

## ASBURY UNITED METHODIST CHURCH GIFT ACCEPTANCE POLICY

### **PURPOSE**

The purpose of this gift Acceptance Policy is to describe the type of gifts that can be accepted and the manner in which they can be accepted. The Finance Committee is authorized to act on behalf of the Board of Trustees of Asbury United Methodist Church, and is instructed by the Church Council to receive and distribute gifts received under the Gift Acceptance Policy of the Church.

### **INTRODUCTION**

In order to protect the interests of Asbury United Methodist Church (hereafter referred to as the Church) and the persons and other entities who support its programs, these policies are designated to assure that all gifts to the Church, or for the use of the Church, are structured to provide maximum benefit to both parties.

This document focuses on both current and deferred gifts, with special emphasis on various types of deferred gifts and gifts of non-cash property. The goal is to encourage giving to the Church or to the Permanent Endowment Fund without encumbering the Church with gifts which may prove to generate more cost than benefit, or which are restricted in a manner that is not in keeping with the goals of the Church.

To optimize funding 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. Except where stated otherwise, these policies are intended as guidelines only. Flexibility must be maintained since some gift situations can be complex and decisions only made after careful consideration of a number of interrelated factors. Therefore, those policies may in some instances require that the merits of a particular gift be considered by the Finance Committee and a final decision be made only after a recommendation by them to the Church Council.

The Finance Committee reserves the right to decline or otherwise refuse any gift offered to the Church, with or without cause. The Finance Committee will use as a baseline Asbury's mission and values statement adopted by the Church Council. Reasons for which a gift may be declined include, but are not limited to the following:

1. The Finance Committee does not believe it is in the best interest of the Church to abide by the restrictions placed on the gift by the donor.
2. The costs to maintain the gift or to meet the restrictions placed on the gift by the donor are considered to be excessive.
3. The gift is considered to be inappropriate or unrelated to the tax-exempt purpose of the Church.
4. The gift is designated to benefit or to be channeled to a specific individual.

## **GIFT ACCEPTANCE TERMS AND CONDITIONS**

### **Outright Gifts**

#### **A. Cash**

Gifts in the form of cash and checks shall be accepted in any amount. All checks must be payable to Asbury United Methodist Church and in no event shall they be made payable to an employee, agent, or volunteer for credit to the church.

#### **B. Publicly Traded Securities**

Securities that are traded on the exchanges shall be accepted by the Church through the Mid-Atlantic United Methodist Foundation to be converted into cash.

#### **C. Closely Held Securities**

Non-publicly traded securities may be accepted upon approval by the Finance Committee. The Finance Committee shall make the decision to keep or sell the security.

#### **D. Real Property**

All gifts of real property must have the approval of the Finance Committee and the Trustees Committee, and must have a fair market value equal to or in excess of \$200,000.

Prior to approval the Finance Committee shall make a recommendation for accepting the real estate and shall include a report on (but not limited to):

1. Current title and ownership
2. Current zoning
3. Any and all restrictions
4. Any encumbrances, including an Affidavit of Lien signed by the donor
5. An independent qualified third party appraisal
6. At least a Phase I environmental audit
7. A recommendation on marketability

Upon recommendation from the Finance Committee, the Trustees shall make the final decision to keep or sell the property. If sold, the proceeds shall be invested in the Permanent Endowment Fund, unless otherwise specified.

When the deed for the property is recorded, it shall include the trust clause: following the appropriate paragraphs of the current *Book of Discipline of the United Methodist Church*.

#### **E. Tangible Personal Property**

All gifts of personal property must have the approval of the Finance Committee and a cash value in excess of \$5,000.00.

Prior to approval, the Finance Committee shall make a recommendation for accepting the personal property, and shall include a report on (but not limited to) the following:

1. Current title and ownership
2. An independent qualified third party appraisal
3. A recommendation on marketability

The Finance Committee shall make the decision to keep or sell the property. If sold, all proceeds shall be deposited in the Permanent Endowment Fund, unless otherwise specified.

