(Church Name)
Deferred and Memorial/Designated Gift Policy

PURPOSE

The purpose of the Deferred and Memorial/Designated Gift Policy is to describe the type of gifts that can be accepted and the manner in which they can be accepted. Where a Permanent Endowment Committee (hereinafter referred to as The Committee) does not exist, The Finance Committee is instructed by the Vestry/Mission Council of (Church Name) to receive and distribute gifts received under the Deferred and Memorial/Designated Gift Policy of the (Church Name).

INTRODUCTION

In order to protect the interests of (Church Name) (The Church) and the persons and other entities who support 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 all parties.

This document focuses on both current and designated gifts, with special emphasis on various types of designated gifts and gifts of non-cash property. The goal is to encourage funding of a Permanent Endowment Fund (hereafter referred to as The Fund) without encumbering the organization with gifts which may prove to generate more cost than benefit, or which are restricted in a manner that is not in keeping with the mission of the Church.

To optimize funding 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 some gift situations can be complex and decisions only made after careful consideration of all interrelated factors. Therefore, these policies may in some instances

require that the merits of a particular gift be considered by the Committee and a final decision be made only after a recommendation by the Vestry/Mission Council.

The Committee reserves the right to decline or otherwise refuse any gift offered to the Church, with or without cause. Reasons for which a gift may be declined include, but are not limited to the following:

1. The Committee does not believe it is in the best interest of the Church to abide by the restrictions placed on the gift by the donor.
2. The costs to maintain the gift or to meet the restrictions placed on the gift by the Donor(s) are considered to be excessive to the Church.
3. The gift is considered to be inappropriate or unrelated to the tax-exempt purposes of the Church.
4. The gift is designated to benefit or to be channeled to a specific individual.

GIFT ACCEPTANCE TERMS AND CONDITIONS

All gifts will be acknowledged by written confirmation and of any terms and conditions of the gift acceptance. All information concerning donors and prospective donors, including their names, names of beneficiaries, the amount and type of the gift, aspects relating to their estates, etc., shall be kept strictly confidential except when donors permit the release of such information.

I. OUTRIGHT GIFTS

A. CASH

1. Gifts in the form of cash and checks shall be accepted in any amount.
2. All checks must be payable to (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

Securities that are traded on the exchanges shall be accepted by the Church. Shares will be liquidated upon receipt.

C. CLOSELY HELD SECURITIES

Non-publicly traded securities may be accepted upon approval by the Vestry/Mission Council. The Committee shall make the decision to keep or sell the security.

D. REAL PROPERTY

1. Prior to approval, the Committee shall make a recommendation for accepting the real estate and 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 encumbrances, including an Affidavit of Lien signed by the Donor
e. an independent qualified third-party appraisal
f. at least a Phase I environmental audit (If commercial property)
g. a recommendation on marketability

2. Upon recommendation from the Committee, the Vestry/Mission Council shall make the final decision to keep or sell the property.

E. TANGIBLE PERSONAL PROPERTY
1. Prior to approval, the Committee shall make a recommendation for accepting the personal property and shall include a report on (but not limited to) the following:

a. current title and ownership
b. an independent qualified third-party appraisal
c. a recommendation on marketability

2. The Committee shall make the decision whether to keep or sell the property.

F. OTHER PROPERTY
The Committee shall make the decision to accept and to keep or sell any other property that it may deem to be in the best interest of the Church.

II MEMORIAL AND DESIGNATED GIFTS
A gift given with the understanding that it will be used for a specific purpose is a designated gift.

These gifts generally come to the Church through donations to previously established designated accounts. It is then the responsibility of the Church to ensure these funds are applied to the purposes for which they were given.

Therefore, (Church Name) must be diligent in ensuring it is not involved in creating a tax-deductible contribution for some purpose that would not otherwise qualify for a tax deduction. For example, the Church must make sure that a donation to the Benevolence Fund or Missions Fund is for the purpose of furthering the ministry of the entire Church and not a non-deductible gift to an individual through the Church.

Likewise, (Church Name) does not want to be in a situation where the acceptance of a designated gift causes a strain on the operating budget or management resources of the Church, or where the designation of a gift is not aligned with the Church's mission.

For this reason, (Church Name) has set forth guidelines under which the Church can accept designated gifts. The Vestry/Mission Council is ultimately responsible for ensuring that the following guidelines are followed:

1. Designated gifts will only be accepted for existing Designated Fund accounts established by the Church. Examples include: (Add Funds that meet your Congregations situation)

- Capital Campaigns
- Benevolence
- Missions
- Debt Retirement

2. The Committee will make every effort to honor a donor's designation. If circumstances change where using a gift for its original purpose is no longer feasible, the donor will be contacted to discuss other potential uses for the gift.
3. Designated gifts cannot be given to be forwarded to specific organizations unless a specific organization is named by the Committee or Vestry/Mission Council for a special offering which will be for a specific and limited time period. (such as a special offering for a specific missionary or outreach organization).
4. The Church encourages our members to give directly to organizations they would like to support.
5. Gifts designated for individuals or designated for the benefit of a specific individual are normally not tax-deductible contributions and the Church will not accept such gifts.

