

**Questions and Answers about Planned Gifts  
to the Unitarian Universalist Fellowship of Centre Country (UUFCC)  
General Information**

*What are planned gifts?*

Planned gifts are special in that they are not given as part of the annual budget drive or the collection at services but are meant to ensure UUFCC's future financial welfare or to cover special projects or significant costs outside the ordinary, ongoing expenses.

*What kinds of planned gifts are there?*

Many are **legacy gifts** that donors leave to UUFCC upon their deaths, usually through their wills, but sometimes through other estate planning arrangements. **Memorial gifts** are donations that other people make to honor someone who has died. **Current gifts** are other major donations for special purposes, not associated with a death.

*How does UUFCC allocate or use planned gifts?*

**Directed gifts.** Donors may specify that planned gifts be used for a particular purpose. Because directed gifts may entail obligations for UUFCC, they can be accepted only if the UUFCC Board of Trustees agrees (see below).

**Endowment.** Gifts may be allocated to the endowment, which is a pool of money that helps ensure the long term health of UUFCC. Investment earnings from the endowment go to maintaining its value and to supporting projects outside of the scope of the annual budget. The principal can be spent only for emergencies that threaten the viability of UUFCC.

**Special needs.** Planned gifts also can become part of a fund that is available for special purposes that cannot be covered by the normal budget. These purposes would typically involve improvements to our facilities or major but infrequent maintenance expenses (such as a new roof). The board makes the decisions about how these funds will be used, based on ongoing review of the needs of UUFCC. Until expended, these funds are invested along with the endowment.

*What does the Board of Trustees consider when deciding whether to accept gifts for donor-specified purposes (directed gifts)?*

Gifts of this sort have been very important to UUFCC over the years, but they do carry some extra complications. In deciding whether to accept a gift for a specified purpose, the board must consider whether that purpose is consistent with UUFCC's mission, how useful it will be to UUFCC, any costs of accepting the gift (such as installation or future maintenance), and whether the funds are sufficient for the purpose. The board also has to consider whether a gift would distort UUFCC's resources in a way that would undercut its normal democratic budgeting process. If you are considering making a gift for a specific purpose, we encourage you to discuss it with a member of the Endowment and Directed Gifts Committee, who can help make sure the process will be successful.

*Who is in charge of planned gifts to UUFCC?*

Both the Endowment and Directed Gifts Committee and the UUFCC Board of Trustees have important responsibilities regarding planned gifts.

*What is the Endowment and Directed Gifts Committee's role?*

The committee encourages planned gifts to UUFCC and assists interested members and friends with the process. The committee promotes planned gifts through events, publicity, and providing information like this Q&A document. Committee members are available to meet with individuals and families to learn their preferences, to explain procedures, to suggest useful resources, and to help find ways to accomplish their goals for a gift.

After UUFCC receives a planned gift, the committee is responsible for ensuring that the donor's wishes are followed as closely as possible.

The committee makes recommendations to the board about accepting and using gifts and bequests. They keep the board informed about guidelines and restrictions from both UUFCC policies and procedures and from donors.

The committee manages the gift and endowment funds, including receiving, investing, and spending funds for the purposes approved by the board.

*What is the UUFCC Board of Trustees' role?*

After receiving the Endowment and Directed Gifts Committee's recommendation, the UUFCC Board of Trustees makes the final decisions about planned gifts. As described above, they must decide whether to accept gifts for donor-specified purposes. They make decisions about whether new gifts without a specified purpose will be placed in the endowment, kept available for special needs, or (occasionally) used an immediate need rather than invested. Finally, the board sets priorities about how planned gifts will be used and approves expenditures.

*How are the funds from planned gifts invested?*

The endowment and directed gifts funds are invested for the long term in broad based mutual funds with strong track records and low fees.