**F. Other Property**

The Finance Committee shall make the decision to accept and to keep or sell any other property that it may deem to be in the interest of the Church.

**Planned (Deferred) Gifts**

**A. Bequests**

Gifts through wills (bequests) shall be actively encouraged by the Church.

Upon inquiry by a prospective donor, all representations as to the future acceptability of various properties to be left to the Church, in a will or other deferred gifts, shall be made in accordance with the terms and provisions of this document.

Gifts of property that are not acceptable from estates shall be rejected by the Finance Committee and that decision shall be communicated to the legal representatives of the estate.

**B. Revocable Living Trusts and Charitable Trusts**

The Finance Committee will recommend as fiduciary the Permanent Endowment Committee.

The fees for the management of a Charitable Remainder Trust will not normally be paid by the Church. However, on approval by a majority of the Finance Committee, these fees may be paid by the Church. The fees for management of a Revocable Living Trust will not be paid by the Church under any circumstances.

Revocable Living Trusts and Charitable Remainder Trusts and all other deferred gifts shall be encouraged as a method of making gifts to the Church, while retaining income that may be needed by the donor for personal purposes. Such trusts shall not be marketed as tax avoidance devices or as investment vehicles, and it is understood that no activity will be conducted that will violate Federal and/or State security regulations.

No representation as to the manner in which trust assets will be managed or invested shall be made by any employee or other persons acting on behalf of the Church.

C. Life Estate Gifts

The Finance Committee may accept such gifts provided that there has been a full disclosure of the possible ramifications of the transaction to the donor.

D. Life Insurance Policies

The Church will encourage donors to name the Church as beneficiary of life insurance policies that they have purchased.

The Church will not accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to the policy may be made only when the Church has an insurable interest and is in compliance with all State and Federal statutes.

No insurance products will be endorsed for use in funding gifts to the Church.

In no event shall lists of Church donors' names be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or the Church.

E. Gift Annuities

The Church may accept Charitable Gift Annuities.

**PAYMENT OF FEES RELATED TO GIFTS TO THE CHURCH**

A. Finder's Fees or Commissions

No fees shall be paid to anyone as consideration for directing a gift to the Church.

B. Professional Fees

In general, the donor shall pay any fees associated with the gift.

No fees shall be paid to anyone as compensation for any sale of any financial products to the donor.

**RESTRICTIONS**

Any restrictions on the use of any gift must be approved by the Finance Committee prior to acceptance of the gift.

A designated sub fund of the Permanent Endowment Fund may be established by the donor with a minimum gift of \$30,000.00 at one time and the approval of the Permanent Endowment Committee.

The Permanent Endowment Committee has the right to consolidate any sub account into the general Permanent Endowment Fund provided it first obtains Charge Conference approval.

## **GIFT USE**

The use of undesignated Planned (Deferred) Gifts to the Church, other than those gifts intended for specific use within the operating budget of the church, will be determined by the Church Council using the following guidelines:

1. Gifts under \$1,000.00 will be placed in the Memorial fund.
2. Use of gifts greater than or equal to \$1,000.00 but less than \$15,000.00 will be determined by Church Council.
3. Gifts equal to or in excess of \$15,000.00 will be placed in the Permanent Endowment Fund, unless there are extreme and overwhelming circumstances.

The use of undesignated Outright Gifts to the Church, other than those gifts intended for undesignated use within the operating budget of the Church, shall be determined using the following guidelines:

1. Gifts under \$5,000.00 will be placed in the general operating fund.
2. Use of gifts greater than or equal to \$5,000.00 but less than \$15,000.00 will be determined by Church Council.
3. Gifts equal to or in excess of \$15,000.00 will be placed in the Permanent Endowment Fund, unless there are extreme and overwhelming circumstances.