

GIFT ACCEPTANCE AND ALLOCATION POLICY

St. John's Episcopal Church Jackson Hole

Accepted by the Vestry 07/15/15

1. Purpose

The purpose of this policy is to provide guidelines for prospective donors and their advisors and for the acceptance and allocation of estate gifts or other gifts designated for St. John's Episcopal Church Jackson Hole ("St. John's Episcopal Church").

The eight endowment funds of St. John's Episcopal Church (Endowment Funds) are:

Mission Fund: The Mission Fund shall be used in support of the missionary work, community service outreach and other charitable programs of St John's Church. .

Chapel Fund: The Chapel Fund shall be used to maintain, repair, restore and improve buildings and grounds, to supplement the costs of operation, and generally to support the ministries of The Chapel of the Transfiguration, operated by St. John's Church and located in Grand Teton National Park

Facilities Fund: The Facilities Fund shall be used to maintain, repair, restore and improve buildings and grounds, to supplement the compensation of a sexton and generally to support all of the various physical properties of St. John's Church.

Staff Housing Fund: The Staff Housing Fund shall be used to assist the clergy and other staff of St. John's Church in purchasing or renting housing, to purchase or rent housing for the use of clergy or other staff and generally to support their residential housing needs.

Music Fund: The Music Fund shall be used for the purchase of musical instruments and supplies, to repair and maintain musical instruments, to supplement the compensation of choir directors, organists, pianists and other musicians, and generally to support the music program of St. John's Church.

Father Ken Asel Ministerial Development Fund: The Father Ken Asel Ministerial Development Fund shall be used to assist first, the staff and members of the congregation of St. John's, and second, potential other applicants, in ministerial education and development to advance recipients in Christian formation, training in ministry, pastoral care, Stephen Ministry and other similar training to become a spiritual director, deacon, priest, or enroll in education for ministry, etc. The training can include internship at St. John's. Candidates can apply to the selection committee. Distributions are made directly to the recipients.

General Reserve Fund: The General Reserve Fund may be used in support of St. John's Church for any program or purpose approved by the Vestry, without restriction or limitation.

Heritage Fund: The Heritage is a vehicle for the preservation of capital gifts to the church. Donors who pledge or contribute an amount above \$25,000 to the Heritage Fund may designate those programs within the church that they wish to support, or they may make a general contribution to this fund. Distributions are calculated on a total return basis in a conservative manner designed to preserve capital over time, yet provide funds for the immediate needs of the church.

2. Scope

This policy adopted by the Vestry, in consultation with the Endowment Committee, shall apply to those gifts that are made to the St. John's Episcopal Church by or through lifetime gifts and transfers of property such as cash, stocks, bonds, municipal bonds, tangible assets and real estate, bequests in wills, transfers in charitable or other Funds, charitable gift annuities, and assignments of life insurance.

All undesignated estate gifts in excess of \$5,000 shall be added to the Endowment Funds unless otherwise designated by the Vestry.

This policy shall not apply to gifts made to support the annual operating expenses of St. John's Episcopal Church as pledge payments, loose plate offerings, or to gifts customarily made as "memorial/honorary gifts" at the time of or in connection with the death of a person who is either a member of or associated with the parish unless otherwise requested by the donor.

3. Gift Acceptance

A gift to St. John's Episcopal Church (other than cash or publicly traded securities made as an unrestricted gift for purposes other than supporting annual operating expenses or as a "memorial/honorary gift") shall be accepted only after approval by the Vestry in consultation with the Rector. No individual shall speak on behalf of the Vestry concerning gift acceptance until action has been completed by the Vestry. No individual's assurances of acceptance shall bind the Vestry to accept a gift that the Vestry would otherwise reject or seek to have modified. The following provisions shall serve as guidelines for the acceptance of gifts. All gifts to St. John's Episcopal Church for the endowment Funds shall be transferred to the appropriate account designated by the Vestry or the donor, as the case may be, as promptly as possible after receipt by St. John's Episcopal Church.

