the likelihood of multiple "asks" to one individual, foundation, corporation, federation, association, or other donative entity, all intended approaches need to be submitted in advance to the Director of Development, who in consultation with the Executive Director will review and if required will provide authorization when deemed appropriate for such requests.
- 5) Gift records at United Hebrew Congregation are confidential. Information regarding donor gift histories, lists of donors, and all related materials are divulged only with the authorization of the Director of Development, Executive Director or President of the Board of Trustees or their designated representatives. Requests for donor information from the Campaign Chair(s), Senior Rabbi, and the Congregation/School auditors are exempt from this formal approval process.
- 6) The Development Office is responsible for:
 - Coordinating and controlling the solicitation, receipt, acknowledgement and documentation of all gifts to United Hebrew Congregation. An acknowledgement of gifts will be mailed out within three business days from the appropriate people.
 - Overseeing all pledged gifts, gift receipts and donor recognition in accordance with gift acceptance policies
 - Implementing and enforcing the gift policies of United Hebrew Congregation as approved by the Boards of Trustees.
- 7) The Business Office is responsible for receiving, documenting and transmitting all cash and non-cash gifts for timely deposit and safeguarding of gift receipts. The Business Office and the Development Office are responsible for working together to communicate cash and non-cash gifts and the best implementation process for our donors and United Hebrew Congregation.
- 8) It is the responsibility of each Campaign Cabinet/Committee to establish their

own set of policies and guidelines within the set guidelines of United Hebrew's Gift Acceptance policies. These policies will be reviewed and approved by the Director of Development.

Gift Documentation Policies

Unless otherwise specified, all gifts in excess of \$100.00 to United Hebrew Congregation require written documentation before being counted towards Capital, Endowment, or Annual fundraising goals. For outright gifts or multi-year pledges, documentation will usually be a signed and dated pledge agreement.

Other acceptable documentation:

- Deeds or other forms of conveyance or assignment
- Insurance policies with conveyance or assignment
- Completed wills, excerpts from or a bequest intention form
- Irrevocable trust agreements in which United Hebrew Congregation is named as beneficiary

Types of Gifts and Valuation of Gifts

Types of gifts may be received in the following ways:

- Cash
- Pledges
- Marketable Securities
- Closely Held Securities
- Real Estate
- Tangible Personal Property
- Gifts of Insurance
- Corporate Matching Gifts
- Bequests

Gifts may be valued in three ways:

- 1) The value of the gift for tax purposes
- 2) The value of the gift for counting toward United Hebrew Congregation fundraising goals
- 3) The recognition of the gift (as in gift societies, plaques, etc.)

The valuation of a non-monetary gift for tax purposes is the responsibility of the donor. United Hebrew Congregation's receipt for gifts of cash or marketable publicly traded securities is provided to donors to establish the value of a gift for tax purposes. In all other cases, gift value will be determined by independent appraisal to be obtained and

paid for by the donor with a copy provided to United Hebrew Congregation.

Cash

Gifts by cash, check or credit card will be credited at full face value, minus the value of any goods or services rendered.

Pledges

Pledges for capital and major gifts should be made over no more than five years, two to three years is preferable. Exceptions for very large or unusual gifts may be made by the Director of Development in consultation with the Executive Director.

Major Gift pledges that are not fulfilled within a specified period of time must be reviewed by the Director of Development and the Executive Director. In most cases of endowed gifts, if the commitment does not reach the specified level and the fund in question is not fully endowed within the specified period, then the fund may become part of the Congregation's endowment, and placed in an account as close to donor's intent as possible. This will be clearly noted in the written agreement between the donor and the Congregation.

Annual pledges that are not fulfilled by the close of the fiscal year in which they are made are to be handled according to the Business Office's guidelines on delinquent accounts.

Marketable Securities

Marketable securities will be immediately sold upon transfer of ownership and will be valued at the average of the high and low market value on the date the donor relinquishes control of the assets to United Hebrew Congregation. In case of mailed certificates, the gift date is determined by the postmark.

Closely Held Securities

Securities not traded on an exchange or over-the-counter will not be accepted without approval of the Executive Committee.

Real Estate

Acceptance of a gift of real property, whether contributed outright or through a planned gift, is subject to review on a case-by-case basis by the Executive Committee. It is United Hebrew's policy to sell gifts of real estate as expeditiously as possible.

