



GIFT ACCEPTANCE POLICY FIRST UNITED METHODIST CHURCH OF ONEONTA

PURPOSE

The purpose of this policy is to provide direction to the FUMC staff, the Trustees and the Church Council regarding the management of donated funds which encourages gifts in support of the mission, vision, and strategic direction of the church. The policy clarifies the terms of all charitable gifts to FUMC and provides guidance for the staff, Trustees, Church Council, and donors on the acceptance of gifts and any potential gift acceptance restrictions which may make particular types of gifts or giving to FUMC unacceptable.

POLICY

FUMC is committed to a mutually beneficial relationship with its community of donors. It is the church's goal to partner with donors to provide the most effective benefit to the church while honoring donors' broad philanthropic wishes. It is FUMC's policy to sell any gifts of personal property it receives (gifts other than cash) and to reinvest the proceeds. (Note #1)

It is the responsibility of the Trustees and Church Council to ensure that any gift it accepts supports the overall mission, vision, and strategic goals of the church. FUMC may refuse to accept monetary donations or gifts of real or personal property when the Trustees or the Church Council determine that such acceptance is not in the best interests of the church. (Note #2)

TYPES OF GIFTS

1. Donations of Money
Unrestricted gifts of cash in any form will be accepted.
2. Gifts of Personal Property
Gifts of tangible personal property will be accepted on a case-by-case basis. Tangible personal property may include but is not limited to gifts of jewelry, paintings, work of art, books, and collections. Non-cash gifts valued over \$5,000

require a qualified appraisal usually to be paid by the donor. All gifts of tangible personal property shall be examined in light of the following:

- a. Does the property help to fulfill the mission, vision and goals of FUMC?
- b. Is the property marketable and can it be readily sold within a reasonable period of time?
- c. Are there any undue restrictions on the use, display, or sale of the property?
- d. Are there any carrying costs for the property?

3. Gifts of Real Property

FUMC welcomes outright and deferred gifts of real estate property (including but not limited to improved or unimproved land, personal residence, commercial or farm property, and rental property). In most cases, the church will either utilize or dispose of all gifts of real property as efficiently and as soon as possible.

A. Gift of Real Property may be accepted for immediate sale or for short term retention in anticipation of sale. Such gifts may also be accepted and not sold if deemed to be valuable for other purposes.

B. Proposed gifts of real property must include a written proposal. Any acceptance may contain:

- a. A plan for the real property's maintenance including the source of funding if the property is not sold immediately.
- b. If the property is to be sold immediately, a source of funds to cover expenses until the property is sold and a description of the anticipated proceeds to be realized from the sale.

C. Conditions affecting acceptance:

a. If the property is to be used by FUMC, it must be in good physical condition. If it is not in compliance with applicable building, health and safety codes or requires repairs or improvements, a source of funds for bringing the property into compliance must be identified.

b. Prior to acceptance of any real property, FUMC will take such steps as necessary to determine whether or not there are any environmental or similar risks associated with the property. The church may require an environmental inspection to be conducted at the donor's expense by a licensed environmental engineer or firm to give advise about any problems with the property.

c. Normally, no gift of real property will be accepted until all mortgages, deeds or trust liens and other encumbrances have been discharged.

d. Prior to formal acceptance of any gift of real property, FUMC will require:

i. Preliminary title report, indicating that the title is vested in the form represented and is subject to no claims, liabilities or major defects of title,

ii. Current valid appraisal performed by a qualified appraiser. The donor may be asked to pay for such appraisal,

iii. List of improvements to the property,

iv. List of leases if any,

v. Commitment for title insurance,

vi. Physical inspection of the property by an employee or agent of FUMC.

e. The donor may be asked to pay for all or a portion of the real estate broker's commission or other costs of the sale.

D. Acceptance of such gifts will be in consideration of the following:

a. Can the property be used to support the mission, existing programs or future operations?

b. Can the property be sold and converted into cash within a reasonable period of time following the closure of the gift?

4. Additional gifts

FUMC also encourages additional forms of giving such as gifts of bequests; securities (both publicly traded and closely held); charitable gift annuities; charitable remainder trusts; life insurance beneficiary designation; and retirement plan assets and will work with donors, their estate planners or lawyers or accountants to the advantage of all.

