

[name of parish] of [location of parish]
Gift Acceptance Policies

[name of parish] of [location of parish] (hereinafter or “Church”), recognized by the IRS as an exempt organization, encourages the solicitation and acceptance of gifts to the Church for purposes that will help the Church to further fulfill its mission. The following policies outline the process by which prospective gifts to the Church or for the benefit of any of its programs and special ministries shall be accepted.

The mission of the Church is to *[insert Mission Statement]* .

The Church envisions that congregations will develop the resources and leadership to support individual and collective ministry, and the Diocesan leaders will provide support to these ministries.

I. Purpose of Policies

The Rector of the Church, the Church staff, and members of the Vestry may solicit current and deferred gifts in effort to secure the future growth and mission of the Church. These policies govern the process for the review of prospective gifts prior to acceptance by the Church; the type of the asset and the form of the proposed gift will affect the review process undertaken by the Church. These policies are also intended to guide prospective donors and their advisors when considering a gift to the Church. The provisions of these policies shall apply to all gifts to the Church for any of its programs or services.

II. The Gift Acceptance Committee

a. The Gift Acceptance Committee shall have as its members:

- The Rector of the Church
- The Senior Warden of the Church
- The Junior Warden of the Church
- The Treasurer of the Church
- The Chancellor of the Church
- And such other persons as may be appointed by the Rector

b. The Gifts Acceptance Committee is charged with the responsibility of reviewing all restricted and unrestricted gifts made to the Church excepting unrestricted gifts made with liquid assets hereby defined as cash, common or preferred stock and bonds. The purpose of the review by the Gift Acceptance Committee is to act in the best interest of the Church and make recommendations on the acceptability of the gifts.

III. Use of Legal Counsel and Avoiding Conflicts of Interest

- a. There is an ethical responsibility of the Church to the donors to act as true stewards of their wealth. Therefore the Church shall encourage donors to seek independent professional counsel to represent the donor's interests and to explore the alternatives, costs, tax benefits and obligations of their gifts. The Church shall not provide technical advice to the donor or an analysis of the resulting tax and estate planning consequences.
- b. The Gift Acceptance Committee shall seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate. Review by counsel is recommended for:
 - Gifts of closely-held stock that is subject to restriction or a buy-sell agreement
 - Gifts involving contracts requiring the Church to assume an obligation
 - Transactions with potential conflict of interest that may invoke IRS sanctions
 - Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee

III. Unrestricted and Restricted Gifts

- a. The Church will accept all unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are consistent with its stated mission, purposes, and priorities.
- b. The Gift Acceptance Committee will review all restricted gifts and make recommendations to accept or decline. Gifts that are restrictive are those that are too difficult or costly to administer or gifts that are for purposes outside the scope of the mission of the Church.

IV. Types of Gifts

- a. The Church will accept outright gifts of **liquid assets**.
- b. Gifts of property other than **liquid assets** in a form other than outright are subject to the approval of the Gift Acceptance Committee.
- c. Acceptance criteria for gifts other than **assets deemed to be immediately accessible** are to be examined by the Gift Acceptance Committee and evaluated in the best interest for the Church and its missions. Items to be considered include:
 - (1) Tangible Personal Property.
 - Does the property fulfill the mission of the Church?
 - Is the property marketable?
 - Are there any undue restrictions on the use, display, or sale of the property?
 - Are there any carrying costs for the property?
 - (2) Closely Held Securities.
 - Are there any restrictions on the security that would prevent the Church from converting the security to a form immediately accessible for mission support?

- Is the security marketable?
- Will the security generate an undesirable tax consequence for the Church?

(3) Real Estate.

- Is the property useful for the purposes of the Church?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, associated with the property?
- Does the environmental audit reflect that the property has liability issues?

(4) Remainder Interests in Property.

(5) Oil, Gas, and Mineral Interests.

- Do the surface rights have a value of \$20,000 or greater?
- Does the oil, gas, or mineral interest generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift)?
- Are there any extended liabilities or other considerations that make receipt of the gift inappropriate?
- Does a working interest have a plan to minimize potential liability and tax consequences?

(6) Bargain Sales.

- Does an independent appraisal substantiate the value of the property?
- If the Church is asked to assume debt with the property, is the debt ratio less than 50% of the appraised market value?
- Can the Church use the property?
- If the property is to be sold, is it reasonable to expect a sale within twelve months of the property being placed on the market?
- What are the expected costs to safeguard, insure, and maintain the property during the holding period?

d. The acceptance of structured planned gifts is encouraged and can be promoted through planned giving programs. The Church will not accept appointment as a Trustee but will accept designation as a beneficiary on the following after review by the Gift Acceptance Committee:

- (1) Bequests
- (2) Gifts of life insurance or personal annuity
- (3) Charitable remainder trust
- (4) Charitable gift annuities

- (5) Charitable lead trusts
- (6) Retirement Plan Beneficiary Designations

VI. Miscellaneous Provisions

- a. Securing appraisals and legal fees for gifts to the Church. It will be the responsibility of the donor to secure an appraisal (where required), provide an environmental review (as appropriate) and retain independent legal counsel for all gifts made to the Church.
- b. Proper acknowledgment and IRS procedures will be followed.
 - (1) Valuation of gifts. The Church will record a gift on the date the gift is completed at the fair market value for federal gift tax purposes. The Church will provide and sign the necessary IRS Forms.
 - (2) Responsibility for IRS Filings upon sale of gift items. The Church will file the appropriate IRS forms upon the sale or disposition of any asset sold within two years of receipt by the Church when the value of the gift is more than \$5,000.
 - (3) Adherence to U.S. Treasury Regulations. The Church will acknowledge all gifts made to the Church for charitable purposes in accordance with the regulations issued by the U.S. Treasury Department.
 - (4) Review of pertinent IRS Publications will be conducted annually by the Gift Acceptance Committee.

VII. Changes to Gift Acceptance Policies

Changes to, or deviations from, the Gift Acceptance Policies may be made with the approval of the Gift Acceptance Committee. All such changes shall be in writing.

Approved on the _____ day of _____, 2012.

[name of parish] of [location of parish]

GIFT ACCEPTANCE POLICIES

Documents for the Gifts Acceptance Committee

- 1. Environmental Review forms
- 2. IRS Forms 8282 and 8283 and Instructions
- 3. IRS Publication - Determining the Value of Donated Property
- 4. IRS Publication - Charitable Contributions