

# Trinity Presbyterian Church

## Gift Acceptance Policies

### I. OVERVIEW STATEMENTS

Throughout the history of the Bible, the giving of monies (Mark 12:29), property, goods, and material possessions (Exodus 35:20-29) have been offered to God and His Church for the purposes of furthering His kingdom, offering Him glory, and allowing His body of believers to serve others in the church, community, and world. At Trinity Presbyterian Church (here after designated as TPC), we feel that the giving of these things constitute gifts to God and His work through TPC. These policies are intended as general guidelines for the evaluation and acceptance of these gifts through our general funds at TPC.

TPC will make every effort to ensure that each gift is used in the best interest of the missions and long-term financial health of TPC, keeping in mind the nature of the Church, its missional objectives, and its interest in future generations. And, acknowledgement of these gifts given within the guidelines will be given to each donor.

**Any exceptions to these policies will require review and approval from the TPC Finance Team and possibly the Session of TPC as well as any appropriate counsel as needed in areas involving law.** This policy is subject to change since updates within the estate planning and tax law arena are fluid and ever changing. The TPC Finance Team and Session is encouraged to revisit this policy and update it annually.

#### A. *Session Commitment*

The Session of TPC, as outlined in the Book of Order (Chapter 10) offers donors the opportunity to make gifts directly to TPC. Gifts may be cash or other assets as outlined in these guidelines, and donors are encouraged to give in ways that are beneficial to God and TPC while protecting the Church's moral, ethical, fiscal, and legal integrity.

#### B. *Session Responsibility*

It is the responsibility of the Session to officially accept all gifts as outlined in these guidelines. Authority is also delegated to the Session approved Treasurer, Financial Clerk, and Church Administrator to accept other gifts, subject to the guidelines expressed in this document. The Treasurer, Financial Clerk, and Church Administrator shall consult with legal counsel, the Finance Team, the Clerk of the Session, the Head of Staff, or other appropriate resources as needed before accepting any potentially problematic gifts.

#### C. *Ethics in Receiving Gifts*

The Session authorizes the acceptance of gifts to TPC where there is genuine donative intent.

Other conditions for accepting gifts include:

- There has been full disclosure between the donor and TPC;

- The donor acknowledges his/her responsibility to discover and disclose any tax or other ramification;
- The donor has been encouraged to seek her/his own legal counsel.

There may be circumstances beyond our control under which we are unable to accept a gift, however well intentioned.

TPC Session does not authorize gifts that would jeopardize TPC's reputation or financial, legal, or moral integrity; nor would the gift be accepted if it would cause embarrassment or undue hardship to the donor or his/her family.

#### *D. Satisfaction of Internal Revenue Code Procedures*

It is our express intent to comply not only with the letter of the law, but also with the spirit and intent of the Internal Revenue Code ("IRC"), Treasury Department regulations, and Internal Revenue Service ("IRS") rules and procedures.

#### *E. Truth in Philanthropy*

TPC strives to encourage an overall policy of truth in philanthropy, meaning that the Church, the Session, and all representatives of TPC generally shall:

1. Engage in activities that serve to fulfill TPC's mission statement.
2. Spend each donor's funds in a manner consistent with the mission statement.
3. Engage in practices consistent with TPC's tax-exempt status.
4. Use best investment and management practices regarding funds, and continually scrutinize such through the Church's staff and Finance Team, in conjunction with overview by TPC Session.
5. Honor the donor's restrictions on use of funds, or return the funds.
6. Disclose the benefits and potential negative consequences of a gift, but advise the donor that TPC cannot give the donor legal, financial, or tax advice and that TPC has an obvious conflict of interest.
7. Consider each donor's financial welfare.
8. Uphold the donor's expectation of privacy regarding any donor financial information disclosed.
9. Advise the donor to obtain independent legal counsel and tax counsel prior to making any gift or executing any documents.

#### *F. Valuing Gifts*

The burden of substantiating the value of a non-cash gift falls to the donor. TPC may not indicate values for gifts of non-cash property, nor should values for non-cash property be included in acknowledgment letters that TPC sends to thank the donor for the gift. However, the acknowledgment letter should describe the donated property

adequately. Full responsibility also rests on the donor for properly claiming any deductions and obtaining any appraisals or other documentation that may be needed.

## II. ASSETS ACCEPTABLE AS GIFTS TO BE COUNTED

As described below and subject to federal and state laws and regulations, including tax laws and securities laws, the following assets are acceptable as outright gifts, as legacies or devises (bequests from a decedent). In the future TPC will consider split-interest gifts such as charitable remainder trusts, gift annuities, or lead trusts, as determined by the Internal Revenue Code and the regulations promulgated therein.

TPC shall not accept any interest in property that may lead to prohibited transactions described in the Internal Revenue Code.

