

# GIFT ACCEPTANCE POLICY

## PURPOSE

The purpose of this Gift Acceptance Policy is to describe the type of gifts that can be accepted and the manner in which they can be accepted. Where a Permanent Endowment Committee (hereinafter referred to as The Committee) does not exist, The Board of Trustees (hereinafter referred to as The Trustees) is instructed by the Charge Conference to receive and distribute gifts received under the Gift Acceptance Policy of the Church.

## INTRODUCTION

In order to protect the interests of **[Your Church Corporate Name]** (hereinafter referred to as The Church) and the persons and other entities who support its programs, these policies are designed to assure that all gifts to the Church, or for the use of the Church, are structured to provide maximum benefit to both parties.

This document focuses on both current and deferred gifts, with special emphasis on various types of deferred gifts and gifts of non-cash property. The goal is to encourage funding of the Permanent Endowment Fund (hereafter referred to as The Fund) without encumbering the organization with gifts which may prove to generate more cost than benefit, or which are restricted in a manner that is not in keeping with the goals of the Church.

To optimize funding from individuals and other entities, the Church must be capable of responding quickly, and in the affirmative where possible, to all gifts offered by prospective donors. Except where stated otherwise, these policies are intended as guidelines only. Flexibility must be maintained since some gift situations can be complex and decisions only made after careful consideration of a number of interrelated factors. Therefore, these policies may in some instances require that the merits of a particular gift be considered by the Committee and a final decision be made only after a recommendation by that Board.

The Committee reserves the right to decline or otherwise refuse any gift offered to the church, with or without cause. Reasons for which a gift may be declined include, but are not limited to the following:

1. The Committee does not believe it is in the best interest of the church or the Fund to abide by the restrictions placed on the gift by the donor.
2. The costs to maintain the gift or to meet the restrictions placed on the gift by the donor are considered to be excessive for the Fund.
3. The gift is considered to be inappropriate or unrelated to the tax-exempt

purposes of the Church or the Fund.

4. The gift is designated to benefit or to be channeled to a specific individual.

## **GIFT ACCEPTANCE TERMS AND CONDITIONS**

All gifts will be acknowledged by written confirmation of the gift and of any terms and conditions of the gift acceptance. All information concerning donors and prospective donors, including their names, names of beneficiaries, the amount and type of the gift, aspects relating to their estates, etc., shall be kept strictly confidential except when donors permit the release of such information.

### **I. OUTRIGHT GIFTS**

#### **A. CASH**

1. Gifts in the form of cash and checks shall be accepted in any amount.
2. All checks must be payable to **[Your Church Name]** and in no event shall they be made payable to an employee, agent, or volunteer for credit to the Church.

#### **B. PUBLICLY TRADED SECURITIES**

Securities that are traded on the exchanges shall be accepted by the Church. The Permanent Endowment Fund Committee shall make the decision to keep or sell the security. The Oklahoma United Methodist Foundation is available to accept and liquidate publicly traded securities on your behalf. A Broker DTC Transfer Request and other forms are available on the Foundation's website. Contact the Foundation for further information.

#### **C. CLOSELY HELD SECURITIES**

Non-publicly traded securities may be accepted upon approval by the Trustees. The Committee shall make the decision to keep or sell the security.

#### **D. REAL PROPERTY**

1. All gifts of real property must have the approval of the Trustees and a fair market value in excess of \$\_\_\_\_\_ (for example, \$10,000).
2. Prior to approval, the Committee shall make a recommendation for accepting the real estate and shall include a report on (but not limited to) the following:
  - a. current title and ownership

- b. current zoning
  - c. any and all restrictions
  - d. any encumbrances, including an Affidavit of Lien signed by the Donor
  - e. an independent qualified third party appraisal
  - f. Phase I environmental audit
  - g. recommendation on marketability
3. Upon recommendation from the Committee, the Board of Trustees shall make the final decision to keep or sell the property.

