



## **SAMPLE**

**UNITED METHODIST CHURCH OF {Church Name}  
{Address}  
{Your Church's Name, State Zip}**

### **GIFT ACCEPTANCE POLICY**

#### **PURPOSE**

The purpose of this Gift Acceptance Policy is to describe the type of gifts that can be accepted by the church and also the manner in which they can be accepted.

#### **INTRODUCTION**

In order to protect the interests of the United Methodist Church of {Church Name}, (“the Church”) and the persons and other entities supporting 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 Church’s Permanent Endowment Fund (“the Fund”) without encumbering the organization with gifts that may prove to generate more cost than benefit, or which are restricted in a manner not keeping with the goals of the Church.

To optimize gifts 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 gift situations can be complex and decisions made only after careful consideration of multiple factors. Therefore, these policies may in some instances require that the merits of a particular gift be considered by the Church’s Endowment/Planned Giving Committee (“the Committee”) and that any final decision be made only after a recommendation by that Committee.

## **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. Gift acknowledgments also will include any additional information that may be required by federal tax law.

### **I. Outright Gifts**

#### **A. Cash**

1. Gifts in the form of cash and checks shall be accepted in any amount. See restrictions in **Sub-Accounts Policy V** regarding designated accounts.
2. All checks must be payable to the United Methodist of {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**

1. Securities, which are traded on the public stock exchanges, shall be accepted by the Church.
2. Gifts of securities to the fund should be done by electronic transfer whenever possible to avoid unnecessary expense and delays.
3. The Endowment Committee shall make the decision to keep or sell the securities, although typically they will be immediately sold.

#### **C. Closely Held Securities**

1. The Committee, after conducting reasonable due diligence, may also accept non-publicly traded securities.
2. Gifts of closely held securities to the fund should be done by electronic transfer whenever possible to avoid unnecessary expense and delays.
3. The Committee shall make the decision to keep or sell the securities, although typically they will be immediately sold.

#### **D. Real Property**

1. All gifts of real property must have the approval of the Committee and also have a fair market value in excess of \$5,000.
2. Prior to approval, the Committee shall make a recommendation for accepting the real estate and also 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 existing encumbrances on the property
  - e. An independent qualified third-party appraisal
  - f. An environmental assessment (scope will be based on actual type of real estate)
  - g. A recommendation on marketability

3. Upon recommendation from the Committee, the Board of Trustees shall make the final decision whether to keep or sell the property.
- E. Tangible Personal Property
1. All gifts of personal property must have the approval of the Committee; the property must also have a cash value in excess of \$1,000.
  2. Prior to approval, the Committee shall make a recommendation for accepting the personal property and shall include a report including (but not limited to) the following:
    - a. Current title and ownership information
    - 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 decisions whether to accept and also to keep or to sell any such other property as it may deem to be in the best interests of the Church.

## **II. Planned (Deferred) Gifts**

- A. Charitable Bequests
1. Gifts through wills shall be actively promoted by the Church within the context of an intentional and ongoing program.
  2. Revocable living trusts shall be encouraged as an effective alternative to wills for making a legacy gift to the Church..
  3. Upon inquiry by a prospective donor, all representations as to the future acceptability of various properties to be given to the Church by will and revocable living trust (or other deferred gift) shall be made in accordance with the terms and provisions of Paragraph I (A-F) of this document.
  4. Gifts of property from estates of deceased donors that are not acceptable shall be rejected by the Committee; and that decision shall then be communicated in writing to the legal representative of the estate.
- B. Charitable Remainder Trusts
1. Charitable Remainder Trusts (and other selected life income gifts) shall be promoted as tax-advantaged methods of making gifts to the Church. Such planned gifts will be especially attractive for donors wishing to retain an income interest, which could still be needed for personal security and/or retirement purposes.
  2. 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.
  3. The minimum amount recommended to donors for establishing a Charitable Remainder Trust is \$100,000.

4. The Church will not normally pay the fees for the management of a Charitable Remainder Trust; however, upon approval by a majority of the Committee, the Church may pay these fees.
5. Any employee or other persons acting on behalf of the Church shall not make any representations as to the manner in which charitable trust assets will be managed or invested.
6. The Committee will recommend the California-Nevada United Methodist Foundation as a fiduciary (i.e., trustee and administrator) for Charitable Remainder Trusts that provide at least 50% of the remainder gift for United Methodist causes, including the Church.

#### C. Charitable Gift Annuities

1. The Church will promote Charitable Gift Annuities as a life income gift opportunity for its members and friends through the program sponsored by the California-Nevada United Methodist Foundation.
2. The requirements of the Foundation's Gift Annuity Program are as follows:
  - a. The minimum age is 55
  - b. The minimum amount is \$10,000
  - c. 60% of the Gift Annuity remainder must be designated for United Methodist causes
  - d. The above 60% includes the 10% that must be directed for the general purposes of the Foundation
3. The Church will accept Charitable Gift Annuities that are issued by the California-Nevada United Methodist Foundation (as well as other duly licensed foundation or non-profit organization).

#### D. Charitable Gifts with Life Insurance Policies

1. The Church will encourage donors to name the Church as the full or partial beneficiary of personal and/or group life insurance policies.
2. The Church will educate its donors about the benefits of making a charitable gift with "obsolete" life insurance policies by naming the Church as both owner and beneficiary.
3. The Church may also accept gifts from donors for the purpose of purchasing life insurance on the donor's life; however, such gifts will only be completed when the Church has an "insurable interest" and is in compliance with all relevant State and Federal laws.
4. The services of the California-Nevada United Methodist Foundation will be recommended to those donors needing assistance in making gifts of their life insurance policies for the ultimate benefit of future ministries of the local Church.

#### E. Donor-Advised Funds

1. The Church will promote Donor-Advised Funds as a flexible and convenient way to enhance giving opportunities for its members and friends through the California-Nevada United Methodist Foundation.

2. The requirements and recommendations for the Foundation's Donor-Advised Program include the following:
  - a. The minimum contribution is \$10,000
  - b. The minimum distribution is suggested to be \$500  
50% of grants should be for United Methodist causes, such as the local church, Annual Conference, or the denomination
  - c. Donors make recommendations about desired distributions. The Endowment Committee actually makes the final grant decisions
3. The Church will also accept Donor-Advised Fund grants from other endowments, foundations, as well as from regulated financial services companies.

F. Life Estate Gifts

1. The Committee may accept such gifts provided that there has been full and fair disclosure of the relevant issues involved in such a gift transaction, and after both parties have received legal representation.
2. Any life estate gift must be accompanied by formal *Memorandum of Understanding* that outlines the responsibilities of the life tenant to pay property taxes and provide insurance, repairs, maintenance.

### III. Payment of Fees Related To Gifts for The Church

A. Finders Fees or Commissions

The Church will not pay finders fees or commissions to anyone as the consideration for directing a planned gift to the Church.

B. Professional Fees

In general, the donors shall pay any fees associated with completing a planned gift for the benefit of the Church. For example, no fee will be paid to anyone as compensation for the sale of products, or for professional services rendered, to any donors.

### IV. Gift Restrictions

- A. The Endowment Committee, prior to the acceptance of a planned gift, must approve any related restriction on the intended use of such gift.
- B. A designated permanent sub-fund, other than those already identified (by the Church Endowment Policy or otherwise) may be established with a minimum gift of \$25,000, or other minimum as recommended by the Committee and approved by the Administrative Council.