

Gift Acceptance Policies

St. Andrews Lutheran Church

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St. Andrew Lutheran Church Foundation, Inc.

A. Introduction:

St. Andrews Lutheran Church (hereinafter referred to as the “Church”) and the St. Andrew Lutheran Church Foundation, Inc. (hereinafter referred to as the “Foundation”) are not-for-profit entities organized under the laws of the State of Oregon and recognized by the Internal Revenue Service (IRS) as exempt organizations. The Foundation was established for the sole purpose of augmenting the financial capability of the Church in pursuit of its mission.

The mission statement of the Church is as follows:

- We are a people of God called to Proclaim, Serve and Nurture, through the Good News of God in Christ Jesus.
- We Proclaim a Christian faith through God-centered worship, prayer and community life.
- We Serve through community ministry, outreach and Christian education for all ages.
- We Nurture those in need by being sensitive and compassionate, creating supportive relationships and sharing God’s Grace and love.

The Church and the Foundation envision that the congregation of St. Andrews Lutheran Church will develop the resources and leadership to support individual and collective ministries consistent with the Church’s mission.

B. Purpose of Gift Acceptance Policies:

The Church and/or the Foundation shall each receive both solicited and unsolicited current and deferred gifts from individuals, corporations and foundations to secure the maintenance and future growth of the Church’s mission endeavors. The vast majority of gifts received by either the Church and/or the Foundation, such as gifts of cash or marketable securities given on an unsolicited basis or in response to a solicitation for a specific mission fund or purpose that have no additional donor identified restrictions tied to their use will generally require no review. These policies outline the process by which certain prospective gifts to the Church or the Foundation will be reviewed prior to acceptance.

The type of asset and any designations or restrictions placed upon a proposed gift will activate a review prior to acceptance and may result in non-acceptance of the proposed gift. Likewise, any proposed gift that has potential liabilities attached, or places obligations upon the Church or Foundation shall be reviewed and may result in non-acceptance. Section E. “Restricted and Unrestricted Gifts” and Section H. “Types of Gifts” below are intended to provide guidance to both the Church’s and the Foundation’s Gift Acceptance Committees as to which prospective gifts to review.

These policies are also intended to guide prospective donors and their advisors when considering a gift to the Church and/or Foundation.

C. Use of Legal Counsel:

The Church and/or the Foundation may seek the advice of legal counsel as part of the review that occurs prior to the decision to accept certain gifts. Review by counsel is recommended for:

- Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- Transactions with potential conflict of interest that may invoke IRS sanctions.
- Gifts involving contracts, such as bargain sales or other documents requiring the Church or Foundation to assume an obligation.
- Other instances in which use of counsel is deemed appropriate.

D. Conflict of Interest:

The Church and/or the Foundation shall encourage donors to seek the assistance of personal legal and financial advisors in matters relating to certain gifts and the resulting tax and estate planning consequences for the donor. The Church and the Foundation shall have no responsibility to provide technical or legal advice to the donor.

E. Restricted and Unrestricted Gifts:

The Church and/or the Foundation may accept unrestricted gifts, and gifts restricted for specific programs and purposes, provided that the restrictions tied to such gifts are not inconsistent with the Church’s mission, purposes, policies and priorities.

- The Church and/or the Foundation will not accept gifts that are excessively restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter, gifts that are too difficult or costly to administer, sell or value, gifts for purposes that might fall within the broad definition of the mission, but which are outside the current and expected long-term mission focus, or gifts that are for purposes outside the scope of the mission of the Church.
- The Church and/or the Foundation will not accept gifts that have excessive potential financial or legal liability.

- The Church and/or the Foundation may ask donors of specifically restricted gifts to provide in writing that if the intended purpose for which the gift was accepted no longer exists, or gifts are received in an amount greater than needed for the original stated purpose, that the Church and/or Foundation is permitted to redirect the funds, using some or all of the gift in a manner consistent with the Church's mission, and in a manner that most closely matches the donor's original intent.
- The Church and/or the Foundation may accompany a solicitation for designated/restricted donations with a clearly stated disclaimer, specifically stating that the Church and/or the Foundation reserves the right to redirect the use of the gift as it sees fit. When an upfront disclaimer accompanies a solicitation, the donor gives tacit approval at the time the gift is given, allowing for the funds to be redirected.
- If the intended purpose of a restricted gift no longer exists, and if no authority was given by the donor to use the gift for a different purpose, the Church and/or Foundation shall follow applicable statutes to release the restrictions.

