

Faith Lutheran Church Endowment Fund

Gift Acceptance Policy

I. POLICY AND PURPOSE

This policy governs the solicitation and acceptance of gifts by the Faith Lutheran Church Endowment Fund. The purposes of this policy are (a) to provide guidance for the Leadership Board, Endowment Fund Team, staff, and other appropriate constituencies with respect to their responsibilities concerning gifts to The Fund, and (b) to provide guidance to prospective donors and their professional advisors when making gifts to The Fund. The provisions of this policy shall apply to all gifts received by The Fund.

II. ABBREVIATIONS/DEFINITIONS

The following abbreviations/definitions are used herein:

The Fund – Faith Lutheran Church Endowment Fund

FET – Faith Endowment Fund Team

FLB – Faith Leadership Board

III. AUTHORITY AND GENERAL POLICY

- A. The FLB has authorized the FET to advocate for and be ambassadors of The Fund and to accept gifts on behalf of The Fund in accordance with these policies.
- B. The FET shall function as a gift review committee responsible for recommending to the FLB whether or not to accept proposed gifts. Any gifts of cash and marketable securities designated for The Fund may be accepted by the FET. Gifts of cash and marketable securities designated for purposes other than those specified by The Fund, and all other gifts for any purpose must be reviewed by the FET and subsequently approved by the FLB.
- C. All final decisions on the acceptance or refusal of a gift shall be made by the FLB. Faith will not accept gifts to the Fund that:
 1. Violate the terms of its organizational documents;
 2. Would jeopardize its status as an exempt organization under federal or state law;
 3. Are too difficult or expensive to administer;
 4. Are for purposes that do not further its mission or objectives; or
 5. Could damage its reputation.

IV. USE OF LEGAL COUNSEL

- A. At its discretion, and subject to the FLB approval, the FET may seek the advice of legal counsel in the following matters relating to gift acceptance:
 1. Closely held stock transfers subject to restrictions or buy-sell agreements;
 2. Documents naming Faith as trustee;
 3. Gifts involving contracts such as bargain sales, partnership agreements, or other documents requiring Faith to assume an obligation;
 4. Transactions with a potential conflict of interest;
 5. Gifts of real estate;
 6. Pledge agreements;

7. Any gift with restrictions.
8. Any other circumstance deemed appropriate by the FET.

- B. Prospective donors shall be encouraged to seek the assistance of their own legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

V. SPECIFIC TYPES OF GIFTS

- A. Cash - The Fund will accept gifts of cash (US currency only). Checks shall be made payable to Faith Lutheran Church and should be specifically earmarked for the Endowment Fund.
- B. Marketable Securities
 1. Marketable securities may be transferred to an account maintained by Faith at a brokerage firm or delivered physically with the transferor's signature or stock power attached. All marketable securities shall normally be sold as soon as practical following receipt.
 2. If the marketable securities are restricted by applicable securities laws or in any other fashion, the FLB shall make the final determination on the acceptance of the restricted securities.
- C. Tangible Personal Property - The FLB shall decide whether to accept gifts of tangible personal property based on the review and recommendation of the FET. In making their recommendation the FET will consider the following factors:
 - a. The marketability of the property;
 - b. The restrictions on the use, display, or sale of the property; and
 - c. Carrying costs and possible liability for the property.
- D. Closely-Held Securities
 1. Closely-held securities, including debt and equity positions in non-publicly traded companies, interests in LLPs and LLCs, or other ownership forms, can be accepted subject to review and recommendation of the FET and approval by the FLB. The FET shall consider the following factors:
 - a. Restrictions on the security that would prevent Faith from ultimately converting the securities to cash;
 - b. The marketability of the securities; and
 - c. Any undesirable consequences for Faith from accepting the securities
 2. All closely-held securities shall normally be sold as soon as practical following receipt.
- E. Bequests
 1. Donors may make bequests to Faith under their wills and trusts.
 2. A bequest will not be recorded as a gift until the gift is received.
- F. Charitable Remainder Trusts and Charitable Lead Trusts
 1. The Fund may accept designations as remainder beneficiary of a charitable remainder trust or as income beneficiary of a charitable lead trust.
 2. Faith shall not accept appointment as trustee of a charitable remainder or lead trust.
- G. Retirement Plan Beneficiary Designations
 1. The Fund may accept designations as beneficiary of donors' retirement plans.

2. Designations will not be recorded as gifts until the gift is received.

H. Life Insurance

1. The Fund may accept designations as beneficiary and owner of a life insurance policy.
2. The life insurance policy will be recorded as a gift once The Fund is named as both beneficiary and irrevocable owner.
3. If the donor contributes future premium payments, Faith will include the entire amount of the additional premium payment as a gift in the year that it is made.
4. If the donor does not elect to continue to make gifts to cover premium payments on the policy, Faith may:
 - a. Continue to pay the premiums; or
 - b. Utilize existing cash value to continue paying premiums; or
 - c. Convert the policy to paid up insurance; or
 - d. Surrender the policy for its current cash surrender value.

I. Charitable Gift Annuities - Faith may offer charitable gift annuities (CGA) that benefit The Fund through a third-party administrator but will not be an issuer of CGAs.

J. Real Estate

1. Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest.
2. Prior to acceptance of real estate, an initial environmental review of the property is required to ensure that it has no environmental problems. If the initial inspection reveals a potential problem, Faith shall retain a qualified inspection firm to conduct an environmental audit at the donor's expense.
3. A title binder shall be obtained prior to the acceptance of the real property gift when appropriate, at the donor's expense.
4. All real estate shall normally be sold as soon as practical following receipt.

K. Remainder Interest In Property (Life Estate) – The Fund may not accept a remainder interest in a personal residence, farm, or vacation property.

VI. ADDITIONAL PROVISIONS

- A. Restricted Gifts – A gift with restrictions will be accepted only if the restrictions are approved by the FLB.
- B. Fees – The Fund will not accept a gift unless the donor is responsible, where applicable, for the fees of independent legal counsel retained by the donor for completing the gift; appraisal fees; environmental audits and title binders; and all other third-party fees associated with the transfer of the gift to Faith.
- C. Written Acknowledgment – Faith shall provide timely, written acknowledgment of all gifts made to The Fund and comply with the current IRS requirements for acknowledgments.
- D. Changes to or Deviations from Policy – This policy has been reviewed and accepted by the Faith FLB, which has sole power to change this policy. In addition, the FLB must approve, in writing, any deviations from this policy.

- E. Periodic Review of Policy – The FET shall periodically review the Gift Acceptance Policy to ensure that it remains current, applicable, and relevant. The FET may, when necessary, recommend amendments or other revisions for the FLB’s approval. The FLB reserves the right to make amendments or revisions to the policy at its sole discretion.

VII. APPROVAL

This Gift Acceptance Policy was approved by Faith Leadership Board on November 18, 2019.