

## **Gift Acceptance**

### Endowment Fund Gift Acceptance Policy

#### **Overview Statement**

It is the policy of the Council to offer the donor an opportunity to make gifts to the Endowment Fund (the "Fund"), both of cash and of non-cash assets, in a manner beneficial to the donor while protecting the fiscal and legal integrity of the Fund and The First Congregational United Church of Christ of La Crosse, Wisconsin (the "Church"). It also is the policy of the Council to give the opportunity to donors to make gifts reserving life income for the donor and other beneficiaries through their wills, trusts or other planned giving devices. The Council is committed to seek such gifts and to provide adequate resources for a full and effective program of gift acceptance and recognition.

#### **Ethics Statement**

The Council is committed to the ethics and philosophy of the religious heritage upon which the Fund and the Church each were founded. The Council is authorized to accept gifts to the Fund only where (1) there is believed to be genuine donative intent, (2) there has been full disclosure between the donor and the Fund, (3) the donor has been encouraged to seek legal, accounting and tax advice, and (4) the gift is believed to be in the best interest of the donor, the Fund and the Church. The Council does not intend to authorize the acceptance of gifts that would jeopardize the financial, legal or moral integrity or reputation of the Fund or the Church, or where the gift reasonably would be expected to cause embarrassment or hardship to the donor or the donor's family or other beneficiaries.

#### **Use of Legal Counsel**

The Council may seek the advice of legal counsel in matters relating to gift acceptance when appropriate. Utilization of legal counsel should not be construed as gift acceptance but as a means of investigation of the appropriateness of the gift. Additionally, The Council shall urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

## **Valuation of Gifts**

The values of some gifts are relatively easy to ascertain (e.g., cash, stock) while other values are more complex and burdensome to obtain. The Council does not possess specific expertise in the valuation of property and, as a result, must decline to assign values to non-cash gifts. The Council may, at its discretion, engage an independent appraiser to render an opinion of the value of the gift.

For purposes of the Fund's records, the Council will assign a value to the gifts received (with cash always being valued at dollar face value) in an appropriate manner and in accordance with sound accounting principles.

For purposes of the donor's income, gift and estate taxes, the donor is responsible for valuing the gifts made in order to determine the amount of any deduction to which the donor is entitled. Full responsibility rests on the donor for claiming any deduction with respect to gifts made to the Fund, including the filing of all appropriate tax forms, any appraisals or other documentation.

## **Restrictions on Gifts**

The Church will accept unrestricted gifts, and gifts for specific programs and purposes provided that such gifts are not inconsistent with its stated mission, purposes, priorities and intent. The Church will not accept gifts that are: unduly restrictive in purpose, difficult to administer, inconsistent with the mission of the Church, or gifts subject to donor control. In addition, the Church will not accept gifts of:

- Closely held stock transfers that are subject to buy-sell agreements.
- Documents wherein the Church is named as Trustee.
- Gifts involving bargain sales or other documents wherein the Church would be required to assume an obligation.
- Options or futures contracts or any investment vehicle that would expose the Church to undue risk.

## **Gift Types**

*Cash* – Cash is acceptable in any form. Checks should be made payable to "First Congregational Church."

*Non-Cash* – All non-cash gifts shall be examined in light of the following criteria:

- Whether the gift is consistent with the mission of the Church?
- Whether the gift is marketable?
- Whether there are any undue restrictions on the gift?
- Whether there are any costs of carrying the gift?
- Whether there are restrictions that would prevent the Church from readily converting the gift to cash?
- Whether the gift is useful for the purposes of the Church?

