

Christ Church Episcopal

Parish Endowment Fund Gift Acceptance Policy

Policy: VIII. C.

Initiated: 2009-02-16

Revised: 2021-11-17

Reviewed: 2022-09-18

Purpose: To ensure accountability to donors, the vestry of Christ Church has adopted the gift acceptance policy to serve as a guide to those making, structuring, receiving and administering gifts to the Christ Church Parish Endowment Fund. Because Christ Church Episcopal expects to operate in perpetuity, wise stewardship is essential to the Church's mission.

This policy is designed to protect all parties while ensuring that gifts are used as intended by the donor. The review and acceptance process is to be closely followed because of legal, economic and administrative liabilities possible with gifts.

Gift Review Committee: The Endowment Committee shall act as the Gift Review Committee. The Committee may appoint one additional confirmed person knowledgeable in the areas of planned giving, finance and the laws surrounding such gifts. This committee will review gifts referred to it under this policy and any not specifically mentioned by this policy.

Acceptance Procedures: The following procedures apply to unrestricted gifts to Christ Church Parish Endowment Fund, gifts in memory of or in honor of other persons but without restrictions, and gifts to church projects.

Other gifts, including gifts with restrictions, to establish new funds or for new purposes, gifts with debt involved, gifts of land, gifts that carry requirements for future funding, gifts with uninsurable liabilities and gifts which may bring ethical, legal, financial, political, theological, or public relations circumstances potentially detrimental to the Church must be reviewed by the Gift Review Committee before acceptance.

Once property or funds are received, they become the property of Christ Church Episcopal and cannot be removed from the church.

Gifts other than those reviewed by the Gift Review Committee are subject to the following:

Cash:

- The Church accepts checks in any amount from reputable sources. Checks are made payable to Christ Church Episcopal with an indication of the purpose of the gift. Cash gifts of \$10,000 or more must be referred to the Gift Review Committee and properly reported to the government, if accepted.
- The Church recognizes the role of donors and their gifts to the Church in achieving its religious purposes and will acknowledge donors in appropriate ways both publicly and privately. The Church will issue receipts for cash or check in a form compliant with IRS regulations.

Marketable Securities: Publicly traded marketable securities are accepted in the following forms:

1. physical certificate registered in the name of the Church.
 2. physical certificate in the name of the donor with properly executed stock powers attached with signatures properly guaranteed.
 3. transfer to an account of the Church from a bank, brokerage firm or similar financial institution.
- Such gifts will be liquidated immediately.
 - Stock controlled under SEC Rule 144 will be held until the restriction on sales expires, then immediately sold.
 - The gift shall be recorded in the books of the Church at the average of the high and low prices on the date of the gift. The Church will provide donor with IRS form 8283 and substantiation letter as required by IRS regulations

Restricted Gifts:

The following types of restricted gifts shall always be referred to the Gift Review Committee:

Closely Held Stock

- Gift Review Committee will explore methods and timing of liquidation, financial exposure, timing of sale and other conditions which might impact desirability. Internal Revenue Service requires a qualified appraisal to establish value.
- No stock is accepted when subject to a formal repurchase agreement at time of gift. The Church shall issue IRS form 8283 and a substantiation letter to the donor as required by IRS regulations

Real Estate: All real estate gifts must be reviewed by the Gift Review Committee.

- Unencumbered real property will be accepted upon approval by the Gift Review Committee and must have at least one qualified appraisal. In most cases, a single appraisal paid for by the donor will be adequate. In some instances, the Church will obtain a second appraisal to eliminate any question of conflict of interest.
- Real property that is encumbered by debt shall not be accepted unless assets are provided to service or retire debt.
- Before acceptance of real property, donor must agree in writing on arrangement for paying expenses associated with the property such as taxes, assessments, appraisal fees, environmental evaluations, finder's fees, maintenance costs and insurance coverage. Church will not make advances for payment of such expenses. Donor is responsible for such expenses prior to acceptance of property as a gift.
- If not previously completed, appropriate environmental analysis will be completed on any proposed gift of real property and related assets of the property in order to avoid potential liability for environmental cleanup, toxic and hazardous waste issues.
- Donor is required to execute and acknowledge church's real property inquiry form which outlines background information, conditions, restrictions, allowances, expenses and income from the property.
- Committee shall not provide donor with a market value of the gift. Church will place a value on the property on its records of the lower of the appraisal or the donor's claimed charitable deduction if amount seems appropriate. Church shall issue IRS form 8283 and substantiation letter to donor to comply with IRS regulations.

