

First Baptist Church Keller

Legacy Giving Ministry

GIFT ACCEPTANCE POLICY

In order to protect the interests of FBC Keller (the “Church”) and the persons and entities who support its ministry, this Policy is designed to help ensure that all gifts to, or for the use of the Church are structured to provide maximum benefit to all parties involved.

This Policy focuses on both current and deferred gifts--with special emphasis on deferred gifts and gifts of non-cash property.

The goal of this Policy is to encourage giving to the Church without encumbering the Church with gifts that result in a greater cost to the Church than the benefit received by the Church from the gift, or which are restricted in a manner inconsistent with the goals of the Church.

To facilitate receiving gifts from individuals and other entities, the Church must be capable of responding quickly, and in the affirmative where possible, to all gifts offered by prospective donors. Therefore, unless clearly inconsistent with the express terms of this Policy, the Church should apply flexibility in the application of this Policy.

Any exceptions to this Policy or any gift not specifically mentioned in this Policy shall be addressed by the Legacy Giving Committee.

First Baptist Church Keller, Texas has sought the advice of legal counsel in all matters pertaining to its Legacy Giving Ministry. Prospective donors shall be urged to seek their own counsel in matters relating to their planned gifts and tax and estate planning.

GIFTS

Cash

Gifts in the form of cash and checks shall be accepted regardless of amount unless the Church, in its sole discretion, has reason to believe that an issue exists with regard to whether the donor has legal title to the asset or an issue exists as to the capacity of the donor to legally transfer funds as a gift to the Church.

All checks must be made payable to First Baptist Church Keller and shall in no event be made payable to an employee, agent, or volunteer for the credit of the Church. In the event a check is made payable to an employee, agent, or volunteer intended to be credited to the Church, then such employee, agent, or volunteer shall immediately so inform the Church leadership and endorse the instrument to First Baptist Church Keller.

Publicly Traded Securities

FBC Keller shall accept publicly traded securities. The donor should anticipate that FBC Keller may immediately sell such securities.

Closely Held Securities

Closely held securities may be accepted only upon approval by the Legacy Giving Committee and only if: there is a readily available market for their disposition; the acceptance of such securities presents no significant potential for the Church to incur liability with respect to such securities; and the corporation engages in no activities which would be inconsistent with Baptist beliefs and practices.

Real Property

No gift of real estate shall be accepted without prior approval of the Legacy Giving Committee.

1. No gift of real estate shall be accepted without first being appraised by a certified appraiser having no business or other relationship to the donor. The costs of the appraisal shall be borne by the donor or the donor's estate.
2. No gift of real estate shall be accepted until it has been determined that no reasonable possibility exists that the property could be contaminated by toxic waste or any other dangerous condition. The Church may require a Level I Environmental Survey. All costs related to the survey will be borne by the donor.
3. In general, residential real estate located within the state of Texas will be accepted, unless the Legacy Giving Committee shall determine for some reason that the property is not suitable for acceptance as a gift.
4. No commercial real estate shall be accepted by anyone on behalf of the Church without the prior approval of the Legacy Giving Committee.
5. Special attention shall be given to the receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for the Church and payments, taxes, and insurance could result in an untimely financial burden to the Church.

Tangible Personal Property

1. Generally, jewelry, artwork, collections, and other personal property shall not be accepted unless the employee, agent or volunteer working on behalf of FBC Keller shall have reason to believe the property has a value in excess of \$1,000. Such property can only be accepted by Legacy Giving Committee or such other person or persons authorized to do so by the Legacy Giving Committee.

2. No personal property shall be accepted by FBC Keller unless there is reason to believe the property can be readily liquidated. No personal property shall be accepted that obligates the Church to ownership of it in perpetuity. No perishable property or property which will require special facilities or security to properly safeguard it will be accepted without prior approval of the Legacy Giving Committee.
3. Even if there is reason to believe personal property has a value of \$1,000 or more, it may only be accepted after receipt and review by the Legacy Giving Committee, or those empowered to act on its behalf, of an appraisal.

Life Insurance – Cash Values

Cash value amounts accrued within life insurance policies are accepted as gifts as long as there are no additional premium payments due or expectation of repayment liability associated with the gift.

Other Property

Other property of any description including but not limited to mortgages, notes, copyrights, royalties, easements, whether real or personal, tangible or intangible shall only be accepted by action of the Legacy Giving Committee or persons duly acting on its behalf.

GIFT ACKNOWLEDGMENTS

Written Acknowledgment Letter

If any of the above gifts are accepted by the Church, the Church should issue a written acknowledgement of the gift that meets the charitable contribution substantiation requirements of the Internal Revenue Code.