3.1 Transfers by Check

- A. All undesignated gifts by check for any of the endowed Funds shall be accepted by St. John's Episcopal Church, regardless of the amount.
- B. Checks shall be made payable to St. John's Episcopal Church Jackson Hole. In no event shall a check be made payable to an individual who represents St. John's Episcopal Church or the endowed Funds in any capacity.

3.2 Publicly Traded Securities

- A. Readily marketable securities, such as those traded on a stock exchange, may be accepted for the endowed Funds by the Vestry.
- B. For gift acknowledgment purposes, the donor will be advised of the number of shares received, the name of the company issuing the stock and the date the shares were received.
- C. A gift of securities to St. John's Episcopal Church shall be liquidated within thirty (30) days of acceptance unless the Vestry, in consultation with the Endowment Committee determines that the securities shall be retained as an investment.

3.3 Closely Held Securities

- A. Non-publicly traded securities may be accepted on a case-by-case basis by the Vestry in consultation with the Rector.
- B. Prior to acceptance, the Vestry and Rector will explore methods and timing of liquidation of the securities through redemption or sale. The Vestry and Rector will try to determine:
 - 1. An estimate of fair market value, with the assistance of professional advisors, when appropriate, the cost of which will normally be borne by the donor.

2. Any restrictions on transfer.
 3. Whether and when a sale or an initial public offering might be anticipated.
 4. Potential costs or liabilities associated with holding the asset.
- C. Upon the sale of non-publicly traded securities, the proceeds shall be promptly transferred to the appropriate endowed fund. Until the proceeds of sale are received by the fund, the value of the asset will not be included in the balance of the fund used for determining amounts to be distributed.
- D. No commitment for resale of non-publicly traded securities shall be made prior to completion of the gift of the securities.

3.4 Real Estate

- A. Any proposed gift of real estate must be reviewed by the Vestry in consultation with the Rector. Factors to be considered are:
1. Maintenance costs
 2. Real estate taxes
 3. Insurance
 4. Real estate broker's commission and other costs of sale
 5. Appraisal costs
 6. Environmental exposure
- B. The donor normally will be responsible for obtaining an appraisal of the property.
- C. St. John's Episcopal Church reserves the right to require an environmental assessment of any potential real estate gift to be performed at donor's expense.
- D. If the gift of property is accepted, title will be transferred to St. John's Episcopal Church, prior to solicitation of any offer or contract for sale. All real property received by gift shall be placed on the market as soon as practicable for conversion to cash unless the Vestry, in consultation with the Finance and Buildings & Grounds Committees, determines that the property shall be retained. The proceeds of the sale shall be promptly transferred to the account(s) in endowed fund designated by the Vestry or by the donor, as the case may be.

3.5 Life Insurance

- A. A proposed gift of a life insurance policy for St. John's Episcopal Church must be referred to the Vestry and Rector for review.
- B. The Vestry will accept a life insurance policy as a gift to St. John's Episcopal Church only if St. John's Episcopal Church or one of the endowed funds is named as the owner and beneficiary of 100% of the policy, the policy is paid up, or the donor agrees to make ongoing gifts of the policy premiums.
- C. St. John's Episcopal Church shall not be obligated to making premium payments in advance of receipt of the equivalent gift by the donor.

3.6 Tangible Personal Property

- A. Any proposed gift to St. John's Episcopal Church of tangible personal property shall be referred to the Vestry and Rector for review. All gifts of tangible personal property shall be examined in light of the following criteria:
1. Does the property fulfill the mission of St. John's Episcopal Church?
 2. Is the property marketable?
 3. Are there any undue restrictions on the use or sale of the property?
 4. Are there any carrying costs for the property?

- B. St. John's Episcopal Church shall adhere to all IRS requirements relating to disposing of gifts of tangible personal property and will provide appropriate forms to the donor and IRS.
- C. Donors are responsible for substantiating the value of the donated assets. St. John's Episcopal Church will issue a receipt describing the donated goods or service, but will not assert a specific value for the gift.