#### E. TANGIBLE PERSONAL PROPERTY

1. All gifts of personal property must have the approval of the Committee and a cash value in excess of \$ \_\_\_\_\_ (*for example, \$1,000*).
2. Prior to approval, the Committee shall make a recommendation for accepting the personal property and shall include a report on (but not limited to) the following:
  - a. current title and ownership
  - b. an independent qualified third party appraisal
  - c. a recommendation on marketability
3. The Committee shall make the decision to keep or sell the property.

#### F. OTHER PROPERTY

The Committee shall make the decision to accept and to keep or sell any other property that it may deem to be in the interest of the Church.

## II. **PLANNED (DEFERRED) GIFTS**

### A. BEQUESTS

1. Gifts through wills (bequests) shall be actively encouraged by the Church.
2. Upon inquiry by a prospective donor, all representations as to the future acceptability of various properties to be left to the Church in a will or other deferred gift shall be made in accordance with the terms and provisions of Paragraph I (A-F) of this document.

3. Gifts of property that are not acceptable from estates shall be rejected by the Committee and that decision shall be communicated to the legal representatives of the estate.

#### B. REVOCABLE LIVING TRUSTS AND CHARITABLE TRUSTS

1. The Committee will recommend the Oklahoma United Methodist Foundation to serve as fiduciary.
2. The fees for management of a Charitable Remainder Trust will not normally be paid by the Church. However, upon approval by a majority of the Committee, these fees may be paid by the Church. The fees for management of a Revocable Living Trust will not be paid by the Church under any circumstances.
3. Revocable Living Trusts and Charitable Remainder Trusts and all other deferred gifts shall be encouraged as a method of making gifts to the Church while retaining income which may be needed by the donor for personal purposes. Such trusts shall not be marketed as tax avoidance devices or as investment vehicles and it is understood that no activity will be conducted that will violate Federal and/or State security regulations.
4. No representations as to the manner in which trust assets will be managed or invested shall be made by any employee or other persons acting on behalf of the Church.

#### C. LIFE ESTATE GIFTS

The Committee may accept such gifts provided that there has been a full disclosure of the possible ramifications of the transaction to the donor.

#### D. LIFE INSURANCE POLICIES

1. The Church will encourage donors to name the Church as beneficiary of life insurance policies that they have purchased.
2. The Church will not accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy may be made only when the Church has an insurable interest and is in compliance with all State and Federal statutes.
3. No insurance products will be endorsed for use in funding gifts to the Church.

4. In no event shall lists of Church donors' names be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or the Church.

#### E. GIFT ANNUITIES

The Church will accept the charitable remainder of Charitable Gift Annuities created by The Oklahoma United Methodist Foundation.

### III. PAYMENT OF FEES RELATED TO GIFTS TO THE CHURCH

#### A. FINDER'S FEES OR COMMISSIONS

No fees shall be paid to anyone as consideration for directing a gift to the Church.

#### B. PROFESSIONAL FEES

1. In general, the donor shall pay any fees associated with the gift.
2. No fees shall be paid to anyone as compensation for any sale of any products to the donor.

### IV. RESTRICTIONS

- A. Any restriction on the use of any gift must be approved by the Committee prior to acceptance of the gift.
- B. A designated permanent sub fund, other than those identified, may be established with a minimum gift of (*for example, \$50,000*) or such minimum to be determined appropriate and approved by the Committee.

### V. GIFT USE

- A. The use of undesignated gifts to the church, other than those gifts intended for undesignated use within the operating budget of the church, shall be determined by the Church Council. (Optional: If the gift is \$1,000 dollars or less, the Wills and Legacies Committee, if one exists, shall make recommendation to the Church Council on the use of the gift.) If the gift is more than \$1,000, the Church Council will entertain suggestions on the use of the gift from local church bodies prior to making a decision on its use.
- B. The church should maintain a "wish" list of projects and items that can be supported or purchased with undesignated gifts.
- C. The church may direct that a percentage of all undesignated gifts to the church be placed automatically in a Permanent Endowment Fund.