Specifically, the Church should send the donor a written acknowledgement letter that contains the following information: (i) the amount of cash and a description (but not the value) of any property other than cash contributed; and (ii) either (a) a statement that the Church did not provide any goods or services, other than intangible religious benefits, in consideration (in whole or in part) for any of the gifted property, or (b) a description and good-faith estimate of the value of any goods and services provided by the Church (other than intangible religious benefits) in consideration (in whole or in part) for any of the gifted property. Where the Church has provided goods or services (other than intangible religious benefits) in consideration for a gift, the written acknowledgment letter should also state that the amount of the donor's contribution that is deductible for federal income tax purposes is limited to the excess of money (and the fair market value of property other than money) contributed by the donor over the value of goods and services provided by the Church.

Although, as described above, the Church should provide an estimate of the value of any goods or services the Church provided to the donor in exchange for a gift, in no event should the

Church provide an estimate of the value of the property donated by a donor to the Church; the value determination remains the responsibility of the donor.

The Church should send a donor an acknowledgment letter as soon as reasonably possible following the donor's gift to the Church, but in any event no later than January 31st of the year after the year in which the gift is made.

IRS Form 8283

Under certain circumstances (typically where a donor makes a gift of property to the Church with a value in excess of \$5,000), the donor may request that the Church sign a "Donee Acknowledgment" in Part IV of IRS Form 8283. If the information on the donated property in Part I of IRS Form 8283 is left blank, or if a qualified appraiser has not signed the declaration, the Church should not sign IRS Form 8283 without first consulting with the Church's professional advisors.

By signing IRS Form 8283, the Church is not attesting to the value of the gift claimed by the donor. However, by signing IRS Form 8283, the Church agrees that, in the event the Church sells, exchanges, or otherwise disposes of the property reported on IRS Form 8283 within three years after the date the property is donated, the Church will file IRS Form 8282 (Donee Information Return) with the IRS and give the donor a copy of that form.

DEFERRED GIFTS

Bequests

1. FBC Keller shall actively encourage gifts to the Church through wills and living trusts.
2. In the event of inquiry by a prospective donor, representations as to the acceptability of a bequest to the Church shall be made in accordance with this Gift Acceptance Policy only.
3. FBC Keller shall at all times retain the right to refuse a gift from an individual or from an estate when it is not in the best interest of the Church to accept the gift. This determination is made by the Legacy Giving Committee.
4. When FBC Keller is the recipient of a gift from a will or trust, the Legacy Giving Committee shall review the restrictions upon the gift and determine if it is in the best interests of the Church to accept the gift.
5. FBC Keller will not accept a gift that might result in conflict within the Church or confusion as to the utilization of the gift or that might create an undue financial burden upon the Church.
6. When FBC Keller receives an unrestricted estate gift, the Legacy Giving Committee shall distribute the gift to the Church Opportunity Fund.

Life Estate Gifts

1. Donors shall generally be discouraged to make gifts of a remainder interest in real property in which the donor retains a life estate.
2. This Policy is based upon the possibility that the donor may need to sell the home in the future and find that the value of the life estate is a small portion of the value of the property. Such gifts may be accepted by the Legacy Giving Committee when the asset involved appears to be a minor portion of the donor's wealth, and the Legacy Giving Committee is satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.

Gifts of Life Insurance

1. FBC Keller will encourage donors to name the Church as a beneficiary of all or a portion of a person's life insurance policies.
2. FBC Keller at the discretion of the Legacy Giving Committee may accept assignment of cash value life insurance policies to the Church. The Legacy Giving Committee may make a determination whether to hold any such policy or to cash it in.
3. FBC Keller will not accept gifts from donors for the express purpose of purchasing life insurance on the donor's life.
4. No insurance products may be endorsed for use in funding gifts to FBC Keller. In no event shall lists of FBC Keller's members or donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors or the Church. This Policy is based on the fact that this practice represents a potential conflict of interest, may cause donor-relations problems, and may subject the Church to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

DESIGNATED GIFTS ESTABLISHING DESIGNATED ACCOUNTS

The Legacy Giving Committee will determine what designated accounts may be established.

1. Any member of FBC Keller may request in writing to the Legacy Giving Committee, the establishment of a designated account for the Church. Once an account is established, FBC Keller may accept funds into that account.
2. The Legacy Giving Committee will determine the length of time the account shall exist. When that time has passed, the Legacy Giving Committee may either extend the time period for expiration of the account or transfer any remaining funds to the Church Opportunity Fund.

Disbursing Designated Funds

1. Designated funds may only be spent for the purpose for which they are designated.
2. If, at any time, FBC Keller accepts custody of designated accounts which have not been approved and established by the Legacy Giving Committee, and FBC Keller does not intend to use the designated funds for the purpose designated, FBC Keller will return the monies to the donor or contact the donor for permission to transfer the funds to another fund or Baptist ministry chosen by the donor.

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This sample policy is not intended to provide legal, accounting, investment, or other professional advice. Before your organization adopts this sample policy, you should seek the independent advice of a competent professional or professionals to ensure it is appropriate for your organization to adopt such a policy, and to determine whether the policy needs to be amended in any respect to conform with your organization's existing policies and procedures and applicable local, state, and federal laws.