Life Insurance:

- The Church may be named as primary or contingent beneficiary of a life insurance product. For the donor to receive a charitable deduction, the Church must be named as owner and beneficiary of the policy.
- Church will accept no responsibility for the payment of future premiums unless funds are provided for such purpose.
- Gift will be booked by the Church at Cash Surrender Value of policy at the time of the gift. Church shall provide donor with IRS form 8283 and appropriate substantiation letter.

TANGIBLE PERSONAL PROPERTY:

- All gifts of tangible personal property shall be reviewed by the Gift Review Committee.
- May include works of art, jewelry, automobiles, household effects, collections, and similar properties.
- Committee must determine if assets can be used for a related purpose within the church or if the assets are readily marketable. Committee must consider transportation costs, storage, insurance and maintenance costs, fees or other costs related to the acquisition, storage, protection and sale or use of such assets.
- Church and donor must comply with U S Treasury regulations for obtaining and reporting qualified appraisals.
- Church shall give no indication of the fair market value of the assets to the donor. Church shall issue IRS form 8283 and a substantiation letter to the donor in an appropriate form to comply with IRS regulations

Deferred Gifts:

Pooled Income Funds, Charitable Remainder Trusts and Charitable Lead Trusts. The Church may receive and encourages deferred gifts in its favor through a variety of vehicles:

- Charitable Gift Annuity
- Pooled Income Fund
- Charitable Remainder Trust
- Charitable Lead Trust
- Bequest
- Retained Life Estate

These vehicles pay income on the remainder to the Church. The following guidelines should be observed with such gifts:

- Church shall not act as executor for a donor's estate.
- Church shall not act as trustee or co-trustee on a charitable remainder trust.
- All information obtained from or about donor/prospects shall be held in strictest confidence by church staff and volunteers. Name, amount, or conditions of any gift shall not be published without the written approval of donor and/or beneficiary.
- Church will seek qualified professional counsel in the exploration and execution of all planned gift agreements. Church recognizes right of fair and just remuneration for professional services.
- Vestry, upon the advice of the Gift Review Committee, reserves the right to decline any gift that does not further mission or goals of the church. Gifts that would create an administrative burden or incur excessive expenses may be declined. Appropriate acknowledgement and recognition is the responsibility of the Priest.

- Because of the complexity of the vehicles, competent representatives of the church shall review each document, if possible, to ensure that the ultimate purpose of the gift is understood.
- These vehicles carry no legal liability to the church other than to follow the donor's wishes when funds are received. Such gifts shall be referred to the Gift Review Committee and considered for membership in the Bishop Tharp Legacy Society.

Charitable Bequests:

- May be unrestricted or restricted. Unrestricted bequests may be accepted without review by Gift Review Committee while restricted bequests will require review. Membership in the Bishop Tharp Legacy Society should be considered with these gifts.

Retained Life Estates:

- It may be in the donor's best interest to deed an asset to the church but retain its use during donor's lifetime. Such gifts shall be reviewed by the Gift Review Committee for possible costs and liability. Donor shall maintain property, pay taxes, insurance and other costs associated with upkeep of property during the donor's lifetime.

Charitable Gift Annuities:

- Charitable Gift Annuities are general obligations of a charity and subject to the terms of an annuity agreement.
 - Such agreements must be reviewed by the Gift Review Committee and the Chancellor of the Diocese, and if recommended by those entities, sent to the Bishop and Council for final approval.
- a) Competent legal counsel must be sought when needed. Neither church staff nor employees may act as counsel, serve as executor, trustee, administrator or any other fiduciary role. All information concerning the donor shall be held in strictest confidence.

*** It is the policy of Christ Church Episcopal to accept gifts which further the mission and goals of the church and decline gifts which would create unacceptable administrative burdens, assumption of unacceptable risk or costs or do not further the mission and goals of the Church. In all activities, forms, reports and letters shall be produced which meet the legal and tax requirements of the donor as well as legal, tax and donor relation needs of the Church.

May the gifts received under this policy be used to the Glory of God and the furtherance of His Kingdom at Christ Church Episcopal.

*** All financial policies are reviewed and evaluated annually by the finance committee and approved by the vestry. Financial policies must be consistent with Title I, Canon 7 of the Diocese of East Tennessee *Manual of Business Methods of Church Affairs*. The Domestic and Foreign Missionary Society of The Protestant Episcopal Church in the U.S.A, December, 2019.