

Gift Acceptance Policy

April 28, 2009

Endowment Fund of the Rocky Mountain Conference of the United Church of Christ

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Gift Acceptance Policy

A. Introduction:

1. **Names:** This document is the "Gift Acceptance Policy", hereafter called the ACCEPTANCE POLICY. Companion documents are: "Investment Policy," and "Planned Giving and Endowment Fund Policy." These are policies of a corporate entity and endowment fund whose name is ENDOWMENT FUND OF THE ROCKY MOUNTAIN CONFERENCE OF THE UNITED CHURCH OF CHRIST, hereafter called the FUND. This entity, which will or has applied for an IRS 501(c)(3) designation, is a non-profit affiliate of the Rocky Mountain Conference of the United Church of Christ, hereafter called the RMC.
2. **Purpose of the ACCEPTANCE POLICY:**
The Trustees of the FUND, hereafter called TRUSTEES, shall solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of the FUND. These policies and guidelines govern the acceptance of gifts by the FUND and provide guidance to prospective donors and their advisors when making gifts to the FUND. The provisions of these policies shall apply to all gifts received by the FUND for any of its programs or services.

B. Use of Legal Counsel

The FUND may seek the advice of legal counsel in matters relating to acceptance of gifts. Review by counsel is recommended for:

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

C. Conflict of Interest

So as to avoid conflicts of interest, the FUND will 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. The FUND will comply with the *Model Standards of Practice for the Charitable Gift Planner* promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

D. Restrictions on Gifts

1. The FUND will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. Donors will be encouraged to consider giving to the accounts listed in the Planned Giving and Endowment Fund Policy, hereafter called POLICY.
2. The FUND 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 overly difficult to administer, or gifts that are for purposes outside the mission of the FUND. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the TRUSTEES.
3. The FUND will not accept gifts that have excessive potential financial or legal liability. Final decisions on the extent of financial or legal liability shall be made by the TRUSTEES.
4. The TRUSTEES shall ask donors of specifically restricted gifts to provide in writing that if the purpose of the gift in the future no longer fits the purpose of the POLICY or the mission of the RMC, the TRUSTEES are permitted to use the resources in a manner consistent with the objectives of the FUND and the mission of the RMC and in a manner most closely matching the original donor intent.
5. If the intended goal of a restricted gift no longer exists, and if no authority was given by the donor to use the gift for an unrestricted purpose, the TRUSTEES shall follow applicable Colorado statutes to release the restrictions.



E. The Gift Acceptance Responsibility

Gift Acceptance decisions will be made by a majority vote of the TRUSTEES. The TRUSTEES are charged with the responsibility of reviewing all gifts made to the FUND, properly screening and accepting those gifts, and making decisions concerning acceptance.

F. Types of Gifts

The following gifts to the FUND may be acceptable within the governing criteria stated below:

- Cash.
- Tangible Personal Property.
- Securities.
- Real Estate.
- Remainder Interests in Property.
- Oil, Gas, and Mineral Interests.
- Bargain Sales.
- Life Insurance.
- Charitable Gift Annuities
- Charitable Remainder Trusts.
- Charitable Lead Trusts.
- Retirement Plan Beneficiary Designations.
- Bequests.
- Life Insurance Beneficiary Designations.

The following criteria govern the acceptance of each gift form:

1. **Cash.** Cash is acceptable in any form. Gifts shall be made to The Endowment Fund of the Rocky Mountain Conference and shall be delivered to the office of the Endowment Fund.
2. **Tangible Personal Property.** All other gifts of tangible personal property (art, coins, equipment, cars, etc.) shall be examined in light of the following criteria:
 - Does the property fulfill the mission of the FUND?
 - Is the property marketable?
 - Are there any undue restrictions on the use, display, or sale of the property?
 - Are there any carrying costs for the property?

The TRUSTEES of the FUND shall make the final determination on the acceptance of other tangible property gifts. Every effort will be made to sell all gifts of tangible property as soon as possible.

3. **Securities.** The FUND can accept both publicly traded securities and closely held securities.

Publicly Traded Securities. Marketable securities may be transferred to an account maintained at one or more brokerage firms or by certificates 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 TRUSTEES. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the TRUSTEES of the FUND.

