



Planned Gifts Acceptance Policy Sample United Methodist Church

We recognize that planned gifts represent a lifetime of stewardship of the resources God has provided. They are made possible through the work, financial management and generosity of donors who are often no longer with us. Therefore, great care must be taken to ensure that they are handled in a way that honors the intention of the donor and will be a blessing to the congregation.

Purpose

The purpose of this policy is to provide guidance for any gift where the donor is not able to interpret his or her intentions for the gift. While this is typically a situation where the donor is deceased, it may also be used if the donor is incapacitated or the church leadership is unclear or undecided about the use of a gift.

Use of Legal Counsel

The Church shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

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

Unrestricted Gifts

Members may make gifts to the church without any further designation or restriction.

- **Gifts under \$1,000** may be used at the discretion of the Trustees (or Endowment Committee). They may be used for current operating expenses, the purchase of a specific item, placed in the permanent endowment fund or other uses that support the ministry of the church.
- **Gifts of \$1,000 or more** will be placed in the permanent endowment fund. At the discretion of the Trustees (or Endowment Committee), these gifts may be placed in the general endowment fund or may be placed in a sub fund in consideration of the donor's passion in the church. For instance a gift from a long-time choir member may be placed into the music fund.

Restricted Gifts

When a member designates a gift, the church will honor the restriction where ever possible, always deferring to the spirit of the gift, not the technicalities of interpretation.

However there may be times when honoring the restriction is not possible:

- The restriction is outdated
- The restriction is not consistent with the ministry of the church
- The gift will not pay fully for the designated project
- Other similar situations

In these cases the Trustees (or Endowment Committee) must balance the needs of being good stewards of other church resources with honoring the wishes of the donor. An alternate restriction will be proposed that, as nearly as possible, remains true to the intention of the donor while furthering the mission and ministry of the church. This will always be done respectfully and prayerfully.

In such cases, the church will:

- Contact the family of the donor to request that the restriction be changed.
- Work through the County Probate Court to have the restriction amended.
- Return the gift to the donor's estate if no resolution can be reached.

Gifts of Tangible Property

Gifts of tangible property, including vehicles, real estate, personal property and artwork may or may not be appropriate for the Church to receive. The Church may choose to decline a gift that is deemed in appropriate. In considering acceptance of tangible property, the Trustees (or Endowment Committee) shall consider:

- Does the property fulfill the mission of the Church?
- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- 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?
- In the case of real estate, does the environmental audit reflect that the property is not damaged?

Miscellaneous Provisions

- **Securing appraisals and legal fees for gifts to the Church.** It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Church.
- **Valuation of gifts for development purposes.** The Church will record a gift received by the Church at its valuation for gift purposes on the date of gift.
- **Responsibility for IRS Filings upon sale of gift items.** The Financial Secretary of the Church is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Church when the charitable deduction value of the item is more than \$5,000. The Church must file this form within 125 days of the date of sale or disposition of the asset.
 - Acknowledgement of all gifts made to the Church and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the Financial Secretary of the Church. See IRS Publication 561 *Determining the Value of Donated Property* and IRS Publication 526 *Charitable Contributions*.

Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and accepted by the Trustees (or Endowment Committee) of the Church. The Trustees (or Endowment Committee) of the Church must approve any changes to these policies. These changes are to be reported to the Congregation as quickly as is practical.