F. Gift Acceptance Responsibility:

The Church Finance Committee shall serve as the Gift Acceptance Committee for the Church and shall be charged with the responsibility of reviewing gifts in accordance with these policies on behalf of the Church. Decisions on behalf of the Church regarding gift acceptance or non-acceptance may be made by the Committee in most instances. The Committee will not have the authority to bind the Church contractually, but rather, the Committee will make recommendations to the Church Council regarding such matters. Contractual authority regarding gift acceptance will be retained by the congregation and consummated by the Church Council.

The Board of Directors of the Foundation shall serve as the Gift Acceptance Committee for the Foundation. The Board shall be responsible for reviewing gifts proposed for the Foundation to ensure they are in keeping with these policies. On behalf of the Foundation, the Board of Directors does possess legal authority to bind the Foundation contractually with regard to gifts.

G. Benevolent Pathways for Giving:

Several options are available to congregation members and friends of the Church and/or Foundation wishing to support the mission efforts through immediate or deferred gifts. Success of each of the options in attracting essential gifts represents a critically important aspect of the Church's ability to fulfill its mission and ministry work. Gifts to any of these options may be solicited, unsolicited, unrestricted as to purpose, or restricted.

- **Mission and Ministry Fund:** Regular, ongoing gifts to the mission and ministry fund enable the congregation to cover the absolute essentials of everyday operations with a portion sent to the Evangelical Lutheran Church of America, Oregon Synod to support

the mission and outreach efforts of the greater church. These gifts to the Church cover the costs of such things as salaries, utilities, educational materials, worship bulletins, fellowship and some service projects and outreach. All gifts to this fund are completely consumed.

- **Capital Campaign Funds:** The purposes supported by this fund differ over time, but the need for ongoing gifts is nonetheless critically important, serving as a means to maintain or enhance the physical infrastructure. These gifted funds cover varying needs such as building construction or renovation, property or major equipment acquisition, major repairs or the monthly mortgage obligation. All gifts to this fund are completely consumed.
- **St. Andrew Lutheran Church Foundation (Foundation):** Gifts to the Foundation enable start-up funding or additional funding for ministry programs or outreach efforts deemed important to the Church in fulfilling its mission to members or the larger community, but beyond the financial capability of the mission and ministry fund. The majority of gifts to the Foundation effectively establish an endowment like fund that grows with the receipt of new gifts and is retained for the purpose of generating growth and income which are distributed enabling the augmentation of mission focuses and establishment of new programmatic and outreach efforts for the Church. Such gifts are not completely consumed. The ongoing distributions made possible by these retained gifts allow the donor to leave a lasting legacy of supporting Christian programs and outreach, even when the donor is no longer here.
- **Memorials:** These are gifts given in memory of a deceased person and may be very valuable and cherished by the Church and/or Foundation. Donors of such gifts often desire to make the donation with a specific designation or use of the gift in mind. Prior to the acceptance of such gifts, a Pastor or a member of either the Church or Foundation Gift Acceptance Committee should meet with the donor to discuss the intent of the gift, any restrictions being proposed and other possible purposes if appropriate. If the donor's intent is to make a lasting legacy gift that will continuously support the mission and ministry of the Church, the donor should be encouraged to make the memorial an unrestricted gift to the Foundation.

H. Types of Gifts:

The following gifts to the Church and/or the Foundation may be acceptable under the criteria below:

- **Cash.** Cash is acceptable in any form unless donor directed restrictions on the use preclude the acceptance. Currency, electronic transfers and checks payable to the Church and/or the Foundation are welcome.

- **Tangible Personal Property.** Gifts of tangible personal property (art, coins, equipment, cars, etc.) shall be examined considering the following:
 1. Could the property enable fulfillment of the Church's mission?
 2. Is the property marketable?
 3. Are there unacceptable restrictions on the use, display or sale of the property?
 4. Are there any carrying costs or liabilities tied to the property?
- **Securities.** The Church and/or the Foundation can accept both publicly traded securities and closely held securities.
 1. **Publicly Traded Securities.** Marketable securities may be transferred to an account for the Church and/or the Foundation at one or more brokerage firms, or by certificate delivered physically with the transferor's signature or signed stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Church and/or the Foundation.
 2. **Closely Held Securities.** Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies or other ownership forms, may be accepted subject to the approval of the Church and/or Foundation. Such gifts must be reviewed prior to approval to determine the following:
 - That no restrictions on the security exists that would prevent the Church and/or the Foundation from ultimately converting those assets to cash within a reasonable time.
 - The security is marketable.
 - The security will not generate any undesirable taxable consequences for the Church and/or the Foundation
- **Real Estate.** Gifts of real estate may include developed property, undeveloped property or gifts subject to a prior life interest. Prior to a decision on acceptance of real estate, the Church and/or the Foundation shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event the initial inspection reveals a potential problem, the Church and/or the Foundation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

Every effort will be made to sell real estate accepted by the Church and/or the Foundation as quickly as is reasonable, unless the real estate has ongoing use to the Church and/or Foundation.