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, can be accepted subject to the approval of the TRUSTEES of the FUND. However, gifts must be reviewed prior to acceptance to determine:

- there are no restrictions on the security that would prevent the FUND from ultimately converting those assets to cash within a reasonable time;
- the security is marketable; and



- the security will not generate any undesirable tax consequences for the FUND.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The TRUSTEES and legal counsel shall make the final determination on the acceptance of closely held securities when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

4. **Real Estate.** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the FUND shall require an initial environmental review of the property to ensure that the property has no environmental damage. Environmental inspection forms are attached as an appendix to this document. In the event that the initial inspection reveals a potential problem, the FUND 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.

If potential donations of real estate have ongoing use by the RMC and it is anticipated that it should be retained, the TRUSTEES will work with the donors to have the gift made directly to the RMC.

Every effort will be made to sell real estate accepted by the FUND as quickly as is reasonable.

When appropriate, a title binder shall be obtained by the FUND prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the TRUSTEES of the FUND and by the FUND's legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the FUND?
- Is the property marketable within a reasonable period?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not subject to unacceptable environmental conditions?

5. **Remainder Interests in Property.** The FUND will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor or other lifetime occupant, the FUND may use the property or reduce it to cash. Where the FUND receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.
6. **Oil, Gas, and Mineral Interests.** The FUND will not accept oil and gas property interests, and would encourage the owners of such to liquidate the interests and give funds directly to the FUND.
7. **Bargain Sales.** The FUND may enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the FUND. All bargain sales must be reviewed and approved by the TRUSTEES. Factors used in determining the appropriateness of the transaction include:
 - The FUND must obtain an independent appraisal substantiating the value of the property.
 - If the FUND assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
 - The FUND must determine that there is a market for sale of the property, allowing sale within 12 months of receipt.
 - The FUND must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.



8. **Life Insurance.** The FUND must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the FUND 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 FUND may:

- continue to pay the premiums;
- convert the policy to paid up insurance; or
- surrender the policy for its current cash value.

9. **Charitable Gift Annuities.** Charitable gift annuities may be arranged through the United Church Foundation, hereafter called the UCF, with the FUND as recipient of the remaining principal after payments have terminated.
10. **Charitable Remainder Trusts.** The FUND may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the TRUSTEES. The TRUSTEES will not accept appointment as trustee of a charitable remainder trust.
11. **Charitable Lead Trusts.** The FUND may accept a designation as income beneficiary of a charitable lead trust. The TRUSTEES will not accept an appointment as trustee of a charitable lead trust.
12. **Retirement Plan Beneficiary Designations.** Donors and supporters of the FUND will be encouraged to name the FUND as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the FUND 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.
13. **Bequests.** Donors and supporters of the FUND will be encouraged to make bequests to the FUND under their wills and trusts. Such bequests will not be recorded as gifts to the FUND 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.
14. **Life Insurance Beneficiary Designations.** Donors and supporters of the FUND will be encouraged to name the FUND as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the FUND until such time as the gift is irrevocable. Where 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.

G. Miscellaneous Provisions

Securing appraisals and legal fees for gifts to the FUND. It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the FUND.

Valuation of gifts for development purposes. The FUND will record a gift received by the FUND at its valuation for gift tax purposes on the date of gift.

Recognition of gifts. Gifts received by the FUND will be acknowledged through appropriate venues during the course of each year. This public recognition is meant to express appreciation and gratitude for the generosity of those individuals and institutions that have committed themselves to supporting the mission, programs and services of RMC. The FUND will honor donor's wishes as to how published credit should appear and will honor those who wish for their contributions to be credited anonymously.



Acknowledgement of all gifts made to the FUND and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the TRUSTEES. IRS Publication 561 *Determining the Value of Donated Property* and IRS Publication 526 *Charitable Contributions* are available from the IRS web site <http://www.irs.gov/formspubs/>.

Responsibility for IRS Filings upon sale of gift items. The TRUSTEES of the FUND are responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the FUND when the charitable deduction value of the item is more than \$5,000. The FUND must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is available from the IRS web site <http://www.irs.gov/formspubs/>.

