

ST PETER EVANGELICAL LUTHERAN CHURCH

GIFT POLICY

I. PURPOSE: This policy governs the acceptance of gifts by St. Peter Evangelical Lutheran Church (hereafter St. Peter) and provides guidance to prospective donors and their advisors when making gifts. The provisions of this policy apply to all gifts to St. Peter whether designated for the Endowment Fund, for a specific purpose or without restriction. Gifts will be accepted when they support the mission, purpose, and procedures of St. Peter. Donors are encouraged to make gifts free of restrictions. All gifts will be considered based on the type of asset, gift transfer costs, donor restrictions, potential liabilities, mission, current needs, and other applicable factors. The Fund shall accept only such gifts as are legal and consistent with this Gift Policy, and applicable Bylaws and Constitution. While St. Peter does not provide tax advice, every effort will be made to assist donors in complying with the intents and purposes of the Internal Revenue Service (IRS) for allowing charitable tax benefits.

II. COMMITTEE GUIDELINES

- A. Endowment:** All gifts that are made for the Endowment Fund will be governed by the Endowment Fund Policy as well as this Gift Policy. All gifts not made specifically for the Endowment Fund will be governed by the Gift Policy and Church Council. The Endowment Committee (hereafter Committee) is charged with the responsibility of reviewing gifts made for the Endowment Fund and shall make decisions and/or form recommendations regarding gift acceptance and use according to this Gift Policy and the Endowment Fund Policy. Gift decisions made by the Committee shall be reported to the church council as required by the documents and presented for final approval.
- B. Non-Endowment Gifts:** All gifts that are made without a request that they be placed into the Endowment Fund will be governed by this Gift Policy. The Church council or its designated committee (hereafter Council) will be charged with the responsibility of reviewing gifts offered and shall make decisions and/or form recommendations regarding gift acceptance and use according to this Gift Policy.
- C. St Peter will accept unrestricted gifts and donor restricted gifts for specified programs and purposes, provided that such gifts are consistent with the stated mission, vision, policies and priorities of the Fund. However, it will not accept gifts that would result in losing its status as a US Internal Revenue Code Section 501(c)(3) nonprofit organization; are deemed by the Committee too difficult or too expensive to administer; or be a liability, in relation to the gift value; would result in unacceptable consequences; or are for purposes outside the mission of this Fund.**
- D. Records of gift acceptance or decline and of gift use shall be audited within this body's standard compliance review procedures.**
- E. The Committee and/or Council shall offer appreciation for every donor's generosity, regardless of the decision to accept or decline the gift. Often that appreciation will begin with a verbal conversation with the donor or donor's estate but will be formalized through written notice.**

- F. Recognition of the donor should not be a condition of the gift. The decision to provide acknowledgment and recognition for the gift will be the decision of the Committee and/or Council taking into consideration the desire of the donor and keeping with the standards and culture for the practice of appropriate gratitude for this congregation.

III. **TYPES OF GIFTS CONSIDERED:** The following examples are intended to facilitate donation and acceptance of gifts offered, albeit not intended to represent an exclusive list of potential gifts nor review criteria.

A. **Potential Gifts.** A variety of gifts can be shared with this St. Peter through this Fund and donors are encouraged to inform the Church Council and/or the ELCA Foundation Regional Gift Planner of such gift plans whenever possible. Some gifts will be accepted outright, and other gifts will be reviewed on a case-by-case basis according to the policies of the Fund. The Church Council may seek advice from attorneys, accountants, and other professionals in evaluating potential gifts. General categories of gifts include, but are not limited to:

