

Gift Acceptance Policy

Purpose

This gift acceptance policy will provide guidelines to the vestry and representatives of St. Stephen's Church who may be involved in the acceptance of gifts, to outside advisors who may assist in the gift planning process, and to prospective donors who may wish to make gifts to St. Stephen's Church. This policy is intended only as a guide and allows for some flexibility on a case-by-case basis. The gift review *process* outlined here, however, is intended to be followed closely. The policy recognizes that some donors may wish to place restrictions on the use of their gifts; before accepting such gifts the vestry must satisfy itself that the restrictions are consistent with the mission of the parish and do not place an undue burden on the use and/or administration of the gift. The vestry has the sole right to reject any gift that it determines is inconsistent with the principles of this policy.

Gift Review Committee

Any questions which may arise in the review and acceptance of gifts to St. Stephen's Church will be referred to The Gift Review Committee (GRC). The GRC will report to the Vestry and will be comprised of the rector, the senior warden, the treasurer, the chairman of the finance committee and one member at large and will be convened on an as needed basis. In order to preserve the confidential work of the GRC, membership is deliberately limited.

Cash

- 1) All unrestricted gifts by check shall be accepted by St. Stephen's Church regardless of amount.
- 2) Checks or monetary instruments shall be made payable to St. Stephen's Church. In no event shall a check be made payable to an individual who represents St. Stephen's Church in any capacity staff or volunteer.

Publicly Traded Securities

- 1) Readily marketable securities, such as those traded on a stock exchange, can be accepted by St. Stephen's Church.
- 2) The value of the gift is the actual cash proceeds from the sale of those securities, excluding any brokerage fees associated with the sale.
- 3) All gifts of publicly traded securities must be liquidated at the earliest possible opportunity.

The Trustees for the Diocese of Western Massachusetts can assist with the liquidation of publicly traded securities for a minimal cost.

Closely Held Securities

- 1) Non-publicly traded securities may be accepted after consultation with the GRC. The fair market value will be the value used by the donor in the preparation of the donor's tax return.
- 2) Prior to acceptance the GRC will explore methods for liquidation of these securities through redemption or sale. The GRC will try to determine:
 - a) Any restrictions on transfer
 - b) Whether and when an initial public offering might be anticipated

- 3) No commitment for repurchase of closely held securities shall be made prior to completion of the receipt of the gift of the securities by St Stephen's Church.

Real Estate

- 1) Any gift of real estate must be reviewed by the GRC and the Diocesan Standing Committee.
- 2) Normally, the donor is responsible for obtaining and paying for an appraisal of the property. The appraisal will be performed by an independent and professional agent who is acceptable to both the donor and the GRC.
- 3) The appraisal must be based upon a personal visitation and internal inspection of the property by the appraiser and 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 assessed value, the current asking price, a legal description of the property, the zoning status, and complete information regarding all mortgages, liens, litigation or title disputes.
- 5) St. Stephen's Church reserves the right to require an environmental assessment of any potential real estate gift.
- 6) The property must be legally transferred to St. Stephen's Church prior to any formal offer or contract for purchase and sale is 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. This value may be reduced by the costs of maintenance, insurance, real estate taxes, broker's commission and other expenses of sale if borne by St Stephen's.

Life Insurance

- 1) A gift of a life insurance policy must be referred to the GRC.
- 2) St. Stephen's Church can be named a contingent beneficiary or the beneficiary of a percentage of a life insurance policy.
- 3) The Vestry will accept ownership of a life insurance policy as a gift only if St. Stephen's Church is named as the sole owner and beneficiary of 100% of the policy.
- 4) If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the policy's replacement cost.
- 5) If the policy is partially paid-up, the value for gift crediting and accounting purposes is the policy's cash surrender value. *(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 value estimated to exceed \$250.00

- 1) Any gift of tangible personal property shall be referred to the GRC prior to acceptance.
- 2) Gifts of jewelry, artwork, collections, equipment and software shall be assessed for their value to St. Stephen's Church. Their value may be realized either by being sold or used in connection with the parish's exempt purpose.

- 3) Depending upon the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value, the cost of such valuation will be borne by St Stephen's.
- 4) St. Stephen's Church shall adhere to all IRS requirements relating to valuation and disposition of gifts of tangible personal property and will provide appropriate forms to the donor and IRS.

Deferred Gifts

- 1) St. Stephen's Church 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) St. Stephen's Church (or its agent) shall not act as an executor (personal representative) for a donor's estate. A member of the parish staff serving as executor for a member of the parish does so in a personal capacity and not as an agent of the parish.
- 3) St. Stephen's Church (or its agent) shall not act as trustee of any charitable remainder trust.
- 4) St. Stephen's Church may invite prospective donors to consider gift vehicles offered by The Episcopal Church Foundation (specifically, Charitable Remainder Trusts, Charitable Gift Annuities and the Pooled Income Fund).
- 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:

St. Stephen's Church strongly urges you to consult with your attorney, financial and/or tax advisor to review this information provided to you without charge or obligation. This information in no way constitutes legal or financial advice.

- 6) All information obtained from or about donors/prospects shall be held in the strictest confidence by St. Stephen's Church's staff and volunteers. The name, the amount, or the conditions of any gift shall be published without the express written approval of the donor or their agent.
- 7) St. Stephen's Church will seek qualified professional counsel in the exploration and execution of all planned gift agreements. The parish recognizes the right of fair and just remuneration for professional services.
- 8) The Vestry, upon the advice of the GRC, reserves the right to decline any gift that does not further the mission of the parish. Also, any gifts that would create an administrative burden or cause the parish to incur excessive expenses may be declined.