

GIFT ACCEPTANCE POLICY

INTRODUCTION

_____ UMC shall execute no planned giving agreement without the advice of legal counsel. Prospective donors shall be strongly encouraged to seek their own legal and/or tax counsel in matters relating to their charitable gifts, taxes, and estate plans.

To protect the interests of the _____ UMC (hereinafter referred to as “the church”) and the persons and entities who support its causes, these policies are designed to assure that all gifts to, or for the use of, the _____ UMC are structured to provide maximum benefit to all parties involved.

The goal of this policy is to encourage giving to the church without encumbering the church with gifts that cost rather than benefit the church. The goal is also to avoid gifts that the donor restricts in a manner inconsistent with the goals and/or missions of the church.

To facilitate the receipts of gifts and bequests, the church must be capable of responding quickly and in the affirmative where possible to all gifts offered by prospective donors. Unless stated otherwise, the local church Administrative Council or its equivalent intends that these policies apply to all gifts.

POLICY

I. Gifts of:

A. Cash

1. The church will accept gifts in the form of cash and checks regardless of amount, unless: (a) a question exists as to whether the donor has legal title to the asset; or (b) a question exists as to the legal capacity of the donor to transfer funds.
2. Donors shall make all checks payable to _____ UMC and donors shall never make checks payable to an employee, director, agent, or volunteer for the credit of the church.

B. Publicly Traded Securities

The church shall accept publicly traded securities. The donor should anticipate that the church may immediately sell such securities.

C. Closely-Held Securities

The Administrative Council or its equivalent may only accept closely held securities upon written approval. The Administrative Council or its equivalent or designee will review these securities using the following criteria:

- There is a readily available market for their disposition.
- Accepting such securities will not create any potential liability to the church.
- The closely held entity engages in no activities that would be inconsistent with the church’s objectives.

D. Real Property

The Administrative Council or its equivalent and Trustees must approve in writing all gifts of real estate in advance of accepting the gift.

1. The church may require that a licensed appraiser issue an appraisal of the real estate before acceptance. The licensed appraiser shall not have any business or other relationship with the donor. The costs of the appraisal shall be borne by the donor.
2. The Trustees cannot accept any gift of real estate until the Administrative Council or its equivalent determines that no environmental waste contaminates the property. The church may require a Level I Environmental Survey. All costs related to the survey will be borne by the donor.
3. In general, residential real estate located within the state of Mississippi will be accepted, unless the Trustees shall determine for some reason that the property is not suitable for acceptance.
4. Special deliberation shall be given to the receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for the church, as well as payments, taxes and insurance that may burden the church's finances.

E. Tangible Personal Property

1. Jewelry, artwork, collections, and other personal property shall not be accepted unless Trustees shall have reason to believe the property has a value in excess of \$1,000.00. Such property can only be accepted on behalf of the church by the Trustees.
2. No personal property shall be accepted by the church unless there is reason to believe the property can be quickly sold. No personal property shall be accepted that obligates the church to retain it in perpetuity. No perishable property or property which will require special facilities or security to properly safeguard it will be accepted without prior written approval of the Trustees.
3. Notwithstanding the forgoing, if there is reason to believe personal property has a value of \$1,000 or more, it may only be accepted after receipt and review by the Trustees, after an appraisal qualified under the terms of the Internal Revenue Code governing gifts of personal property.

F. Other Property

Other property of any description including mortgages, notes, copyrights, royalties, easements, whether real or personal, shall only be accepted by further action of the Trustees.

II. Deferred Gifts

A. Bequests

1. The church shall actively encourage gifts through Wills and Living Trusts.
2. In the event of inquiry by a prospective donor, representations as to the acceptability of a bequest to the church shall be made in accordance with this Gift Acceptance Policy only.

3. The church shall at all times retain the right to refuse a gift from an individual or from an estate when it is not in the best interest of the church to accept the gift.
4. When the church is the recipient of a gift from a will or trust, the Trustees shall review the restrictions upon the gift and determine if it is in the best interest of the church to accept the gift.
5. The church will not accept a gift that might result in conflict within the church or confusion as to the utilization of the gift or that might create an undue financial burden upon the church.
6. When the church receives an unrestricted estate gift, the Trustees, in consultation with the church's Administrative Council or its equivalent, shall determine its highest and best use at the time.
7. If the church has created an Endowment fund and the unrestricted funds are not needed for the ordinary and everyday expenses of the church, priority for unrestricted gifts shall be as an addition to the church's Endowment Fund.

B. Life Estate Gifts

1. Donors shall generally not be encouraged to make gifts of a remainder interest in real property in which the donor retains a life estate.
2. This Policy is based upon the possibility that the donor may need to sell the home in the future and find that the value of the life estate is a small portion of the value of the property. Such gifts may be accepted by the Trustees when the asset involved appears to be a minor portion for the donor's wealth, and the Trustees are satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.

C. Gifts of Life Insurance

1. The church will encourage donors to name the church as a beneficiary of all or a portion of a person's life insurance policies.
2. The church will not however, as a matter of course agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy will be made after researching relevant Mississippi laws to assure the church has an insurable interest under applicable state law.
3. No insurance products may be endorsed for use in funding gifts to the church. In no event shall lists of the church's donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors or the church. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject the church to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

III. Designated Gifts Establishing Designated Accounts

A. The Administrative Council or its equivalent, with input from the church's Finance Committee, will determine what designated accounts may be established.

1. Any donor to the church may request in writing to the Administrative Council or its equivalent the establishment of a designated account. Once an account is established, the church may accept funds into that account.
2. The Administrative Council or its equivalent will determine the length of time the account shall exist. When that time has passed, the Administrative Council or its equivalent may either extend the time period for expiration of the account or transfer any remaining funds to the general fund.

B. Disbursing Designated Funds

1. Designated funds may only be spent for the purpose for which they are designated.
2. If, at any time, the church accepts custody of designated accounts which have not been approved and established by the Administrative Council or its equivalent, and the church does not intend to use the designated funds for the purpose designated, the church will return the monies to the donor or contact the donor for written permission to transfer the funds to another fund or another charity chosen by the donor.

C. Notice to Donors – The church shall include in fund raising, solicitation materials and donor receipts the following statement:

“All donations are subject to the Gift Acceptance Policy. The church will treat the donor's designations as suggestions unless the Administrative Council or its equivalent has approved of the designations before receiving the gift. Copies of the policy are available in the church office.”

IV. Finder's Fees and Commissions No finder's fee or commission shall be paid to anyone as consideration for directing a gift to the church.

Adopted this the _____ day of _____, 20__ in a meeting of the Administrative Council or its equivalent.

Administrative Council Chair

Administrative Council Secretary

Trustee Chair

Finance Committee Chair