

## **GIFT POLICY**

CHRIST LUTHERAN CHURCH

176 W SANDTOWN RD SW, MARIETTA GA 30064

TAX ID#: 58-1619332

### **I. PURPOSE**

The Christ Lutheran Church Gift Policy governs the acceptance of gifts by Christ Lutheran Church and provides guidance to prospective donors and their advisors when making gifts to this congregation to support our mission and ministry. The provisions of this policy apply to all gifts received by Christ Lutheran Church except for:

- a. Giving, offering and or pledges to the general fund of the congregation.
- b. Giving, offering or pledges to specific campaigns or initiatives identified by the congregation.

Gifts will be accepted when they support the mission, purpose, and/or operations of Christ Lutheran Church. Donors are encouraged to bless this congregation with gifts free of restrictions in order to most effectively support the ministry of CLC. All gifts will be considered based on the type of asset, gift transfer costs, donor restrictions, potential liabilities, mission, current needs, and other applicable factors. Christ Lutheran Church shall accept only such gifts as are legal and consistent with the Christ Lutheran Church *Gift Policy*, and applicable Bylaws and Constitution. While Christ Lutheran Church does not provide tax advice, every effort will be made to assist donors in complying with the intents and purposes of the Internal Revenue Service (IRS) for allowing charitable tax benefits.

### **II. COMMITTEE GUIDELINES**

The Stewardship Committee is charged with the responsibility of reviewing gifts offered to the congregation and shall make decisions and/or form recommendations regarding gift acceptance and use according to this *Gift Policy Section V*. Gift acceptance and use decisions and recommendations will be forwarded to the Executive Committee for acknowledgement and/or approval in a timely fashion. Gift decisions made by the Stewardship Committee, and/or the Executive Committee shall be reported to the Congregation Council when they occur and to the congregation at the annual meeting and, when required by the Constitution, presented to the congregation for approval.

- A. Christ Lutheran Church will accept unrestricted gifts and donor restricted gifts for specified programs and purposes, provided that such gifts are consistent with the stated mission, vision, policies and priorities of this congregation. Christ Lutheran Church will not accept gifts that would result in losing its status as a US Internal Revenue Code Section 501(c)(3) nonprofit organization; are deemed by the Stewardship Committee to be too difficult or too expensive to administer; would be a liability, in relation to the gift value; would result in unacceptable consequences; or are for purposes outside the mission of this congregation.
- B. Christ Lutheran Church, as a general rule, will convert all gifts to cash.
- C. Records of gift acceptance or decline and of gift use shall be audited within this congregation's standard compliance review procedures.
- D. The Stewardship Committee shall complete a **Gift Worksheet** (see Exhibit A) to record the gift acceptance and use decisions.
- E. The Stewardship Committee shall offer appreciation for every donor's generosity, regardless of the decision to accept or decline the gift. Often that appreciation will begin with a verbal conversation with the donor or donor's estate but will be formalized through written notice sent by US Mail, or email with read receipt requested, and signed by a current Pastor and/or President or their designee.
- F. Recognition of the donor should not be a condition of the gift. The decision to provide acknowledgement and recognition for the gift will be the decision of the Stewardship Committee taking into consideration the desire of the donor and keeping with the standards and culture for the practice of appropriate gratitude for this congregation.
- G. If there are questions or concerns regarding any gift including the offer, acceptance, or use thereof, whether defined in this *Gift Policy* or not, the donor and/or the Stewardship Committee members are always encouraged to consult with the ELCA Foundation's Regional Gift Planner and Foundation staff or other related professional.

### III. TYPES OF GIFTS CONSIDERED

The following examples are intended to facilitate donation and acceptance of gifts offered, albeit not intended to represent an exclusive list of potential gifts nor review criteria.

A. **Potential Gifts.** A variety of gifts can be shared with this congregation and donors are encouraged to inform the Stewardship Committee and/or this congregation's ELCA Foundation Regional Gift Planner of such gift plans whenever possible. Some gifts will be accepted outright, and other gifts will be reviewed on a case-by-case basis according to the documents of this congregation. The Stewardship Committee may seek advice from other congregation committees, and/or from attorneys, accountants, and other professionals in evaluating potential gifts. General categories of gifts include, but are not limited to:

- a. **Cash.** Gifts of cash will be accepted and are the preferred form of donor gifts.
- b. **Beneficiary Designations.** Gifts of assets that transfer through beneficiary designation from the donor will be accepted. Types of beneficiary designation assets include, but are not limited to:
  - i. Bank and credit union accounts
  - ii. Bank accounts and investments of qualified or non-qualified status, including, but not limited to, annuities, mutual funds, and securities
  - iii. Charitable Gift Annuities
  - iv. Charitable Remainder Trusts
  - v. Charitable Lead Trusts
  - vi. Distribution Agreements
  - vii. Donor Advised Funds
  - viii. Endowments
  - ix. Life insurance policies

*NOTE: Sample beneficiary designation language... "Christ Lutheran Church, a nonprofit organization located at 176 W Sandtown Rd SW, Marietta GA 30064, Federal Tax ID #58-1619332, for general use and purpose."*

- c. **Marketable Securities.** Gifts of marketable securities will be accepted when transferred electronically to a congregation-owned brokerage account; or delivered physically with the transferer's endorsement or signed stock power (with appropriate signature guarantees) attached; or transferred through the ELCA Foundation. All marketable securities will be converted to cash promptly upon receipt unless otherwise directed. In some cases, marketable securities may be restricted by applicable securities laws, the terms of the proposed gift, or other stipulations. Types of publicly and non-publicly traded marketable securities include, but are not limited to:

- i. Bonds
- ii. Master Limited Partnerships (MLP)
- iii. Mutual Funds
- iv. Real Estate Investment Trusts (REIT)
- v. Stocks
- vi. Unit Investment Trusts (UIT)

*NOTE: Sample language when securities are transferred through the ELCA Foundation... "For Benefit Of: Christ Lutheran Church, a nonprofit organization located at 176 W Sandtown Rd SW, Marietta GA 30064, Federal Tax ID #58-1619332."*

- d. **Life Insurance.** Gifts of life insurance will be accepted when this congregation is named as the sole owner of the insurance policy and an agreement is reached regarding the responsibility for payment of current and future premiums due. If the premium payments are not paid, the congregation, as policy owner, reserves the right to surrender the policy in exchange for the cash value to avoid loan balance accruals.

*NOTE: Sample life insurance transfer of ownership language... "I transfer sole ownership of life insurance contract (contract #) to: Christ Lutheran Church, a nonprofit organization located at 176 W Sandtown Rd SW, Marietta GA 30064, Federal Tax ID #58-1619332."*

- e. **Bequests.** Gifts in the form of a bequest will be considered on a case-by-case basis. Types of bequests include, but are not limited to:
- i. Charitable Lead Trusts (CLT) or Charitable Remainder Trusts (CRT)

- ii. Irrevocable Life Insurance Trusts (ILIT)
- iii. Living or Revocable Trusts
- iv. Testamentary Trusts or 'trust under will'
- v. Wills

*NOTE: Sample bequest language... "I hereby give, devise and bequeath ten percent (10 %) of my total estate, to Christ Lutheran Church, a nonprofit organization located at 176 W Sandtown Rd SW, Marietta GA 30064, Federal Tax ID #58-1619332, for general use and purpose."*

- f. **Real Estate.** Gifts of real estate will be considered on a case-by-case basis. The donor shall be required to present an appraisal to Christ Lutheran Church no more than 60 days prior to the real estate transfer (Ref. IRS Publication 561, under "Qualified Appraisal"). Prior to acceptance of any gift of real estate, this congregation may require a Phase I Environmental Site Assessment (ESA). In the event that an ESA Phase II is needed, this congregation may retain a qualified firm to conduct a comprehensive environmental audit. The donor shall be responsible for the costs of the appraisal and/or any environmental studies required as a result of the environmental review and/or audit. Types of real estate include, but are not limited to:
  - i. Agricultural
  - ii. Commercial
  - iii. Residential
  - iv. Undeveloped real estate
- g. **Remainder Interests in Property.** Gifts of a remainder interest in a personal residence, farm/ranch, or vacation property (excluding timeshare interests) will be considered on a case-by-case basis and shall be subject to the real estate provisions in this *Gift Policy Section III.f*. The donor or other occupants may continue to occupy the real property for the duration of their stated life or lives. Upon termination of the life interest, Christ Lutheran Church may use the property or reduce it to cash. Where this congregation 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 life tenant(s). Types of remainder interests include, but are not limited to:

- i. Beneficiary Deeds
- ii. Enhanced Life Estate Deeds (aka Lady Bird deeds)
- iii. Life Estate Deeds
- iv. Transfer on Death Deeds

*NOTE: Availability and types of remainder interests in property are defined by current state law.*

