

Preface to All Souls Gift Acceptance Policies for Planned Gifts

For many of us, planned giving will be a practical way to impact future lives at All Souls for a long time into the future – perhaps *perpetually*.

Planned gifts are typically funded with assets that have been accumulated over many years. Cash in the form of bank checks or wire transfers and certain publicly traded securities are generally acceptable. Depending upon the planned gift and the attributes of the property being proposed, other assets may also make powerful planned gifts, including retirement assets, life insurance, real estate, tangible personal property, closely-held stock, royalties, co-op shares, etc.

When properly planned with one's advisers as part of the overall estate planning process that is typically key to the effective stewardship of all of one's assets, planned gifts often can be tailored to one's particular situation.

So, for example:

For those who desire access to assets they've earmarked for All Souls: bequests and other *revocable* planned gifts would allow donors, if necessary, to modify or *revoke* their gift designations, or to spend or dispose of the earmarked assets¹, in order to address their own needs.

For those who desire only an income in exchange for assets given to All Souls: certain **UUA life income gifts** that take effect during donors' lifetimes would pay qualifying donors and/or loved one(s) a life-long income before benefitting All Souls. Because such **gifts** cannot be modified or revoked (i.e., are *irrevocable*), they receive favorable current tax treatment that may result in current tax savings.

For those who need to retain no interest in assets given to All Souls: *irrevocable current outright planned gifts* would result in the immediate transfer of assets to and for the benefit of All Souls, may maximize tax savings and so may be the planned gifts of choice.

The Policies that follow set out determinations of the All Souls Board of Trustees concerning planned giving opportunities and may assist readers and their advisers in determining what opportunities could be suitable for their circumstances. The Planned Giving Committee, stands

¹Subject, of course, to any taxes or other issues that may apply, unrelated to planned giving, such as the taxation of withdrawals from traditional IRAs.

ready to discuss those opportunities, simply email Eileen Macholl, Executive Director at All Souls at Eileen@AllSoulsNYC.org or [click here](#).

All Souls Gift Acceptance Policies for Planned Gifts

“We are grateful to those who came before and whose bequests impact us by helping to make possible All Souls’ life-affirming activities and services, as well as to those in our time who wish to stand with the future living members of the great family of All Souls through their planned gifts.” The Board of Trustees of All Souls (the “**Board**”)

Introduction: purposes, objectives and implementation of these Policies

These Policies address for donors and their advisers:

- the types of planned gifts that can be made to support All Souls, including, principally:
 - those where gifted assets are transferred directly to All Souls, and
 - certain **UUA life income gifts** where gifted assets are transferred to the UUA for the benefit first of individual beneficiaries and then of All Souls,
- the assets that may be used to fund planned gifts made directly to All Souls*, and
- the uses to which planned gifts in support of All Souls may be put.

*As the party that administers **UUA life income gifts**, the UUA determines the policies that apply to their funding and creation. The UUA’s Office of Legacy Gifts is available to discuss those policies in depth and the All Souls Planned Giving Committee is ready to help. Certain relevant information is also available over the UUA’s website. For those interested in **UUA life income gifts**, Annex A to these Policies touches upon some basic aspects of such **gifts** and is intended only as background for discussions with the UUA.

Experience suggests that most planned gifts will be acceptable as donors propose because they will be funded with cash or generally acceptable forms of publicly traded securities and will be unrestricted so as to allow the **Board** to best respond to evolving future needs.

On occasion, however, accepting certain other proposed assets or certain proposed restricted uses could present tax, administrative or other costs or concerns that would be contrary to the interests of All Souls (or to the effective administration of **UUA life income gifts**) and, thus, to donors’ philanthropic goals. A principal objective of these Policies (and of the UUA’s policies concerning **UUA life income gifts**) is to assure that planned gifts will advance the mission of All Souls.

In addition to the creation of a Planned Giving Committee whose purpose is to encourage and solicit planned gifts, the Board has also appointed a Gift Acceptance Committee and has

delegated to it the responsibility to evaluate and recommend to the **Board** the acceptability of proposed planned gifts on a case by case basis in the event that there is a proposed gift that is outside the scope of a generally acceptable form and to recommend to the Board criteria and procedures to implement these Policies.

It is the policy of the **Board** that information about donors' or prospective donors' planned giving plans or circumstances will be kept strictly confidential by those with planned giving responsibility unless the donor agrees to make their giving plans publicly known. This would be the case where a donor agrees to be recognized as a member of the society that honors planned givers or agrees to give public testimonials about their giving.

Section I: planned gifts that may be made to support All Souls.

1. *Revocable* planned gifts.

