Background and Purpose

Section III.6 of the Bylaws of Trustees and Council states:

that when the Diocese receives money or other marketable assets by gift, bequest, or otherwise, from sources which are not part of the Diocese's regularly budgeted income earned on its invested Capital Fund, and the purpose for which has not been clearly limited or designated by the source furnishing the money or marketable assets to the Diocese, Trustees and Council shall make a determination as to what shall be done with such money or other marketable assets under the following options:

a) Add it to the Commingled Fund with a designation by Council as to the purpose or purposes for which the income from such cash or marketable assets shall be used (subject to Council’s modification or alteration of such purposes from time to time).

b) Add it to the Endowment Fund.

c) Place it in the Advance Fund to be expended for a need of the Diocese not otherwise provided for, the need for which shall be clearly stated in the resolution of Council making such determination.

d) Divide it among any of the above options in such proportion as Council may deem appropriate and such designation shall be clearly set forth in Council’s resolution making the determination.

Gift Review Committee

The Bishop may appoint a subcommittee of Trustees and Council be known as the Gift Review Committee. Any questions, which may arise in the review and acceptance of gifts to the Diocese, will be referred to the Gift Review Committee, which will be comprised of representative of Trustees & Council, together with the Diocesan Chancellor, the Diocesan Treasurer, and the Canon to the Ordinary, who shall serve as members of the committee ex officio.

Cash

1. All gifts by check shall be accepted by the Diocese regardless of amount.

2. Checks shall be made payable to the Episcopal Diocese of Kentucky. In no event shall a check be made payable to an individual who represents the Diocese of the church in any capacity.

Publicly Traded Securities

The Diocese can accept readily marketable securities, such as those traded on a stock exchange. A gift of securities to the Diocese normally would be liquidated immediately.

Closely Held Securities

1. Non-publically traded securities may be accepted after consultation with the Gift Review Committee.

2. Prior to acceptance, the Gift Review Committee will explore methods and timing of liquidation of the securities through redemption or sale. The Gift Review Committee will try to determine:

   a. An estimate of fair market value

   b. Any restrictions on transfer

   c. Whether and when an initial public offering might be anticipated
3. No commitment for repurchase of closely held securities shall by made prior to completion of the gift of the securities.

Real Estate
1. The Gift Review Committee must review any gift of real estate.
2. The donor normally is responsible for obtaining and paying for an appraisal of the property. An independent and professional agent holding an appropriate appraisal license issued by the state in which the real estate is located will perform the appraisal.
3. The appraisal must be based upon a personal visitation and internal inspection of the property by the appraiser. Also, whenever possible, it must show documented valuation of comparable properties located in the same area.
4. The formal appraisal should contain photographs of the property, the tax map number, the assed value, the current asking price, a legal description of the property, the zoning status, and complete information regarding all mortgages, liens, litigations, or title disputes.
5. The Diocese reserves the right to require an environmental assessment of any potential real estate gift.
6. The property must be transferred to the Diocese prior to any formal offer or contact for purchase being made.
7. The donor may be asked to pay for all or a portion of the following:
   a. Maintenance costs
   b. Real estate taxes
   c. Insurance
   d. Real estate broker’s commission and other costs of sale
   e. Appraisal costs
8. For gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate; however, costs of maintenance, insurance, real estate taxes, broker’s commission, and other expenses of sale may reduce this value.

Life Insurance
1. A gift of a life insurance policy must be referred to the Gift Review Committee.
2. The Diocese/Trustees & Council will accept a life insurance policy as a gift only if the Diocese is named as the owner and beneficiary of 100 percent of the policy.
3. If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the policy’s replacement cost.
4. If the policy is partially paid up, the value for gift crediting and accounting purposes is the policy’s cash surrender value. (Note: For IRS purposes, the donor’s charitable income tax deduction is equal to the interpolated terminal reserve, which is an amount slightly in excess of the cash surrender value.)

Tangible Personal Property
1. Any gift of tangible personal property shall be referred to the Gift Review Committee prior to acceptance.
2. A gift of jewelry, artwork, collections, equipment, and software shall be assessed for its value to the Diocese, which may be realized either by being sold or by being used in connection with the Diocese’s exempt purpose.
3. Depending upon the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value.
4. The Diocese 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.

Embracing Christ, Engaging the World
Deferred Gifts

1. The Diocese encourages deferred gifts in its favor through any of a variety of vehicles:
   a. Charitable gift annuity (or deferred gift annuity)
   b. Pooled income fund
   c. Charitable remainder trust
   d. Charitable lead trust
   e. Bequest
   f. Retained life estate

2. The Diocese (or its agent) shall not act as an executor (personal representative) for a donor’s estate. A member of the Diocesan staff serving as personal representative for a member of a parish, mission, or institution within the Diocese does so in a personal capacity, and not as an agent of the Diocese.

3. The Diocese (or its agent) shall not act as trustee of a charitable remainder trust.

4. When appropriate, the Diocese may invite prospective donors to consider the gift vehicles offered by the Episcopal Church Foundation (specifically, charitable remainder trusts, charitable gift annuities, and the pooled income fund) as well as its investment services.

5. When donors are provided planned gift illustrations or form documents, these will be provided free of charge. For any planned-gift-related documents, materials, illustrations, letters, or other correspondence, the following disclaimer should be included:

   We strongly urge that you consult with your attorney, financial and/or tax advisor to review and approve this information provided you without charge or obligation. This information in no way constitutes advice. We will gladly work with your independent advisors to assist in any way.

6. The Diocese, its staff, and volunteers shall hold all information obtained from or about donors/prospects in the strictest confidence. The name, amount, or conditions of any gift shall not be published without the express written or oral approval of the donor and/or beneficiary.

7. The Diocese will seek qualified professional counsel in the exploration and execution of all planned gift agreements. The Diocese recognizes the right of fair and just remuneration for professional services.

8. Trustees & Council, upon the advice of the Gift Review Committee, reserves the right to decline any gift that does not further the mission or goals of the Diocese. Also, any gifts that would create an administrative burden or cause the Diocese to incur excessive expenses may be declined.