H. Expenses

In addition to the places in these policies and guidelines where it is provided that a donor shall be responsible for certain expenses in connection with a gift, it will generally be accepted that a donor will be responsible for the FUND's costs for necessary outside professional services and other expenses incurred in connection with the review or acceptance of gift.

I. Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and accepted by the TRUSTEES of the FUND. The TRUSTEES must approve any changes to, or deviations from, these policies by the affirmative vote of five (5) TRUSTEES at a meeting called specifically for this purpose, and with advance notice to the RMC Board of Directors.



I. Appendix and Attachments

1. Model Standards of Practice of the Charitable Gift Planner



MODEL STANDARDS OF PRACTICE FOR THE CHARITABLE GIFT PLANNER

Preamble

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. Primacy of Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. Explanation of Tax Implications

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. Full Disclosure

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. Competence and Professionalism

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. Consultation with Independent Advisers

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

VII. Consultation with Charities

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. Description and Representation of Gift

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. Full Compliance

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. Public Trust

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999.



2. Environmental Review Forms

2.1 Environmental Interview

This interview is designed for use with current and/or prior owners or managers of the property.

Date of interview _____ Interviewer _____

Person Interviewed _____ Relation to Property _____

Property Description _____

Type of Property: Agricultural _____ Timber _____

Commercial _____ Manufacturing _____

Age of Buildings _____ Undeveloped Land _____

Residential _____ Other _____

Indicate prior uses of property _____

1. Are you aware of any environmentally sensitive situations on the property? No _____ Yes _____

Describe _____

2. For uses identified in question 1, has an environmental license or permit ever been issued?

No _____ Yes _____

3. Are there now or, to your knowledge, have there ever been any oil, fuel, or chemical storage tanks on the property located above or below ground?

No _____ Yes _____

4. Has an environmental assessment been previously conducted?

No _____ Yes _____ If yes, provide a copy of the report

5. If available, attach maps or surveys that describe the property.

Attached _____ Non available _____

If you are unable to furnish the information requested above, please advise us if there is a reliable source that may be able to furnish this information.

2.2 Property Inspection Checklist for Current Environmental Conditions

Name of Inspector _____ Date of Inspection _____

Owner of Property _____ Estimated Size _____

Location of Property _____ Current Use _____

Number of years the current use has been in effect _____

Brief history of property use (list past use, former tenants, and source of information) _____



2.3 Environmental Site Inspection Checklist

- | | Yes | No |
|----------------------------------------------------------------|-------|-------|
| 1. An on-site inspection revealed the following: | | |
| a. Stressed, denuded vegetation, or unusual barren areas | _____ | _____ |
| b. Discoloration, oil sheens, or foul/unusual odors in water | _____ | _____ |
| c. Dump site | _____ | _____ |
| d. Tire/battery/chemical storage or disposal | _____ | _____ |
| e. Storage drums | _____ | _____ |
| f. Above or below ground storage tanks, vent, or filler pipes | _____ | _____ |
| g. Evidence of petroleum or oil products | _____ | _____ |
| h. Evidence of PCBs (electrical transformers, capacitors) | _____ | _____ |
| i. Subject or adjoining property used for industrial purposes | _____ | _____ |
| j. Existing structures: If yes, indicate there is | _____ | _____ |
| Evidence of chemical spills/leaks?? | _____ | _____ |
| Evidence of asbestos?? | _____ | _____ |
| Any source of air emission? | _____ | _____ |
| 2. Does property appear on National/State Hazardous Site list? | _____ | _____ |

If "yes" to any of the above, describe: _____

Conclusions:

- | | | |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| 3. | Based on the evaluation of known, discovered, or observed environmental factors, there is no evidence of environmental contamination on this or neighboring properties, and no further action is recommended. | Circle
<u>one</u>
True |
| 4. | Based on the evaluation of known, discovered or observed environmental factors, there is evidence of possible environmental contamination on this or neighboring properties and further investigation is recommended. <i>(Complete "Evaluation of Known Environmental Factors Form" if this block is indicated true.)</i> | True |

 Person Completing Form

 Title

 Date

 Trustee Accepting Form

 Title

 Date