The due diligence procedures for accepting gifts of real property are the responsibility of the Director of Development and the Executive Director along with the help of, if necessary, the President of the Board of Trustees. At a minimum, they should determine (a) the legal title-holder of the property, (b) the address and general

description of the property, (c) the amount of any mortgage, (d) whether there is any lien or debt on the property, (e) the estimated annual income and expenses (e.g., taxes, insurance, association dues, etc.) associated with the property, (f) whether there are any exiting restrictions limitations, encumbrances and/or easements with respect to the property and the title, (g) the marketability of the property, (h) any other known or potential liabilities that are part of the property, and (i) if the gift is being made through a planned gift, whether it is an appropriate asset to use for that purpose.

The fair market value of the property must be determined by independent appraisal obtained by the donor and may be appraised separately by the Congregation. Property must have a clear and marketable title. Title to property contaminated with hazardous waste will not be accepted. Donor is responsible for payment of realtor commissions, title work, closing costs, legal fees, taxes, insurance, and environmental assessments.

Tangible Personal Property

It is United Hebrew's policy to sell gifts of tangible personal property as expeditiously as possible if they so desire. Gifts of tangible personal property require an independent appraisal of fair market value obtained by the donor. Any restriction sought by the donor on the sale, maintenance, administration or display of items contributed is subject to the acceptance of the Executive Director and the Director of Development. Gifts of artwork, books, manuscripts or other creative works to the Congregation shall receive the input of the Congregation's appropriate committee where applicable. The Congregation reserves the right to sell or dispose of tangible gifts at any time unless otherwise agreed to with the donor. At any time during the display period of a piece of tangible personal property the item in reference is no longer in need/desire of being displayed, all attempts to return the item to the donor will be made. If unable to return the item within a reasonable amount of time, the item will be sold or disposed of properly.

Gifts of Insurance

Before an insurance policy can be recorded as a gift, the policy must be gifted to the Congregation. United Hebrew Congregation must be an assigned irrevocable beneficiary.

The current net cash surrender value of the policy may be credited toward fund raising goals and the congregation shall have the option of surrendering the policy at any time for the then net cash surrender value. If the donor pays further premiums on the policy, the Congregation should include the entire amount of the premium payments in its gift totals. If the Congregation elects to pay the premiums, the congregation will consider those payments as operating expenditures and not report increases in the cash surrender value as gifts.

If a donor pays future premiums on a policy with no cash surrender values, only the

future premiums will be recorded as gift receipts.

Regardless of whether the donor or the Congregation pays the premiums on a policy it owns, the difference between the cash value and the insurance company's settlement at the donor's death should not be reported as a gift, but as a gain on the disposition of assets.

The due diligence procedures for accepting gifts of insurance are the responsibility of the Director of Development and the Executive Director along with the help of, if necessary, the President of the Board of Trustees. At a minimum, they should determine: (a) name of the policy owner and beneficiary, (b) type of policy, (c) name and birth date of the insured, (d) name of insurer and current agent for the policy, (e) a copy of the policy, (f) premium dates and amounts, (g) current cash surrender value, (h) the amount of debt against the policy, (i) use of policy dividends, (j) whether the death benefit is guaranteed, (k) donor's expectations regarding UH's retention of the policy, (l) evaluation of the policy as an investment, (m) the donor's intentions regarding future gifts from the donor to pay future premiums, (n) if the gift is being made through a planned gift, whether it is an appropriate asset to use for that purpose.

In those cases where United Hebrew Congregation receives the proceeds of an insurance policy in which it is named beneficiary but not the owner, the full amount received will be reported as a gift on the date the proceeds are delivered.

If a life insurance policy is accepted, a review of the policy should be conducted once a year thereafter.

Corporate Matching Gifts

Gifts received in cash from organizations or corporations to match gifts of cash or securities by individuals associated with that organization or corporation may be credited to the individual donor's gift record and allocated to the same purpose as the donor's gift, unless corporate rules specify otherwise, in which case the donor will be advised of the mandated allocation.

Bequests

Distributions from estates and trusts received by United Hebrew Congregation will be credited toward the purposes set forth by the relevant documents. Unrestricted gifts through estates and trusts, absent special circumstances as determined by the Board, will be invested 100% into the unrestricted portion of the Endowment Fund, except for bequests of under \$10,000, which will go into the general fund, as is the current practice.

Gift Recognition Opportunities

Gift recognition opportunities will be provided for select authorized capital, endowment or other initiatives that have been approved by the Board of Trustees.

The Director of Development in concert with the Executive Director is authorized to present and revise, for the Board of Trustees, a list of gift opportunities with a suggested dollar contribution that would be required for recognition purposes. All initiatives concerning a gift recognition opportunity may only be offered upon consultation with the Director of Development. Gift recognition opportunities of a physical item may be allowed during specified campaigns, designated fundraising events or other purposes, all which will be approved by the Board of Trustees. A recognition designation can only be made for a gift that is over and above the actual cost value for items below \$25,000. The percentage in excess of cost will be agreed upon by the Executive Director, the Director of Development and the Executive Committee. Such things that could possibly not adhere to this clause are the naming of a new building. Those types of recognition designation will be discussed separately between the Executive Director, the Director of Development, the Senior Rabbi, and the Board President.