### A. *Current Gifts*

#### 1. *Cash*

Cash and checks shall be accepted regardless of amount.

All checks must be made payable to TPC or a specific program of TPC. Checks made payable to an *employee or guest speaker/artist* can be made for that person during special offerings for the designee but will not be accepted as a gift to TPC.

TPC will accept checks—generally intended to honor a person or the memory of a person—made payable to TPC. Likewise, if cash or several checks are received and deposited by one person who then writes a check to TPC, the receipt will be issued to the person who writes the check. Persons who intend to make a tax-deductible gift should make their checks payable directly to TPC.

#### 2. *Securities*

In general, TPC will only accept the securities approved as outlined below and when the Stock Gifts Form (currently available online, or in the church office, or from the Church Administrator and Treasurer) has been filled out by the giver concerning the gift. Upon receiving confirmation from the broker that the transaction has taken place, the Treasurer or Church Administrator shall sell securities as soon as practical after they are received. Again, to expedite this process, please obtain a form and fill in the required information.

##### a. *Publicly Traded Securities*

In general, listed securities, or securities actively traded over-the-counter on the New York, American, and Midwest Stock Exchanges or NASDAQ, shall be accepted by TPC regardless of amount.

No employee, contract employee, or volunteer working on behalf of TPC may commit to a donor that a particular security will be held by TPC, sold through a specific broker, or

traded on instructions of the donor. In accordance with current tax law, the donor is not eligible to receive a charitable income tax deduction unless he or she gives up all incidents of ownership, including the right to direct what happens to the stock after the gift is made.

*b. Closely Held Securities*

Securities in closely held corporations, S corporations, or otherwise privately held securities will not be accepted by TPC.

3. *Mutual Fund Shares*

Transfers of mutual fund shares will be accepted upon approval of the Session or the Financial Team, acting with qualified legal and financial advice as needed.

In general, TPC's Treasurer, Church Administrator, or investment counselors shall sell mutual fund shares as soon as received. However, the counselors may evaluate shares on the day they are received and determine whether to sell them or retain them. This decision shall be based solely on what is in TPC's best interests.

4. *Real Estate*

Gifts of real estate will not be accepted at this time.

5. *Tangible Personal Property*

TPC prefers that gifts of tangible personal property be sold first and the proceeds then gifted to TPC. There may be circumstances when tangible personal property is accepted, but only upon approval by the Session and/or the Finance Team, acting with qualified legal and financial advice as needed. Gifts of tangible personal property are acceptable with no minimum. Conditions for accepting gifts include salability or as-is usability and TPC's current needs 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. If property is to be considered for use by TPC, see gifts in kind (below).

TPC shall adhere to all federal tax requirements related to disposing gifts of tangible personal property and filing appropriate forms (i.e., IRS Form 8282).

Without prior approval of the full Session, TPC generally will not accept personal property that obligates it to retain ownership in perpetuity, although it may choose to retain such property.

6. *Gifts-in-Kind*

The Treasurer, Financial Clerk, Finance team at the direction of the Session will oversee the acceptance of all gifts-in-kind to TPC. Because such gifts are infinitely varied, it makes

more sense to look up regulations applicable to each proposed gift when needed rather than to try to cover all variables in this document.

For most such gifts, the fair market value will be determined by an appraisal provided by the donor from an independent expert appraiser. An appraisal may not be required for the gift recording of gifts-in-kind of less than \$5,000 to be retained by TPC for its use. The fair market value may be determined by other means for these gifts-in-kind.

An appraisal may not be required for gifts-in-kind such as new equipment to be retained by TPC for its use when the donor is a non-individual entity, even if the value is more than nominal. For such gifts-in-kind, the fair market value may be determined by the fair retail value at the time of the gift transfer. **Special care must be taken in regard to donations that are considered inventory to the donor and those that are considered marketing or advertising expenses by a business donor.** Donors should consult their own tax advisors on deductibility of such gifts.

If a person purchases supplies/food for a program or the church in general (that is, a gift in kind) and doesn't want reimbursement for them, but wants an elder to sign off on them for tax credit, then the Elder (at their discretion) will sign the expense form for their documentation and church documentation. Following that, the information will be passed to the finance clerk for inclusion in their giving statement as a gift in kind (with monetary amount) or as a monetary gift. At this point it will go to the treasurer as a giving amount (for income) and an expense amount (for the program that it was for) as well as the Direct transfer category it is under so that total expenses for programs can be seen to be including gifts in kind and the books balance.

#### *7. Gifts from Qualified Retirement Plans*

At this time, gifts from qualified retirement plans will not be accepted.

#### *8. Life Insurance*

The Session or the Finance Team at the direction of the Session will oversee the acceptance of all gifts of life insurance.