## Gift Acceptance

The following gifts are acceptable (subject to any conditions noted) as outright gifts, as bequests or devises (by will or trust) or, when appropriate, as funding for a charitable remainder trust or a charitable lead trust:

1. **Cash.** Cash is accepted with no minimum.
2. **Securities.** Publicly traded and listed securities, or securities actively traded over-the-counter are acceptable with no minimum amount. Securities issued by closely held corporations, S corporations, privately held companies, partnerships, limited liability companies or other entities, or otherwise not marketable securities, are acceptable upon the approval of the Council with the advice of legal counsel, if necessary.
3. **Real Estate.** Real property that is free of mortgages, deeds of trust and other similar encumbrances, and is of a minimum value reasonable for the type of property offered and the current market condition, is acceptable upon the approval of the council. Full interests, partial interests and remainder interests in real estate all are acceptable. The donor may be called upon to agree to pay any property taxes on the property, to maintain the property, and to provide adequate insurance on the property.  
Conditions for the Fund's acceptance of real property shall include salability, an acceptable provision for annual maintenance costs, and the satisfactory results of the Council's evaluation of any liens against the property, real estate taxes and environmental conditions. Donors may be asked to sign a statement regarding liability for previous and current environmental or other conditions if the Council deems it appropriate.  
Additional conditions may be made by the Council prior to acceptance.
4. **Tangible Personal Property.** Gifts of tangible personal property are acceptable with no minimum. Conditions for accepting gifts include salability or as-is usability, current Church need for the type of property offered, physical condition of the property, cost of any storage or insurance needed and any other unusual feature or condition involved in the transfer.
5. **Insurance and other Contract Rights.** Gifts by contract, particularly life insurance policies and assignments of certificates of deposit and annuities, through which the Fund will receive a future benefit, are acceptable with no minimum, so long as the Fund is not required to expend funds from sources other than the donor to maintain the contract. The Fund may be named as a percentage or contingent beneficiary of a life insurance policy. Paid-up life insurance policy gifts in which the Fund is the owner and irrevocable beneficiary are acceptable with no minimum.  
Additional conditions may be made by the Council prior to acceptance.
6. **Other Gifts.** Other gifts not specifically mentioned in this policy are acceptable within reason for the purpose given, and in an amount appropriate for the type of gift. The Council is expected to

use financially and legally sound rationale for acceptance. This policy should serve as a general guideline under these circumstances.

### **Gifts Requiring Expenditure of Funds**

The Council must approve all gifts that will or may require any expenditure of funds, either at the time of the gift or at some future date.

### **Restricted Gifts**

Prior to accepting any restricted gifts, the approval of the Council must be obtained. The Fund may accept restricted gifts, as long as the Council determines that the restriction does not conflict with the specific enumerated purposes of the Fund set forth in the Bylaws. The gift designation or restriction may be an endowed fund or annual designation. Endowed funds may be accepted to the extent the income from such endowed funds can be used in consonance with the purpose of the Fund. In addition, restricted endowments should include language to the effect that if the gift's restriction ceases to be effective or practicable, the Council is authorized to use such gift and the income thereon in a manner consistent with the general intent of the restriction. Establishing term endowments also may be acceptable.

### **Authority to Negotiate**

The Council is authorized to negotiate with any advisor or outside counsel they deem necessary in order to negotiate gifts through charitable gift vehicles (including charitable remainder trusts, charitable lead trusts, pooled income funds and gift annuities) through lifetime trusts, trusts created at death and wills.

The Council may delegate its authority in fulfilling this policy to the Board of Finance and its subcommittee, the Special Gifts Committee, or others as deemed suitable. Gifts negotiated by the agent or volunteer must be in accord with this gift acceptance policy and follow the procedures described, but all such negotiated gifts are subject to final acceptance by the Council.

### **Donor Acknowledgment**

The Council will provide donors with written acknowledgment of their gifts in accordance with applicable provisions of the Internal Revenue Code. In no event shall any such acknowledgment express or confirm an opinion as to the value of the gift. Unless anonymity is requested by the donor, the Council may announce the donor's gift to the congregation of the Church, and give appropriate recognition to the donor.

Approved by the Church Council - March 23, 2004