- a. **Cash.** Gifts of cash will be accepted and are welcomed.
- b. **Beneficiary Designations.** Gifts of assets that transfer through beneficiary designation will be accepted. Types of beneficiary designation assets include, but are not limited to:
 - i. Bank and credit union accounts (commonly called a Payable on Death or POD)
 - ii. Bank accounts and investments of qualified or non-qualified status, including, but not limited to, annuities, mutual funds, and securities (commonly called a Transfer on Death or TOD)
 - iii. Charitable Gift Annuities
 - iv. Charitable Remainder Trusts
 - v. Charitable Lead Trusts
 - vi. Distribution Agreements
 - vii. Donor Advised Funds
 - viii. Endowments
 - ix. Life insurance policies
 - x. Profit sharing plans
- c. **Marketable Securities.** Gifts of marketable securities will be accepted when transferred electronically to a Fund-owned brokerage account; or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached; or transferred through the ELCA Foundation. All marketable securities will be sold

promptly upon receipt unless otherwise directed. In some cases, marketable securities may be restricted by applicable securities laws, the terms of the proposed gift, or other stipulations. Types of publicly and non-publicly traded marketable securities include, but are not limited to:

- i. Bonds
 - ii. Master Limited Partnerships (MLP)
 - iii. Mutual Funds
 - iv. Real Estate Investment Trusts (REIT)
 - v. Stocks
 - vi. Unit Investment Trusts (UIT)
- d. **Life Insurance.** Gifts of life insurance will be accepted when this Fund is named as the sole owner of the insurance policy and an agreement is reached regarding the responsibility for payment of current and future premiums due. If the premium payments are not paid, the Fund, as policy owner, reserves the right to surrender the policy in exchange for the cash value to avoid loan balance accruals.
- e. **Bequests.** Gifts in the form of a bequest will be considered on a case-by-case basis. Types of bequests include, but are not limited to:
- i. Charitable Lead Trusts (CLT) or Charitable Remainder Trusts (CRT)
 - ii. Irrevocable Life Insurance Trusts (ILIT)
 - iii. Living or Revocable Trusts
 - iv. Testamentary Trusts or ‘trust under will’
 - v. Wills
- f. **Real Estate.** Gifts of real estate will be considered on a case-by-case basis. The donor shall be required to present an appraisal to the Committee no more than 60 days prior to the real estate transfer (Ref. IRS Publication 561, under “Qualified Appraisal”).
- g. **Tangible Personal Property.** Gifts of tangible personal property will be considered on a case-by-case basis. For gifts of personal property valued at more than \$5,000, acquiring an independent assessment or appraisal shall be the responsibility of the donor or donor’s estate. Appraisal of all non-cash gifts must take place within 60 days.
- h. **Closely held business interests.** Gifts of closely held business interests will be considered on a case-by-case basis. Types of closely held business interests include, but are not limited to:
- i. Limited Liability type organizations (LLC, LLP, etc.)

- ii. Partnerships
 - iii. S-Corporations or shares
 - iv. C-Corporations or shares
 - v. Business options/warrants
- i. **Oil, Gas, and Mineral Interests and Royalties.** Gifts of oil, gas, or mineral interests and/or royalties will be considered on a case-by-case basis.
 - j. **Agricultural Commodities.** Gifts of commodities from cash basis farmers (excluding crop share landlords), including gifts of grain (e.g. soybeans, corn, wheat, et al.), will be considered on a case-by-case basis.
 - k. **Intellectual Property.** Gifts of intellectual property will be considered on a case-by-case basis. The donor and this Committee are encouraged to consult with an estate attorney/legal counsel before offering and/or accepting this gift. Types of intellectual property include, but are not limited to:
 - i. Copyrights
 - ii. Patents
 - iii. Trademarks

B. **Gift Review Criteria**

- Does the gift further the mission or help fulfill the purpose of this body?
- Is the gift easy to convert to cash, readily marketable, or are there restrictions on the use, display, or sale of the gift?
- Are there covenants, conditions, restrictions, reservations, easements, encumbrance, or other limitations associated with the gift?
- Are there any carrying costs (e.g. insurance, property or other taxes, mortgages, or notes), or maintenance expenses that outweigh the benefit of the gift?
- Does the environmental review or audit reflect that the property warrants additional investigation or otherwise requires remediation?
- Does the property have liabilities or other considerations that make receipt of the gift inappropriate?
- Any other criteria determined to be applicable by the Committee.

