

(insert name of church)
Planned Giving Committee
Gift Acceptance Policy and Operating Procedures

PURPOSE

This Gift Acceptance Policy is designed to facilitate the acceptance and administration of gifts to *(insert name of church)* (the Church). These principles will apply:

- To work to make all gifts possible, within the structures of law and tax regulations, available over time for the mission of the Church;
- To honor the intent of the donor;
- To protect the assets entrusted to the Church; and
- To accept only property free of liens and encumbrances

This policy serves as a guideline to members, friends and staff of the Church involved with planning, making and accepting planned or outright gifts to the Church or its Endowment Program. This policy is intended as a guide and allows for some flexibility on a case-by-case basis.

TYPES OF GIFTS

Acceptable gifts to *(insert name of church)* shall include, but not be limited to, cash, stocks, bonds, certificates of deposit, real estate, and personal property. The donor may transfer such property to the church by outright gift, life estate gift, or any one of several deferred giving arrangements (planned gifts). Details regarding specific types of gifts and giving arrangements follow.

The *(insert name of committee)* Committee must approve all gifts offered to the Church before they are officially accepted, except gifts made to support the Church's annual operating budget.

In the case of gifts of tangible personal property or real estate, the donor will agree to pay any costs related to appraisals, due diligence and costs of sale.

The Committee *(or insert name of committee, i.e., Trustees)* reserves the right to decline or otherwise refuse any gift, with or without cause. Reasons that a gift may be declined include, but are not limited to, the following:

- The gift is considered to be inappropriate or unrelated to the tax-exempt purposes of the Church and/or the Endowment Fund;
- The Committee does not believe it is in the best interest of the Church and/or Endowment Fund to abide by the restrictions placed on the gift by the donor;
- The costs to maintain the gift, or to meet the restrictions placed on the gift by the donor, are considered unacceptable;

- The gift involves unacceptable liability or risk to the Church;
- The gift may result in inappropriate or undesirable publicity;
- The Committee cannot accept a gift that is designated to benefit or to be channeled to an individual staff or volunteer member of the Church, or to any other individual.

All gifts will be valued in accordance with the current regulations of the Internal Revenue Service and the Illinois Department of Revenue. All federal and State of Illinois forms regarding gifts will be filed in accordance with federal and state law. The Church will issue a written receipt documenting all cash gifts.

PROCEDURES

These procedures are intended to serve as a guideline to the Planned Giving Committee in how to accept, account for, and dispose of planned or outright gifts that may be offered to the Church or its Endowment Program from time to time. These procedures are intended as a guide and allow for some flexibility on a case-by-case basis.

CASH

These gifts are almost always acceptable. The only caution would be if the cash was to originate from a source that is in conflict with the Social Principles of the United Methodist Church. An example might be the proceeds from lottery or other gambling.

SECURITIES

These gifts would in most cases be readily acceptable. The caution here would have to do with non-marketable, closely held or restricted securities. As it would be the intention of the Committee to immediately sell gift securities, they should be readily marketable.

LIFE INSURANCE

These gifts are acceptable if the Church is the sole owner or one of one or more beneficiaries of the policy.

REAL ESTATE

Gifts of real estate must be reviewed before acceptance.

The donor is responsible for obtaining a current appraisal completed by a certified appraiser. The cost of the appraisal is to be borne by the donor.

Prior to presentation to the Planned Giving Committee, a member of the staff must conduct a visual inspection of the property. If the property is located in a geographically isolated area, a local real estate broker may substitute for a member of the staff in conducting the visual inspection.

Prior to acceptance, the donor must provide the following documents:

- Real estate deed
- Real estate tax bill
- Plat of survey
- Phase 1 environmental opinion as recommended by the appraiser or title insurance company
- Substantiation of zoning status
- Clear title as evidenced by an updated Title Insurance Policy

The donor may be asked to pay for all or a portion of the following, especially in the case of a Life Estate Reserved:

- Maintenance costs
- Real estate taxes
- Insurance
- Real estate broker's commission and other costs of sale
- Appraisal costs

TANGIBLE PERSONAL PROPERTY

Gifts of jewelry, artwork, collections, equipment, etc. shall be accepted only after review and approval by the Planned Giving Committee. A qualified appraisal will be required on gifts that the donor values at \$5,000 or as required by current tax regulations.

Such gifts of tangible personal are accepted with the intent that they be sold for the benefit of the Church.

No property that requires special display facilities or security measures shall be accepted without consultation with the Planned Giving Committee.

Gifts of tangible personal property to be retained by the Church should have a use related to church's exempt purpose.

INTANGIBLE PERSONAL PROPERTY

Gifts of this type might include patent rights, royalties from books, music, etc. The committee may consider accepting these with the intent of holding them as an income producing resource, recognizing that such income would be taxable as it does not fall within the definition of the tax-exempt status of the church.

ADMINISTRATIVE ISSUES

The Church shall not act as an executor for a donor's estate.

The Church may act as trustee of a trust if the Church is a beneficiary of 50% or more of the assets of the trust.

The Planned Giving Committee may seek legal counsel, where appropriate, in matters pertaining to its planned giving program and shall execute no planned giving agreements without the advice of the Church's legal counsel.

All prospective donors shall be urged to seek their own legal counsel and/or tax counsel in matters relating to their outright and planned gifts, tax and estate planning.

The Church will consider paying the expenses of drafting legal documents for a charitable trust when (*insert name of church*) Church is named as a beneficiary of 50% or more of the assets of the trust.

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