All gift recognition rights, from the date of this policy and beyond, will be subject to review with the donor or remaining family representatives and will expire after 25 years unless otherwise agreed upon.

Gift recognition can be offered to our donors in a variety of ways to honor their gift including but not limited to our monthly bulletin, our website, and our Legacy Circle or other recognition methods as determined by the board of trustees.

Named Endowed or Named Funds

The Board of Trustees may establish endowed or named funds that promote and enhance the mission and vision of the Congregation. Those funds must meet the minimum funding requirements of the Congregation as approved by Development office and the Boards of Trustees. Currently the minimum is \$25,000.

Policy Review

The United Hebrew Congregation Gift Acceptance policy will be reviewed and, if necessary, updated every five (5) years by the Director of Development, the Executive Director and the Endowment and Planned Giving Committee. Final approval of any changes must be approved by the Executive Committee and the Board of Trustees of United Hebrew Congregation.

Definitions

Bequest

A bequest is defined as a gift by will or trust of personal or real property. (Because a will is revocable during the donor's lifetime, a provision in a will shall not normally be recorded as a gift until the bequest is distributed; nevertheless, this provision will be viewed as an act of good will intentions for the purpose of displaying on a plaque or by being included in our "Legacy Circle").

Designation Pending

A term used to describe a gift that is held in a temporary fund while discussions continue with the donor to determine the purpose for which the gift may be used. Designation pending may also be used to hold a gift prior to the Congregation's decision as to usage. After a length of time determined by the Board of Trustees the Congregation, a gift in designation pending may revert to either the general fund or general endowment unless specific arrangements have been made with the donor.

Endowment

A permanent fund established in response to an irrevocable contribution of assets to United Hebrew Congregation. The fund principal is invested "in perpetuity" and a portion of the earnings, based on the spending policy approved by the Board of Trustees is available for support of Congregation programs or projects. Endowments may take several forms:

- 1) Unrestricted endowment: a permanent fund from which earnings may be applied at the discretion of the Congregation and the Board of Trustees.
- 2) Restricted endowment: a permanent fund from which earnings may be applied only for a specific purpose such as salaries or scholarships for youth.

Gift

A gift is defined as a voluntary, irrevocable transfer of cash or other assets from an individual or private organization to United Hebrew Congregation without consideration of compensation at the time of transfer or any time in the future.

- 1) Unrestricted gift: an unrestricted gift is made with no conditions imposed by the donor and may be used for the general purposes of United Hebrew Congregation.
- 2) Restricted gift: a gift made with conditions imposed by the donor; such a gift may be for current, endowment or capital use. Undue conditions may require

that United Hebrew Congregation decline a restricted gift.

- 3) Discretionary Gift: a gift made to United Hebrew Congregation to be used at “the discretion” of a specified individual such as a member of the clergy. This is counted as an unrestricted gift to United Hebrew Congregation. Such gifts will not be counted towards other unrestricted fundraising such as Yom Kippur Appeal or School Annual Fund.
- 4) Gift-in-kind: a gift-in-kind is an irrevocable non-cash contribution of tangible property. It may consist of, but not limited to, equipment, art, books, collectibles, antiques, or other tangible property.

Gift Recognition

The process in which United Hebrew determines how gifts are to be recognized.

Grant

A grant is a voluntary transfer of assets or awards to United Hebrew Congregation from a corporation, foundation, or association for specific instruction, research, construction, equipment, or public service purpose.

Matching Gift

Matching gifts are usually provided by corporations. They are most frequently dollar-for-dollar, but may be other ratios that match an employee’s gift to a nonprofit organization. Matching gifts may be counted toward gift level recognition within the fiscal year in which the individual’s qualifying gift is received.

Planned Gift

A planned or deferred gift is a commitment established legally during the donor’s lifetime, but whose principal benefits usually do not accrue to the charitable recipient until some future time. Annuities, gifts of insurance, trusts, and commitments through estate plans are all usually referred to as planned gifts.

Pledge

A pledge is a written statement of an intention to make a gift or grant to United Hebrew Congregation signed by the donor or his/her authorized agent; or, a written letter of agreement to make a gift or grant, signed by a United Hebrew Congregation representative, a copy of which has been provided to the donor and a copy of which is on file in the Business Office. In absence of such a written pledge, the Congregation may not count this gift in any official record of a given campaign or project or on any plaque for such campaign or project.