3.7 Deferred Gifts

- A. St. John's Episcopal Church encourages deferred gifts through a variety of vehicles:
 - 1. Charitable gift annuity (or deferred gift annuity)
 - 2. Pooled income fund
 - 3. Charitable remainder fund
 - 4. Charitable lead fund
 - 5. Bequest
 - 6. Retained life estate
- B. St. John's Episcopal Church shall not act as a personal representative for a donor's estate.
- C. St. John's Episcopal Church shall not act as trustee or co-trustee on a charitable remainder trust.
- D. When appropriate, St. John's Episcopal Church shall encourage prospective donors to take advantage of the gift vehicles offered by The Episcopal Church Foundation (i.e., Charitable Gift Annuities and the Pooled Income Fund) as well as its Charitable Trust Investment Services.
- E. Donors may be provided with planned gift illustrations or form documents without charge. The following disclaimer shall be included in any planned gift related documents, materials, illustrations, letters, or other correspondence: *"We strongly urge that you consult with your attorney, financial and/or tax advisor to review and approve this complimentary information. This information in no way constitutes advice. We will gladly work with your independent advisors to assist in any way that we are able."*
- F. St. John's Episcopal Church may seek qualified professional counsel in the exploration and execution of planned gift agreements it deems necessary. St. John's Episcopal Church recognizes the right of fair and just remuneration for such professional services.

4. Restricted Gifts

- A. Prior to acceptance of any restricted gift, the Vestry, in consultation with the Rector and Finance Committee, shall review the purpose of the restriction to assure that it furthers the mission of St. John's Episcopal Church and can be maintained within the existing Church capacity and long-range plan.
- B. Gifts of restricted or named funds may be accepted by the Vestry and invested as a sub account of the Heritage Fund if the initial contribution to establish a restricted or named fund has a value of \$25,000 or more. Subsequent gifts to a restricted fund may be made in any amount. Donors of restricted gifts shall be encouraged to make provision in the gift documents so that gifts may be re-classified in the event of changed circumstances to conform to the needs of St. John's Episcopal Church as determined by the Vestry in consultation with the Finance Committee. In all events, it shall be recommended to the donor that a provision be made that the then balance of the restricted gift account revert to the unrestricted designation after a lapse of 20 years from the date the gift is accepted.

5. Confidentially

- A. All information obtained from or about donors or prospective donors shall be held in the strictest

confidence by all representatives of St. John's Episcopal Church and all its staff and volunteers. Neither the name, the amount, nor the conditions of any gift shall be published without the express written approval of the donor and, in the case of a deferred gift, the beneficiary thereof.

6. Rejection of Gifts

- A. The Vestry, in consultation with the Rector, reserves the right to decline to accept any gift that in their discretion does not further the mission or goals of St. John's Episcopal Church.
- B. Also, any gifts that would create an undue administrative burden or cause St. John's Episcopal Church to incur excessive (in their subjective opinion) expenses may be declined.

7. Records of Gifts of Acknowledgment

- A. Complete records of all gifts shall be maintained by St. John's Episcopal Church. Records shall be maintained for each type of gift received by St. John's Episcopal Church and transferred to the Endowed Funds. Originals of gift instruments shall be filed in record storage in the offices of the St. John's Episcopal Church. After maturity, the gift documents may be maintained electronically. All other documentation relevant to the gift, its acceptance, its management, or its conversion to cash (if applicable) shall be similarly retained in the records of St. John's Episcopal Church for a reasonable time. Ledgers of gifts by type and nature shall be maintained. Gifts shall also be recorded so that the gift, any person memorialized/honored by the gift, and the name of the donor shall be suitably recognized. All accepted gifts will be gratefully acknowledged on behalf of St. John's Episcopal Church. All accounting and receipting for gifts will conform to the regulations and requirements of the Internal Revenue Service.

8. Amendments to Policy

- A. Any member of the Vestry may propose amendments to this policy. Such proposed amendments shall be made in writing and submitted for consideration and review prior to any meeting called to discuss the proposed amendments. Proposed amendments to this policy may be adopted by a 2/3 vote of the entire Vestry after recommendation by a majority vote of the Endowment Committee.

ATTEST:

This policy was adopted by the Vestry of St. John's Episcopal Church Jackson Hole at the July 15, 2015 meeting.



Luette S. Keegan, Secretary

