

## **Gift Acceptance Policy**

### **St. Luke's Episcopal Church, Sister Bay, WI**

#### **Purpose**

This gift acceptance policy will provide guidelines to the vestry members of St. Luke's Episcopal Church (hereafter "St. Luke's"), who may be involved in acceptance of gifts; to outside advisors who may assist in gift planning, and to prospective donors. This policy is intended only as a guide and allows for some flexibility on a case-by-case basis. The process outlined here, however, is intended to be followed closely. This policy applies to both gifts and bequests, designated or undesignated.

#### **Vestry**

The vestry is responsible for:

1. Determining if a non-monetary gift is to be accepted.
2. Directing the treasurer as to how assets are to be allocated between St. Luke's Legacy Fund (our quasi-endowment fund) and short-term savings.
3. Providing written acknowledgment of the gift including value based upon the actual dollar amount received by the parish.

The vestry, upon the advice of the treasurer, reserves the right to decline any gift that does not further the mission or goals of the parish. Also, any gifts that would create an administrative burden or cause the parish to incur excessive expenses may be declined.

#### **Treasurer**

Any questions that may arise in the review and acceptance of gifts to St. Luke's will be referred to the treasurer. The treasurer may act with the advice of the Finance Committee, at the treasurer's discretion. The treasurer will provide a recommendation to the vestry regarding accepting any gift and converting non-liquid gifts into liquid assets. Only upon vestry acceptance of the non-liquid gift will the treasurer begin converting it to liquid.

#### **Cash**

1. All gifts by check shall be accepted by St. Luke's regardless of amount, unless there is a known legal or ethical cause to refuse a gift.
2. Checks shall be made payable to St. Luke's Episcopal Church. In no event shall a check be made payable to an individual who represents St. Luke's.

#### **Publicly traded securities**

1. Readily marketable securities, such as those traded on a stock exchange, can be accepted by St. Luke's.
2. For gift crediting and accounting purposes, the value of the gift of securities is the average of the high and low prices on the date of the gift.
3. A gift of securities to St. Luke's normally will be liquidated immediately upon the vestry's acceptance and receipt of the gift. The vestry will direct the treasurer at the time of acceptance how to divide the gift between the Legacy Fund and short-term savings (see Policy Regarding Disposition of Bequests and Gifts).
4. The treasurer is responsible for ensuring the gift is sent to the church's brokerage firm and liquidated and then depositing the money as directed into the Legacy Fund and short-term savings.

### **Closely Held Securities (companies not traded publicly on an exchange)**

1. Non-publicly-traded securities may be accepted after consultation with the treasurer and approval of the vestry.
2. Before acceptance, the treasurer will explore methods and timing of liquidation of securities through redemption or sale. The treasurer will try to determine:
  - a. An estimate of fair market value
  - b. Any restrictions on transfer
  - c. Whether and when an initial public offering might be anticipated
3. No commitment for repurchase of closely held securities shall be made.

### **Real estate**

1. Any gift of real estate must be reviewed by the treasurer and approved by the vestry.
2. The treasurer is responsible, with the help of any needed professionals, for determining the worth and salability of the property.
3. The treasurer is responsible for obtaining an appraisal and a property inspection and other evaluations as deemed necessary. Any inspection or evaluation will be performed by an independent and professional agent.
4. The appraisal must be based on a personal visitation and internal inspection of the property by the appraiser. Whenever possible, it must show documented valuation of comparable properties located in the same area.
5. The formal appraisal should contain photographs of the property, the tax map number, the assessed value, the current asking price, a legal description of the property, the zoning status, and complete information regarding all mortgages, liens, litigation and/or title disputes.
6. St. Luke's reserves the right to require an environmental assessment of any potential real estate gift.
7. The property must be transferred to St. Luke's Episcopal Church before any formal offer or contract for purchase by a third party is made.
8. The donor may be asked to pay for all or a portion of the following:
  - a. Maintenance costs
  - b. Real estate taxes
  - c. Insurance
  - d. Real estate broker's commission and other costs of sale
  - e. Appraisal and evaluations costs
  - f. Title insurance
9. Upon the sale of the real estate, the church will reimburse the donor for expenses.
10. For gift crediting and accounting purposes, the value of the gift is the sale price of the real estate minus expenses the church incurs such as maintenance, insurance, real estate taxes, broker's commission and other expenses of sale.
11. The vestry retains the right to accept real estate for the purpose of a rectory rather than sale. This decision shall be made only after meeting all inspections and evaluations and an assessment is made for suitability as a rectory. Before accepting real estate for a rectory, the vestry must ensure that all diocesan and canonical requirements are met.

### **Life insurance**

1. A gift of a life insurance policy must be referred to the treasurer.
2. St. Luke's Episcopal Church can be named as a contingent beneficiary or the beneficiary of a percentage of a life insurance policy.
3. The vestry will accept ownership of the life insurance policy as a gift only if St. Luke's Episcopal Church is named as the owner and beneficiary of 100 percent of the policy.

4. If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the policy's replacement cost.
5. If the policy is partially paid up, the value for gift crediting and accounting purposes is the policy's cash surrender value. (For IRS purposes, the donor's charitable income tax deduction is equal to the "interpolated terminal reserve," which is an amount slightly in excess of the cash surrender value.)

### **Tangible personal property**

1. Any gift of tangible personal property shall be referred to the treasurer before acceptance.
2. A gift of jewelry, artwork, collections, equipment and/or software shall be assessed for its value to St. Luke's and may be either sold or used in connection with the parish's exempt purpose.
3. Depending on the anticipated value of the gift, the church may engage at its expense a qualified outside appraiser to determine its value.
4. St. Luke's shall adhere to all IRS requirements relating to disposing of gifts of tangible personal property and will provide appropriate forms to the donor and IRS.

### **Deferred gifts**

1. St. Luke's encourages deferred gifts in its favor through a variety of vehicles:
  - a. Charitable gift annuity (or deferred gift annuity)
  - b. Pooled income fund
  - c. Charitable remainder trust
  - d. Charitable lead trust
  - e. Bequest
  - f. Retained life estate
2. St. Luke's (or its agent) shall not act as an executor (personal representative) for a donor's estate. A member of the parish staff serving as a personal representative for a member of the parish does so in a personal capacity, and not as an agent of the parish.
3. St. Luke's (or its agent) shall not act as trustee of a charitable remainder trust.
4. When appropriate, St. Luke's may invite prospective donors to consider the gift vehicles offered by the Episcopal Church Foundation (specifically charitable remainder trusts, charitable gift annuities and the Pooled Income Fund) as well as its investment services.
5. When donors are provided planned gift illustrations or form documents, these will be provided free of charge. For any planned gift-related documents, materials, illustrations, letters or other correspondence, the following disclaimer should be included:

***We strongly urge that you consult with your attorney, financial and/or tax advisor to review and approve this information provided you without charge or obligation. This information in no way constitutes advice. We will gladly work with your independent advisors to assist in any way.***
6. All information obtained from or about donors/prospects shall be held in the strictest confidence by St. Luke's, its staff and volunteers. Neither the donor's name nor the amount nor the conditions of any gift shall be published without the expressed approval of the donor and/or beneficiary.
7. St. Luke's will seek qualified professional counsel in the exploration and execution of all planned gift agreements. The parish recognizes the right of fair and just remuneration for professional services.
8. Changes to this policy require a two-thirds vote of all vestry members.

***Approved by the vestry \_\_\_\_\_, 2016.***