5. Gifts in-kind

Gifts in-kind to FUMC including professional services and goods, will be accepted on a case-by-case basis. Any valuation assessment of a gift in-kind is the sole responsibility of the donor and must be completed before any transferring document is executed.

RESTRICTIONS ON GIFTS

Outright, unrestricted, irrevocable gifts are preferred. Restricted gifts and gifts for specific purposes will be accepted provided that such gifts are consistent with FUMC's mission, vision and goals. FUMC will not accept gifts that it deems to be too restrictive in purpose. Gifts that are too restrictive are those that are too difficult to administer or gifts that are for purposes outside the mission of the church.

PROCEDURE

1. Staff, Chair of Trustees, a designated group and/or members shall inform, serve, guide, and otherwise assist donors who wish to support FUMC within the parameters of the Gift Acceptance Policy. They may encourage donors to make gifts, but never under any circumstances are they to pressure or unduly persuade.
2. Every donor **must** have legal and tax counsel representing him/her in planned and outright gift transactions. Legal counsel for the donor should review and approve any language of any document and the viability of the gift design.
3. The Chair of Trustees or his/her designee is authorized to negotiate gift agreement with prospective donors for outright gifts of cash; bequests; securities; charitable gift annuities; charitable remainder trusts; life insurance beneficiary designation; retirement plan assets; and gifts in-kind.
4. The Heritage Fund will receive distribution from any undesignated, memorials, legacies, bequests and donations in the following ways unless otherwise directed by the Church Council:
 - Amounts up to \$1000 will be added directly to the Heritage Fund
 - Amounts over \$1000 to \$25,000, 10% will be added to the Heritage Fund and 90% will be added to the main endowment
 - Amounts over \$25,000 to \$100,000, 5% will be added to the Heritage Fund and 95% will be added to the main endowment
 - For amounts over \$100,000, 2% will be added to the Heritage Fund and 98% will be added to the main endowment
5. Any legacies, bequests, and donations that are received will be reported to the Church Council and the Trustees. After recommendations by the Trustee's or other committees, the Church Council determines whether the legacies, bequests, and donations should remain in the main endowment or used for specific purposes.

6. Any donations that are accompanied by conditional uses or special restrictions will be reviewed by the Chair of the Trustees in light of the parameters outlined in this policy. The Chair of Trustees will direct that the donation be accepted or rejected, or the Chair of Trustees may ask the Church Council to decide to accept or reject the donation. (Note #3)
7. All donations of personal property will be reviewed by the Chair of Trustees in light of the parameters outlined in this policy who may review the appropriateness of the gift with the Trustees or the Church Council. The Chair of Trustees will direct that the gift be accepted or declined or request that Trustees decide to accept or decline the gift. (Note #4)
8. The Chair of Trustees shall make a recommendation to accept or reject gifts of real property to the Trustees or the Church Council. Gifts of real property will be accepted or declined based on the parameters outlined in this policy. No gift of real property will be accepted without approval of the Trustees. (Note #5)
9. The Church Council needs to be continually informed of all legacies, bequests, and donations. All bequests must be reported at the charge conference.
10. FUMC will provide each donor, in a timely fashion, a written confirmation of acceptance of any gift according to IRS guidelines, but will not appraise or estimate the value of any real or personal property.
11. FUMC has established appropriate accounting systems and procedures to document and track all accepted gifts, including gifts of real or personal property.
12. If a gift is accepted by FUMC for a specific purpose or restriction, the church will ensure that the donated funds are used for that specific purpose. If an alternative use of restricted funds is desired, permission must be given by donor or their estate.

Notes:

1. Before the church accepts any gift, no expense is passed on to the church.
2. If the church is not going to use a gift of personal property, it will be sold “as-is” judiciously.
3. Restricted donations start with the trustees.
4. For “small” donations, the Chair of Trustees may give permission to designee to accept or reject a gift. The value of a gift will be agreed upon by the Chair of the trustees &/or designee.
5. If the Trustees can’t decide to accept a gift, the Council will make the decision. The Trustees must approve the recommendation from the Council.