- h. **Closely held business interests.** Gifts of closely held business interests will be considered on a case-by-case basis and shall be subject to the real estate provisions in this *Gift Policy Section III.f.* Types of closely held business interests include, but are not limited to:
  - i. Limited Liability type organizations (LLC, LLP, etc.)
  - ii. Partnerships
  - iii. S-Corporations or shares
  - iv. C-Corporations or shares
  - v. Business options/warrants
  
- i. **Oil, Gas, and Mineral Interests and Royalties.** Gifts of oil, gas, or mineral interests and/or royalties will be considered on a case-by-case basis and shall be subject to the real estate provisions in this *Gift Policy Section III.f.*  
*NOTE: A working interest shall not be accepted.*
  
- j. **Agricultural Commodities.** Gifts of commodities from cash basis farmers (excluding crop share landlords), including gifts of grain (e.g. soybeans, corn, wheat, et. al.), will be considered on a case-by-case basis and shall be subject to the real estate provisions in this *Gift Policy Section III.f.*, provided the gift is from unsold crop inventory with no sale commitment made prior to the gift. The donor must give up “dominion and control” of the commodity and cannot sell the grain and order the proceeds to be sent to Christ Lutheran Church. This congregation assumes risk after the transfer to include storage, transportation, and marketing costs as well as price risk. The transaction must be well documented to show Christ Lutheran Church as the owner (i.e., commodity is delivered and a warehouse receipt is executed to the congregation, or a notarized letter of transfer for crops stored on the farm).

- k. **Intellectual Property.** Gifts of intellectual property will be considered on a case-by-case basis. The donor and this congregation are encouraged to consult with an estate attorney/legal counsel before offering and/or accepting this gift. Types of intellectual property include, but are not limited to:
- i. Copyrights
  - ii. Patents
  - iii. Trademarks
- l. **Tangible Personal Property.** Gifts of tangible personal property will be considered on a case-by-case basis. The Stewardship Committee may refer to IRS Publication 561 for guidelines in the valuation of different kinds of personal property. [IRS.gov/pub/irs-prior/p561--2020.pdf](https://www.irs.gov/pub/irs-prior/p561--2020.pdf)
- m. **In-Kind Donations.** Gifts of in-kind goods or services given by a business or business owner, or a donor willing to pay for such goods or services on behalf of Christ Lutheran Church, will be considered on a case-by-case basis. In-Kind donations will be acknowledged in writing by this congregation, but as per Internal Revenue Service (IRS) Guidelines, will not be valued by, nor provided a receipt for charitable contribution by this congregation. It is the donor's responsibility to complete and file IRS Form 8283 for any and each noncash contribution more than \$500. (Ref. IRS Publication 561 *"Determining the Value of Donated Property"*)

**B. Gift Review Criteria**

- Does the gift further the mission or help fulfill the purpose of this congregation?
- Is the gift easy to convert to cash, readily marketable, or are there restrictions on the use, display, or sale of the gift?
- Are there covenants, conditions, restrictions, reservations, easements, encumbrance, or other limitations associated with the gift?
- Are there any carrying costs (e.g. insurance, property or other taxes, mortgages, or notes), or maintenance expenses that outweigh the benefit of the gift?
- Does the environmental review or audit reflect that the property warrants additional investigation or otherwise requires remediation?

- Does the property have liabilities or other considerations that make receipt of the gift inappropriate?
- Any other criteria determined to be applicable by the Stewardship Committee.

#### IV. GIFT VALUATION

**Gift Valuation.** For gifts of real estate and personal property valued at more than \$5,000, acquiring an independent assessment or appraisal shall be the responsibility of the donor or donor's estate. Appraisal of all non-cash gifts must take place within 60 days (Ref. IRS Publication 561 "*Determining the Value of Donated Property*" under "Qualified Appraisal").

NOTE: The ELCA Foundation can be a resource to help determine the necessary appraisal information.

#### V. USE OF UNRESTRICTED GIFTS

An unrestricted gift is given without any stipulation for its use and is accepted to support the mission and ministry of Christ Lutheran Church. The Stewardship Committee is responsible for recommending how unrestricted gifts will be allocated with necessary approval from the Executive Committee, Congregational Council, and/or Congregation as described previously. This *Gift Policy* offers the following framework as a guide to the Stewardship Committee in developing their recommended allocation:

- Step 1:** This congregation may offer an outside gift of ten percent (10%) of the total gift, often referred to as a tithe, to an organization outside the congregation as recommended by the Stewardship Committee and approved by the Executive Committee.
- Step 2:** This congregation may direct up to \$5,000 of the balance after the tithe to fund the ongoing operating costs of the Christ Lutheran Church Annual Budget.



