

# Asbury United Methodist Church

## Gift Acceptance Policy

### A. Creation, Purpose, General Terms

1. The *Asbury United Methodist Church, Prairie Village, Kansas, Inc.* a Kansas not for profit corporation (the Church) encourages the solicitation and acceptance of gifts for purposes that will help the Church fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Church or for the benefit of any of its endowments or programs.
2. The purpose of this document is to set forth the criteria that the Church, the Board of Trustees (Church Trustees), and its Endowment Committee use to determine that a proposed gift is acceptable and to inform prospective donors and their advisors of the types of gifts the Church accepts. While these guidelines establish best practices, they are designed to provide flexibility as directed by the Church Trustees.
3. Each gift shall be subject to acceptance or rejection by the Church Trustees in accordance with the policies stated herein. Any proposed gift specifically designated for the Asbury Endowment Fund shall first be evaluated by the Asbury Endowment Trustees to determine if such gift can be administered in accordance with *The Charter of the Asbury United Methodist Endowment Fund*. Following such evaluation, the Endowment Trustees shall recommend to the Church Trustees either acceptance or rejection of such gift. The Church will not accept gifts that are inconsistent with its mission, purposes or priorities or are judged too difficult to administer.
4. The Church Trustees reserve the right to refuse or return 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:
  - a. The Trustees do not believe it is in the best interest of the church or its endowment to abide by the restrictions placed on the gift by the donor.
  - b. The Church will not accept gifts that are inconsistent with its mission, purposes or priorities or are judged too difficult to administer.
  - c. The costs to maintain the gift or to meet the restrictions placed on the gift by the donor are considered to be excessive.
  - d. The gift is considered to be inappropriate or unrelated to the tax-exempt purposes of the Church or its endowment.
  - e. The gift is designated to benefit or to be channeled to a specific individual.

### B. Use of Legal Counsel

1. The Church seeks the advice of outside legal counsel as appropriate on matters relating to acceptance of gifts. Review by legal counsel is usually sought in connection with:
  - a. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
  - b. Documents naming the Church as Trustee.
  - c. Gifts involving contracts, such as bargain sales or other documents requiring the Church to assume a legal obligation.

- d. Gifts of patents and intellectual property.
- e. Transactions with potential conflict of interest that may invoke IRS sanctions.
- f. Other instances in which use of counsel is deemed appropriate by the Church Trustees.

### **C. Communications with Donors**

The Business Administrator of the Church shall maintain a separate journal of all gifts received by the Church. Such journal will specify the date of the gift, the purpose of the gift, the name of the donor(s), the means to contact the donor(s), the donor(s) declared value of the gift and a list of ownership and transfer of title documents delivered by the donor(s) to the Church.

All gifts will be acknowledged by written confirmation of the gift and of any terms and conditions of the gift acceptance. **All** information concerning donors and prospective donors, including the amount and type of gift shall be kept in strict confidence, subject to legally authorized and enforceable requests by government agencies and courts. All other requests for or releases of information concerning a donor will be granted only if permission is first obtained from the donor.

### **D. Conflict of Interest**

The Church does not provide personal legal, financial or other professional advice to donors or prospective donors. Donors and prospective donors are strongly urged to seek the assistance of professional advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

### **E. Payment of Fees Related to Gifts to the Church**

No fees shall be paid to anyone as consideration for directing a gift to the Church. In general, the donor shall pay all fees associated with the gift. No fees shall be paid to any employee or other persons acting on behalf of the Church as compensation for any sale of any products to the donor.

### **F. Types of Gifts**

The following gifts and some of the criteria associated with the Church's acceptance of said gifts is as follows:

1. *Outright Gifts*: An outright gift is an irrevocable transfer from a donor to a charity of securities, real estate, tangible personal property, or other assets in which the donor receives nothing of value from the charity in return. The donor earns an income tax deduction equal to the fair market value of the assets donated, subject to current IRS limitations.

a. Cash - Cash may be accepted in any negotiable form. All checks must be made payable to Asbury UMC and should be delivered to the financial secretary at the church office. In no event shall a check be made payable to an employee, agent, or volunteer for credit to the Church.

b. Publicly Traded Securities - Securities that are traded on stock exchanges should be gifted to the Church using the transfer service provided by the Kansas Methodist Foundation (KMF or successors). KMF will receive the securities, sell them, and then make a distribution to the Church.

c. Closely Held Securities - Non-publicly traded securities, which include debt and equity positions in non-publicly traded companies and interests in LLPs and LLCs or other ownership forms will be reviewed by

third party professionals before a decision is made to accept the gift. Every effort will be made to sell non-marketable securities as quickly as possible.

d. Real Property – All gifts of real estate must be given with an appropriate title search, environmental evaluation, survey and appraisal. All costs of transferring will be borne by the donor. Gifts of real estate must also be unencumbered with liens, litigation, or any other potential liability for the Church. Before title is accepted Church Trustees reserve the right to decline the gift. The Church Trustees shall make the decision to keep or sell the property.

e. Remainder Interests in Property – The Church may accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph G.1.d. At the death of the life tenants, the Church may use the property or convert it to cash. Where the Church receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness will be paid by the donor and/or primary beneficiary.

f. Life Insurance – The Church must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. If the donor contributes future premium payments, the Church will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Church may convert the policy to paid-up insurance, or surrender the policy for its current cash value.

## *2. Planned (Deferred) Gifts:*

a. Bequests - Gifts through wills (bequests) shall be actively encouraged by the Church. 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 G.1.(a-f) of the Gift Acceptance Policy. Gifts of property not acceptable from estates shall be rejected by the Church Trustees and that decision shall be communicated to the legal representatives of the estate.

b. Revocable Living Trusts, Charitable Trusts and Donor Advised Funds - The Church will recommend as fiduciary KMF. The Church will not serve as a trustee on any trust agreement. The fees for management of any planned gifts to the Church will not be paid by the Church. Revocable Living Trusts, Charitable Remainder Trusts, and all other deferred gifts shall be encouraged as a method of making gifts to the Church with the donor retaining income which may be needed for personal purposes. No representations shall be made as to the manner in which trust assets will be managed or invested by any employee or other persons acting on behalf of the Church.

c. Charitable Gift Annuities - The Church may be named as beneficiary in Charitable Gift Annuities purchased from KMF.

d. Life Estate Gifts - Donors may leave their home or farm to the Church at their death but retain the right of use until that time. Donor will deed property to the KMF on behalf of the Church. Donor will agree to the responsibility for upkeep, maintenance, insurance and taxes.

e. Retirement Plan Beneficiary Designations - Donors are encouraged to name the Church as beneficiary of their retirement plans.

f. Life Insurance Policies – Donors are encouraged to name the Church as beneficiary of life insurance policies they have purchased. 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. No insurance products will be endorsed for use in funding gifts to the Church. 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.

## **G. Memorial Gifts**

Gifts made to the Church as memorials shall be designated by the deceased's family or representative for a specific purpose or purposes within one (1) year from the date of death. If any such gift is not so designated within that period of time, such gift shall be considered an undesignated gift to the Church in the name of the person being honored.

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## Definition of terms:

Buy-sell agreement - A legally binding contract that stipulates how a partner's share of a business may be reassigned if that partner dies or otherwise leaves the business.

Bargain sale – The sale of a good or service to a charitable organization for less than the fair market value good or service received.

Paid-up insurance - A whole or universal life insurance policy can be converted to a paid-up policy. The policy will remain in force without continuing to pay the premiums, however death benefits may be reduced.

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