TPC may be named as sole, percentage, or contingent *beneficiary* of a life insurance policy. The donor will receive no charitable income tax deduction, but may receive an estate tax deduction.

TPC may accept gifts of life insurance policies without regard to face value amount, so long as it is not required to expend funds from sources other than the donor to maintain the contract.

When a donor makes TPC both owner and beneficiary of an existing life insurance policy, he or she may be eligible for a tax benefit, and they should consult their tax professional in such matters. Brand new life insurance policies may have similar tax benefits and again, a tax professional should be consulted.

A representative of the donor's insurance company should be able to provide the deduction value, upon request, for any gift of insurance. All gifts of life insurance policies and premiums will be credited as "future gifts."

*9. Sole Proprietorship, Partnership, and Limited Liability Company (LLC) Gifts*

TPC will not accept interests in sole proprietorships, general partnerships, or LLCs.

*10. Other Assets and Forms Gifts May Take*

The Treasurer, Financial Clerk, or Church Administrator at the direction of the Session will oversee the acceptance of all other types of gifts that are not mentioned in this policy using fiscally and legally sound rationale for acceptance, and legal and financial counsel when appropriate. This policy should serve as a general guideline under such circumstances.

**B. *Deferred Gifts***

At this time, TPC will accept only the deferred gifts outlined below.

*1. Bequests (from Wills/Trusts)*

Bequests received will be counted at face value at the time received.

*2. Life Insurance*

See previous Life Insurance section.

**III. GIVING PURPOSES**

**A. *Unrestricted Current and Deferred Gifts.***

Except as modified or prohibited within this document TPC will accept ~~current and deferred~~ gifts that are not restricted in any way.

**B. *Restricted Current Gifts***

*1. Cash and Securities*

TPC will accept restricted gifts in any amount when the restriction already exists in the form of a gift fund at the time the gift is made and when the gift can be added to such existing fund. Examples of gift funds include memorial funds, annual funds (like the per capita), education funds, campaign funds (like a building fund), or a direct program fund. Non-examples include acceptance of funds which are to be paid to a 3<sup>rd</sup> party individual (unless a specific fund or offering was to be collected for said individual). Restricted gifts will also be accepted where the gift is usable by TPC at the time the gift is made, even if a

fund does not exist. However, to set up a new gift fund (memorial fund) the following procedure should be followed:

- a. Clerk of session, or designated appointee, should approach the person the fund is being set up to honor (or the nearest friend/relative if said individual is deceased) and ask which EXISTING pass through account they would like it placed under (such as a specific ministry, the building fund, or a special event)--This way the money can automatically roll into the appropriate dedicated account when it is received as income (and people will know it is there to be used).
- b. If the donor wants to set up a new capital or expense project the donor will present their idea to Session for consideration. This way, we do not become committed to projects that do not enhance our forward plan for Trinity.

## 2. *Non-cash gifts*

Once accepted under this policy, non-cash gifts may be restricted under the same guidelines as those for cash and securities. Donors must be advised before making the gift whether the gift will be sold, held for eventual use, or put to a “related use” as defined by the Internal Revenue Code.

## **IV. ENDOWMENT GIFTS**

At this time, TPC will not accept endowment gifts.

## **V. ACKNOWLEDGMENT, RECOGNITION, AND CONFIDENTIALITY**

### *A. Gift Acknowledgment*

The Financial Clerk will send donors gift receipts and thank-you letters as appropriate and inform the Administration elder of the gift. These letters will contain the language necessary for the donor to substantiate his or her gift for IRS purposes.

### *B. Donor Recognition*

Beyond the Financial Clerk and possibly the Treasurer or Church Administrator (on transactions involving gifts in kind, stock, or more detailed transactions that require additional paperwork for tax purposes) the donors will remain anonymous to TPC staff and the Church body.

### *C. Confidentiality*

TPC will not release any specific information regarding either donors or gifts without first receiving the written consent of the donor or donors involved, except as required by applicable law.

## **VI. POLICY EXCEPTIONS**

### *A. General Exceptions*

Exceptions to this policy must receive the recommendation of the Finance Team and the approval of the full Session.

*B. Exceptions for Completed Gifts and Gifts Under Negotiation*

Gifts made through estate plans that have been properly executed prior to the date of this policy and gifts already received by TPC may be grandfathered in under this policy. Gifts under negotiation at the time this policy is adopted need not conform to the policy but will be accepted based upon the spirit of this policy and the specific terms negotiated with the donor.

*C. Reviewing Gifts for Conformity*

Gifts established with a written agreement—including gifts in trust—shall be reviewed annually by the Finance Team and reported to Session. To the extent practical and reasonable, action shall be taken to make the gift agreement conform to current law and to TPC's policies. Donors are responsible for conforming gifts where TPC is not the trustee or gift manager.