- Step 3:** This congregation may offer a contribution of one-third (33- $\frac{1}{3}$  %) of the balance available after the Budget contribution to the Christ Lutheran Church Mission Endowment Fund.
- Step 4:** This congregation may offer a contribution of one-third (33- $\frac{1}{3}$  %) of the balance available after the Budget contribution to a Congregation Council designated reserve fund.
- Step 5:** This congregation may offer a contribution of one-third (33- $\frac{1}{3}$  %) of the balance available after the Budget contribution to the following designated spending categories: **new** ministry needs either within our organization or outreach needs beyond our organization as approved by the Executive Committee.

In the case of an emergency, as determined by the Executive Committee, the use of an unrestricted gift can be redirected by a majority vote of the Congregation Council to address the emergency.

## **VI. USE OF RESTRICTED GIFTS AND GUIDELINES**

A restricted gift is given with specific stipulations for its use and is accepted to support the mission and ministry of this congregation through the donor's or donors' defined restrictions. Gifts with specific donor-defined restrictions will be considered on a case-by-case basis with the understanding that the funds are to be used as requested by the donor.

*NOTE: Once a gift is accepted, donors may not direct the way a gift is invested or utilized beyond the stipulated restriction(s). In accordance with the Internal Revenue Service, donors cannot claim tax favor or retain control over gifts to charity.*

- A. Donors should be aware that programs offered by this congregation may be discontinued, renamed, modified, or incorporated into other programs before the restricted funds have been fully used for their restricted purpose. Therefore, a donor who makes a restricted gift, whether in the form of a current gift or through an estate plan, must complete the **Restriction and Release Form** (see

Exhibit B). The Stewardship Committee shall make the **Restriction and Release Form** readily available in the office and through the website of this congregation.

- B. Restricted gifts established prior to the approval of this policy or received without the accompaniment of a **Restriction and Release Form** shall be reviewed by the Stewardship Committee, the Council, and potentially this congregation to determine if the gift shall be accepted. This congregation may also consult legal counsel and this state's Attorney General to determine the requirements to lift a donor restriction if necessary.
- C. Donors may make Restricted Gifts to the Christ Lutheran Church Mission Endowment Fund. Restricted gifts to the Mission Endowment Fund must be accompanied by a **Restriction and Release Form**. If a donor wishes to establish a separate named endowment, the gift shall meet the following requirements:
  - a. Must be valued at Fifty Thousand dollars (\$50,000.00) or greater.
  - b. May be named after the original donor(s).
  - c. Can accept contributions from other donors.
  - d. Becomes a permanent asset of this congregation.

Donors wishing to establish a named endowment, may also be encouraged to contact the ELCA Regional Gift Planner.

These steps apply to all restricted gifts.

**Step 1:** The congregation shall apply the full proceeds of the gift to the restriction defined by the donor.

**Step 2:** In the rare event the gift is unable to be used as intended by the donor due to a lack of funding, need, or program; and after a review period of at least twelve (12) months; and in alignment with the restriction release requirements of this congregation and this state,

the gift may become unrestricted and the balance of the gift (including any accumulated interest) may be utilized as an unrestricted gift as described in the *Gift Policy Section V*.

## **VII. MEMORIAL AND HONORARY GIFTS**

Memorial and honorary gifts include gifts given in memory or honor of loved ones, friends, or others and may be unrestricted or restricted.

Memorial and honorary gifts are subject to the same guidelines for gift acceptance, appreciation, valuation, and use as defined in the *Gift Policy Sections III, IV, V and VI*.

NOTE: Notification shall be provided to the individual, family, or the individual's estate, listing the donors who contributed a memorial or honorary gift.

## **VIII. GIFT POLICY REVIEW**

This policy shall be reviewed yearly by the Stewardship Committee and no less than every three (3) years by the Congregation Council. The initial review will commence in the year two thousand and twenty-two (2022).

## **IX. RESOURCES**

The **ELCA Foundation**, through Regional Gift Planners and support staff, offer gift planning services at no charge to this congregation and their donors. Visit **[www.elcafoundation.org](http://www.elcafoundation.org)** or call **800-638-3522** to connect with the ELCA Foundation Regional Gift Planner that supports this congregation.

**Donors are also encouraged to consult with their personal tax advisor, estate attorney and/or financial advisor for specific tax, legal, and investment information. Christ Lutheran Church does not provide any tax, legal, or investment advice.**