6. If the gift is found by the Committee to be too difficult to manage the potential giver may want to consider setting up a Donor-Advised Fund and then direct the resulting monetary assets toward the church. A donor-advised fund (DAF) is a charitable investment account that allows individuals to contribute assets to support charities while receiving tax benefits.

Here is how a DAF functions: **Contribution**: A donor contributes cash, stocks, real estate, or other assets to a DAF at a public charity, community foundation, or financial institution. The donor receives a tax receipt and deduction in the year of the donation. **Investment**: The sponsoring organization invests the funds for tax-free growth. **Recommendations**: The donor can recommend how to distribute the funds to qualified charities. The donor can make single or recurring donations. **Replenishment**: The donor can add to or replenish the fund at any time.

DAFs are one of the most tax-advantageous ways to donate to charity. They can be a good alternative to private foundations because they offer flexible giving strategies with minimal overhead.

III. PLANNED DEFERRED GIFTS

A. BEQUESTS

1. Gifts through wills (bequests) shall be actively encouraged by the Church.
2. Upon inquiry by a prospective donor, all representations as to the future acceptability of various properties to be left to the Church in a will or other deferred gift shall be made in accordance with the terms and provisions of Paragraph I (A-F) of this Policy.
3. Gifts of property that are not acceptable from estates shall be rejected by the Committee and that decision shall be communicated to the legal representatives of the estate.

B. REVOCABLE LIVING TRUSTS AND CHARITABLE TRUSTS

1. The Committee will recommend an appropriate fiduciary.
2. The fees for management of a Revocable Living Trust will not be paid by the Church.
3. Revocable Living Trusts and Charitable Remainder Trusts and all other deferred gifts shall be encouraged as a method of making gifts to the Church while retaining income which may be needed by the donor for personal purposes.
4. No representations as to the manner in which trust assets will be managed or invested shall be made by any employee or other persons acting on behalf of the Church.

C. LIFE ESTATE GIFTS

1. A life estate is a way to pre-gift your home to your heirs or a charity while still maintaining ownership through your lifetime. Most often life estates are used for gifting a home, but they can be used for any type of real property, including land and anything attached to the land.
2. The Committee may accept such gifts provided that there has been a full disclosure of the possible ramifications of the transaction to the donor.
3. In instances where a life estate in a personal residence has been retained by a donor, the donor will continue to be responsible for maintenance expenses and the payment of taxes and insurance.

D. LIFE INSURANCE POLICIES

1. The Church will encourage donors to name the Church as a beneficiary of life insurance policies that they have purchased.
2. The Church will not accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy may be made only when the Church has an insurable interest and is in compliance with all State and Federal statutes.
3. No insurance products will be endorsed for use in funding gifts to the Church.
4. In no event shall lists of Church donors' names be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or the Church.

E. GIFT ANNUITIES

The Church may be named as beneficiary in Charitable Gift Annuities.

IV. PAYMENT OF FEES RELATED TO GIFTS TO THE CHURCH

A. FINDER'S FEES OR COMMISSIONS

No fees shall be paid to anyone as consideration for directing a gift to the Church.

B. PROFESSIONAL FEES

1. In general, the donor shall pay any fees associated with a gift.
2. No fees shall be paid to anyone as compensation for any sale of any products to the donor.

V. RESTRICTIONS

1. Any restriction on the use of any gift must be approved by the Committee prior to acceptance of the gift.

2. A designated permanent fund, other than those identified, may be established with a minimum gift of (for example, $25,000) or such minimum to be determined appropriate and approved by the Committee.

VI. GIFT USE

1. The use of undesignated gifts to the Church, other than those gifts intended for undesignated use within the operating budget of the Church, shall be determined by the Vestry/Mission Council. (Optional: If the gift is $1,000 or less, The Finance Committee shall make recommendations to the Vestry/Mission Council on the use of the gift. If the gift is more than $1,000, the Vestry/Mission Council will entertain suggestions on the use of the gift from local Church bodies prior to making a decision on its use.)

2. The Church should maintain a list of projects and items that can be supported or purchased with undesignated gifts.

3. The Church may direct that a percentage of all undesignated gifts to the Church be placed automatically in a Permanent Endowment Fund.

This Document was approved by the Vestry/Mission Council of (Church Name) on _____.