- All Souls will accept **outright bequests** under wills (or revocable “living” trusts), when funded with:
 - cash (including bank checks, credit cards and wire transfers), or
 - **Readily Marketable Securities** (i.e., stock, bonds or mutual fund shares publicly traded on the New York Stock Exchange, NASDAQ (or other major exchanges acceptable to the Gift Acceptance Committee) and resalable without restriction, or
 - other assets approved by the **Board** at the recommendation of the Gift Acceptance Committee– with the final determination being made after the will takes legal effect (or the revocable “living” trust becomes irrevocable),

Note: With the objective of assuring that bequests can be accepted as proposed, the **Board** encourages donors and their advisers, who are considering **outright bequests** of assets other than cash or **Readily Marketable Securities**:

- to consult with the Gift Acceptance Committee concerning the likely acceptability of such assets, or
 - to consider including provisions in their wills (or revocable “living” trusts) directing their executors (or trustees) to sell such assets and to transfer the net sale proceeds to All Souls – an approach that the **Board** would welcome.
- All Souls will generally accept designation as a beneficiary of:
 - **IRAs, 401(k)s** (or similar assets approved by the Gift Acceptance Committee),

- **life insurance policies** such as those that have served their original purposes,
- “**POD**” (or “payable on death”) bank or brokerage accounts that may have been created to avoid *probate* and portions of which may be deemed appropriate for planned giving, and
- so-called “*testamentary*” **UUA life income gifts** that are created by wills (or revocable “living” trusts) in form acceptable to the UUA, certain of which would pay a lifelong income to up to 2 qualifying heirs before benefitting All Souls, and that, like other bequests, can be revoked or modified by donors during their lifetimes if need be.

2. **Irrevocable “lifetime” planned gifts.** All Souls will accept:

- designation as a beneficiary of **UUA life income gifts** that begin during donors’ lifetimes and that ordinarily pay a lifelong income to up to 2 qualifying individual beneficiaries, including the donors themselves before benefitting All Souls, and
- **direct charitable roll-over** from traditional IRAs from those who have reached age 70 ½ (or such other legally required age) if and to the extent permitted under then current tax law, and other **current outright planned gifts** when funded with cash, with **Readily Marketable Securities**, or with other assets approved by the **Board** at the recommendation of the Gift Acceptance Committee.

Note: **current outright planned gifts** are to be distinguished from other current outright gifts that address the Church’s ongoing needs, including those in response to: the all-important annual canvas, capital drives, offerings at worship service, or other fund-raising efforts that serve specific Church-sanctioned purposes (e.g., aiding victims of hurricane Sandy). In the event of any uncertainty as to the purpose to which a given gift is to be put, the Gift Acceptance Committee will determine the use based upon its review of the circumstances.

3. **Other gifts.** All Souls will generally accept designation as beneficiary of **charitable lead trusts** or **charitable remainder trusts** created through trustees other than the UUA (e.g., banks or trust companies) acceptable to the Gift Acceptance Committee if the charitable interests are payable in cash or are satisfied by in-kind transfers of Readily Marketable Securities.

Section II: The uses to which planned gifts may be put.

Unrestricted planned gifts. Unrestricted planned gifts will be placed in the All Souls Main Endowment Fund (the “Main Fund”). As described in Annex B, the Main Fund marries the objective of long-term support of All Souls with the **Board’s** ability to use principal to meet unanticipated, emergent or other difficult financial challenges.

Purpose restrictions. While the **Board** strongly encourages planned gifts be made without restriction so as to augment the vital Main Fund, it appreciates that some may wish to restrict the use of their planned gifts to purposes of special interest.

The use of planned gifts may be restricted to any of the following general purposes in the life of All Souls: music, worship, social justice, building and grounds, and religious education. In any such case, there may be no restrictions placed on when, how and in what manner the **Board** may apply the contributed assets to further the given purposes.

To conform to applicable tax principles, all such restrictions would need to be confirmed in writing at or in advance of the time when the relevant gifted assets are transferred by donors. The **Board** encourages the use of Planned Giving reply forms that will be prepared by the Gift Acceptance Committee to accomplish that written confirmation.

Section III. Certain general principles applicable to giving to All Souls.

A. Although from time to time general tax or other references may be made, neither All Souls nor anyone acting on its behalf can or does render legal, tax or financial advice – advice that, for various reasons, can be effectively given only by donors' professional advisers with knowledge of their circumstances. All Souls strongly encourages donors to seek the advice of their professional advisers before making planned gifts.

B. Donors shall be responsible for appraisals required by tax law. No other act or omission by All Souls will be deemed a validation by All Souls of the accuracy of any appraisal.

C. All Souls may sell contributed noncash assets and invest the proceeds – all as, when and in the manner deemed appropriate by the **Board** (or any entity to whom it has delegated such

authority) in its sole discretion. All Souls generally will sell gifted property as soon as reasonably practical.