When appropriate, a title binder shall be obtained by the Church and/or Foundation prior to the acceptance of the real estate property gift. The cost of the title binder shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the Church and/or the Foundation and by legal counsel. Criteria for acceptance shall include:

1. Is the property useful for the purposes of the Church and/or the Foundation?
 2. Is the property marketable within a reasonable period?
 3. Are there any restrictions, reservations, easements, or other limitations associated with the property?
 4. Are there any carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
 5. Does the environmental audit reflect that the property is not subject to unacceptable environmental conditions?
- **Remainder Interest in Property.** The Church and/or the Foundation will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions concerning real estate above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. Upon the death of the donor or other lifetime occupant, the Church and/or the Foundation may use or sell the property. In instances where the Church and/or Foundation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, casualty or liability insurance and any property indebtedness shall be paid by the donor, primary beneficiary or life tenant, as the case may be.
 - **Bargain Sales.** The Church and/or the Foundation may enter into a bargain sale arrangement in instances in which the transaction furthers the mission and purpose of the Church. All bargain sales must be reviewed prior to transacting and must comply with the above provisions concerning real estate when real estate is involved. In addition, the following factors must be taken into account when determining the appropriateness of the transaction:

1. An independent appraisal must substantiate the value of the property.
2. If the Church and/or Foundation assumes debt with the property, the debt ratio must be less than 50% of the appraised value.
3. The Church and/or the Foundation must determine that there is a market for sale of the property, allowing for sale within twelve months of receipt.
4. The Church and/or the Foundation must calculate the costs to safeguard, insure and expense the property during the holding period.

- **Life Insurance.**

1. **Gift of Policy.** The Church and/or the Foundation must be named as both primary beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at the interpolated terminal reserve value, or cash surrender value on the date of receipt. If the donor contributes future premium payments, the Church and/or the Foundation will treat the 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 the premium payments on the life insurance policy, the Church and/or the Foundation may continue to pay the premiums, convert the policy to paid-up insurance or surrender the policy for its current cash value.
2. **Designation of Beneficiary of Policy.** Donors and friends of the Church and/or the Foundation will be encouraged to name the Church and/or the Foundation as primary or contingent beneficiary of life insurance policies. Such designations will not be recorded as gifts to the Church and/or the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

- **Charitable Gift Annuities.** Charitable gift annuities may be arranged through the ELCA Foundation, with the Church and/or the Foundation designated as the recipient of the remaining principal after payments have terminated.
- **Charitable Remainder Trusts.** The Church and/or the Foundation may accept designation as remainder beneficiary of a charitable remainder trust. The Church and the Foundation will not accept appointment as trustee of a charitable remainder trust.

- **Charitable Lead Trusts.** The Church and/or the Foundation may accept a designation as income beneficiary of a charitable lead trust. The Church and the Foundation will not accept an appointment as trustee of a charitable lead trust.
- **Retirement Plan Beneficiary Designations.** Donors and friends of the Church and/or Foundation will be encouraged to name the Church and/or the Foundation as a beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Church or Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
- **Bequests.** Donors and friends of the Church and/or the Foundation will be encouraged to make bequests to the Church under wills and trust instruments. Such bequests will not be recorded as gifts to the Church and/or the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

I. Miscellaneous Provisions.

Securing appraisals and legal fees for gifts to the Church and/or the Foundation. Generally, it will be the responsibility of the donor to secure an appraisal (where required), provide an environmental review (as appropriate) and retain independent legal and financial counsel for all gifts made to the Church.

Valuation of gifts for development purposes. The Church and/or the Foundation will record a gift received by the Church and/or Foundation at its fair market value for gift tax purposes on the date of the gift.

Recognition of Gifts. Gifts received by the Church and/or the Foundation will be acknowledged through appropriate venues during the course of each year. Public recognition is meant to express appreciation and gratitude for the generosity of those who have committed themselves to supporting the mission. The Church and/or the Foundation will honor the donor's wishes with regard to withholding any public recognition.

J. Changes to Gift Acceptance Policies.

These policies have been reviewed and approved by the Church's Council and the Foundation's Board of Directors. Changes to these policies must be approved by both bodies.