IV. **USE OF UNRESTRICTED GIFTS**

An unrestricted gift is given without any stipulation for its use and is accepted to support the mission and ministry of St. Peter. The funds are to be invested and used by the Committee or Council as needed to support St. Peter and its ministries. A tithe (10%) of the gift amount will be shared as “Mission Support” to support the ELCA’s synodical

and churchwide ministries in order to help empower God's work in the world beyond our local congregation.

V. USE OF RESTRICTED GIFTS AND GUIDELINES

- A. A restricted gift is given with specific stipulations for its use and is accepted to support the mission and ministry of this congregation through the donor's defined restrictions. Gifts with specific donor defined restrictions will be considered on a case-by-case basis with the understanding that the funds are to be used as requested by the donor.

Once a gift is accepted, donors may not direct the way a gift is invested or utilized beyond the stipulated restriction(s). In accordance with the Internal Revenue Service, donors cannot claim tax favor or retain control over gifts to charity.

- B. Donors should be aware that programs offered by this congregation may be discontinued, renamed, modified, or incorporated into other programs, therefore a donor who makes a restricted gift, whether in the form of a current gift or through an estate plan, is strongly encouraged to complete the **Restriction and Release Form** (see Exhibit B). St. Peter shall make the *Restriction and Release Form* readily available in the office and through the website of this congregation.
- C. Restricted gifts established prior to the approval of this policy or received without the accompaniment of a *Restriction and Release Form* shall be reviewed by the Committee, the Council, and potentially this congregation to determine if the gift shall be accepted. This congregation may also consult legal counsel and this state's Attorney General to determine the requirements to lift a donor restriction if necessary.
- D. These steps apply to all restricted gifts:
Step 1: The Fund shall apply the full proceeds of the gift to the restriction defined by the donor.
Step 2: In the rare event the gift is unable to be used as intended by the donor due to a lack of funding, need, or program; and after a review period of at least twelve (12) months; and in alignment with the restriction release requirements of this congregation and this state, the gift may become unrestricted and the balance of the gift (including any accumulated interest) may be utilized as an unrestricted gift.

- E. Donors wishing to establish a named endowment, will be encouraged to contact the ELCA Regional Gift Planner.

VI. MEMORIAL AND HONORARY GIFTS

Memorial and honorary gifts include gifts given in memory or honor of loved ones, friends, or others and may be unrestricted or restricted. Memorial and honorary gifts are subject to the same guidelines for gift acceptance, appreciation, valuation, and use as other gifts. Notification shall be provided to the individual, family, or the individual's estate, listing the donors who contributed a memorial or honorary gift when the gifts are made directly to the church. The church shall strive to provide a suggested memorial list. When the gift or memorial exceeds \$500, the pastor in conjunction with the gifts and memorial committee will consult with the family as to the use of the gift. When material items are given (or purchased) as a part of a Memorial or Honorary gift, these items have a useful life. If an item needs to be replaced or is unable to be used due to lack of program, need, or funding; the item will be repurposed or discarded in a respectful way.

VII. GIFT POLICY REVIEW

This policy shall be reviewed every three (3) years by the Committee and the Church Council. The initial review will commence in the year two thousand and twenty-seven (2027).

VIII. RESOURCES

The **ELCA Foundation**, through Regional Gift Planners and support staff, offer gift planning services at no charge to this body and their donors. Visit **www.elcafoundation.org** or call **800-638-3522** to connect with the ELCA Foundation Regional Gift Planner.

Donors are also encouraged to consult with their personal tax advisor, estate attorney and/or financial advisor for specific tax, legal, and investment information. St Peter Evangelical Lutheran Church does not provide any tax, legal, or investment advice.