D. All costs leading up to, consummating or otherwise relating to the transfer of gifted assets to All Souls will be borne by donors (e.g., the costs of: counsel or other professional advisers retained by (or on behalf of) donors; brokers' (or other) fees or commissions; appraisals; environmental surveys or assessments including those that All Souls requires to be undertaken; transfer fees; title searches; etc.).

E. The **Board** in its sole discretion may apply, make exceptions to, update or modify any aspect of these Policies if it determines that doing so would further the mission of All Souls.

F. All gifts are final upon the transfer of assets to, and their acceptance by, All Souls (or, in the case of life income gifts, by the UUA) and may not subsequently be changed, modified or affected by donors.

G. The Gift Acceptance Committee in its sole discretion may elect to consider gifts not expressly contemplated by these Policies.

H. All Souls will not act as a trustee or issuer of any life income gift nor as a fiduciary of any will or revocable “living” trust.

I. If in the unlikely event the Board, in its sole discretion, determines that an otherwise acceptable gift would harm the reputation of (or otherwise adversely affect) All Souls, then it may reject such gift.

ANNEX A

A general overview of UUA life income gifts

When created by donors to take effect during their lifetimes, the UUA accepts the types of **UUA life income gifts** described below subject to the terms set forth in the standard UUA forms of agreement by which such **gifts** would be established as well as to various conditions such as: minimum gift amounts (ranging from \$10,000 to, in the case of a **charitable remainder trust**, that amount which would likely result in the payment to the UUA of at least \$250,000 upon the trust's termination); minimum ages of individual beneficiaries (e.g., 65 in the case of a single individual beneficiary for a **pooled income fund** gift or **charitable gift annuity**); and maximum number of beneficiaries (e.g., 2 in the case of a **pooled income fund** gift or **charitable gift annuity**). In each case where All Souls is a designated beneficiary, after the payments to the individual beneficiary(ies) cease, the remaining net amounts attributable to All Soul's interest in the **life income gift** would be made available to All Souls.

The UUA would also consider acceptance of the below described types of **life income gifts** when created by wills or revocable "living" trusts subject to the foregoing terms and conditions and to the requirement that the language of the wills or trusts is in form acceptable to the UUA.

Types of UUA life income gifts

- Gifts to the *pooled income fund* – a fund that works like a kind of mutual fund for charitable gifts and that pays the individual beneficiaries of such gifts their proportionate shares of the fund's net annual income which will vary with investment performance;
- *Charitable gift annuities* that pay the individual beneficiaries (or "annuitants") fixed sums that are: set by the UUA based upon rates that generally prevail in the nonprofit community; backed by the UUA's general assets; for a period of years, partially *tax-free* as returns of principal; and sometimes capable of being deferred with favorable effect to anticipated retirement (or other) age when the income would be most welcome; and
- *Charitable remainder trusts* that pay the individual beneficiaries fixed or variable annual sums, the amount or calculation of which is established by donors at the time each trust is created within broad parameters established under the tax code and that, in some cases, may be structured with an eye toward maximizing amounts paid in retirement.

Owing in part to the liquidity necessary to pay individual beneficiaries, **UUA life income gifts** generally must be funded with (i) cash in forms acceptable to the UUA or (ii) certain generally acceptable publicly traded securities as defined by the UUA.

However, in limited cases, the UUA may consider real estate as a means of funding certain charitable gift annuities and certain charitable remainder trusts that by their nature permit a degree of flexibility in generating the income to be paid to individual beneficiaries. Such real estate would need to be debt free and approved by the UUA's Vice President of Finance.

A N N E X B

Established by the **Board**, the All Souls Main Endowment Fund (the “Main Fund”) is comprised of a pool of unrestricted net assets that the **Board** has invested and designated to serve the long-term interests of All Souls. From these assets the **Board** has drawn funds annually to support the Church’s operating and routine capital expenditures – support that makes possible the full range of services that All Souls may provide at any given time. (Readers are encouraged to read the Investment Policy Statement that was recently revised and passed by the Board on April 6, 2015.)

It is the **Board’s** intention that the Main Fund serve as a foundational support for the operations of All Souls on a recurring annual basis. It is the goal of the Board’s investment and spending policies to serve the basic needs of All Souls for generations to come. In addition to the expectation that the Main Fund will continually provide a source of annual funds that can be drawn upon, the **Board** also has the flexibility, if needed, to access and apply the Main Fund’s principal to address unanticipated, emergent or other circumstances when it deems it prudent to do so – a powerful option made possible by the Main Fund being comprised of unrestricted funds.

The Main Fund has played a vital role in All Souls’ finances by virtue of the flexibility it affords the **Board** in addressing both long-term and short-term needs. Every planned gift makes All Souls’ Main Fund even stronger.