*If I have questions about planned gifts to UUFCC, who should I ask?*

Members of the Endowment and Directed Gifts Committee would be happy to talk with you. They have a good variety of useful information to share, such as resources about selecting attorneys and financial advisors to help with estate planning and a set of documents about estate planning and planned giving from the Unitarian Universalist Association. We encourage you to contact Wayne Osgood (814-876-0279, [wosgood@psu.edu](mailto:wosgood@psu.edu)) or another member of the committee.

If you have already decided to make a planned gift to UUFCC and have questions about how best to do that, we have a separate Q&A sheet on the topic that you may find useful.

## **Questions and Answers about Planned Gifts to UUFCC, part 2: Once you have decided to make a planned gift**

If you have already decided to make a planned gift to UUFCC, the answers to these questions provide some information you may find useful. Before taking any action, *consult with your legal and financial advisors* who can help you choose an approach well suited to your priorities and circumstances.

*What language should I use to include UUFCC in my will?*

The Unitarian Universalist Association (UUA) suggests that you share the following suggested bequest language with your attorney to assist in drafting a will or to designate UUFCC [or other UU entities] as a beneficiary of your estate.

### **Unrestricted Gift**

I give to the Unitarian Universalist Fellowship of Centre County, State College, Pennsylvania [or other UU entity], [\_\_\_% of my estate or the sum of \$\_\_\_\_\_] for its general purposes.

### **Directed Gift**

I give to the Unitarian Universalist Fellowship of Centre County, State College, Pennsylvania [or other UU entity], [\_\_\_% of my estate or the sum of \$\_\_\_\_\_] to be used for [stated purpose]. If at any time in the judgment of the organization's board of trustees it is deemed impossible or impracticable to carry out the above purpose, said trustees shall determine a purpose as near as possible to that description above.

*Should my bequest be a dollar amount or a percentage of my estate?*

Either choice is fine and appropriate. You may find that specifying a percentage is more convenient, however, because it adjusts to changes in the size of your estate, without you having to change your will. For instance, a given dollar amount that seems right now, might feel less adequate after your estate grows from years of saving and investment returns. Or, if your estate shrinks after supporting a long retirement or extended care, the bequest of a dollar amount chosen much earlier might leave less for your heirs than you intended.

*How can I leave part of my Retirement Account to UUFCC?*

A legacy gift from a retirement account can be a tax efficient strategy because heirs typically must pay taxes on these funds when they withdraw them, but charitable organizations like UUFCC do not pay taxes. A straightforward way to leave all or part of your retirement account to UUFCC is to designate UUFCC as one of the beneficiaries for the account. You simply need to indicate the percentage of the account you intend to leave to UUFCC (as well as to each of your other beneficiaries) on a beneficiary designation form for your account. You can obtain the necessary form from the organization that holds the account; the form may be available online.

*I've heard that I can leave money to UUFCC, get a tax deduction, and also receive income between now and when I die. Where can I learn more about this?*

Yes, there are estate planning options that can accomplish these things. The UUA provides information about the topic at their website: <http://plannedgiving.uua.org/> and

can provide help setting them up. The Endowment and Directed Gifts committee has information about the UUA Charitable Gift Annuity and the UUA Pooled Income Fund that we would be happy to share with you. You should, of course, consult with your legal and financial advisors to be sure you choose an approach that is well suited to your goals and situation.

*I don't have a lawyer or financial advisor. How can I find one?*

The Endowment and Directed Gifts Committee has gathered a list of resources about how to find lawyers and financial advisors to help with making wills and estate plans. We would be glad to share it with you.

*Do I need to tell the Endowment and Directed Gifts committee that I have made a legacy commitment?*

While reporting your legacy commitment to the E&DG committee is not required, we request that you do so. It is helpful for the committee to keep records of financial stewardship, and the committee would like to include your name in the list with others who have included UUFCC in their estate plans and thank you for this commitment. No matter how small or large, all gifts are deeply appreciated. We do not need to know or keep track of the size of planned gifts.