

The Endowment Fund of St. Alban's Episcopal Church

C. Gift Acceptance Policy

- A. **Purpose** – The St. Alban's Gift Acceptance Policy is intended to balance both the short-term and long-term needs of the Parish.

This gift acceptance policy will serve as a guideline to staff members of St. Alban's Episcopal Church (Parish) 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 wish to make gifts to St. Alban's Episcopal 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.

B. Gift Review Committee

Any questions which may arise in the review and acceptance of gifts to St. Alban's will be referred to The Gift Review Committee, which, unless otherwise designated by the Vestry, will be comprised of the full Board of Trustees.

C. Gifts

1. Legacy Gifts are intended for the long-term betterment of St. Alban's and St. Alban's ministries.
 - a) Gifts designated for St. Alban's Endowment Fund go directly to the Endowment Fund. The body of the gift is always retained and only the appreciation and earnings are spent in accordance with the Spending Rules.
 - b) Gifts designated in memoriam go directly to the Memorial Fund. Memorial Fund gifts can be spent in their entirety in accordance with policies on the use of said funds.
 - c) Gifts not designated for either of the above funds are considered undesignated and will be divided as follows: 75% to the Endowment Fund and 25% to the Memorial Fund. Transfers to the Endowment Fund once made, are intended to be held in perpetuity. However, when a gift is not specifically designated for the Endowment Fund, it is considered "quasi-endowment" and the Vestry, with 2/3rds approval, can redirect these funds to meet urgent needs of the Parish.
2. Contributions are intended for the operating budget or other specified short-term purposes and are not covered by the Gift Acceptance Policy. Contributions include but are not limited to pledged gifts, loose plate and "identified but not pledged." Contributions are to be used any way the Vestry sees fit.

D. Gifts Restricted to a Specific Purpose

1. Gifts as described in Section C. may be restricted to a particular program or purpose. These gifts, which contain restrictions on their use, must first be accepted by the Vestry, and if accepted, used as mandated.

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2. The Vestry has the ultimate responsibility to determine that the use(s) to which those funds are applied is faithful to the donor's wishes.

E. Procedures

1. Any questions which may arise in the review and acceptance of gifts to the Parish will be referred to the Board of Trustees. The Board has the option of referring questions to the Vestry for approval.
2. All information obtained from or about donors/prospects shall be held in the strictest confidence by the Parish, its staff and volunteers. Neither the name, the amount, nor the conditions of any gift shall be published without the express written or oral approval of the donor and/or beneficiary(ies).
3. The Parish may 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.
4. The Vestry, upon advice of the Board, reserves the right to decline any gift that does not further the mission or goals of the Parish. Also, any gifts that would create an administrative burden or cause the Parish to incur excessive expenses may be declined.

F. Types of Gifts

1. Cash

- a) All gifts by check shall be accepted by the Parish regardless of amount.
- b) Checks shall be made payable to St. Alban's Episcopal Church. In no event shall a check be made payable to an individual who represents St. Alban's Episcopal Church in any capacity.

2. Publicly Traded Securities

- a) Readily marketable securities, such as those traded on a stock exchange, can be accepted by St. Alban's Episcopal Church.
- b) For gift crediting and accounting purposes, the value of the gift of securities is the closing price on the date of the gift.
- c) A gift of securities to St. Alban's Episcopal Church would normally be liquidated within four business days but no later than thirty days. However, if the form of the gift allows the possibility that it will be direct to the Endowment Fund, a decision regarding the liquidation of the securities will be deferred until that determination is made. If the funds are to be directed to the Endowment Fund, the certificates will be given to St. Alban's Episcopal Church's treasurer, who then will act on the Board's decision whether to sell or hold the securities, which decision will be made on portfolio considerations.

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3. Closely Held Securities

- a) Non-publicly traded securities may be accepted after consultation with the Board.
- b) Prior to acceptance, the Board will explore methods and timing of liquidation of the securities through redemption or sale. The Board will try to determine:
 - 1) An estimate of fair market value
 - 2) Any restrictions on transfer
 - 3) Whether and when an initial public offering might be anticipated.
- c) No commitment for repurchase of closely held securities shall be made prior to completion of the gift of securities.

4. Real Estate

- a) Any gift of real estate must be reviewed by the Board for a recommendation, subject to approval by the Vestry.
- b) The donor normally is responsible for obtaining and paying for an appraisal of the property. The appraisal will be performed by an independent professional agent.
- c) St. Alban's Episcopal Church reserves the right to require an environmental appraisal of any potential real estate gift.
- d) 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.
- e) 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.
- f) The property must be transferred to St. Alban's Episcopal Church prior to any formal offer or contract for purchase being made.
- g) The donor may be asked to pay for all or a portion of the following:
 - 1) Maintenance costs
 - 2) Real estate taxes
 - 3) Insurance
 - 4) Real estate broker's commission and other costs of sale
 - 5) Appraisal costs.
- h) For gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate; however, this value may be reduced by costs of maintenance, insurance, real estate taxes, broker's commission, and other expenses of sale.

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5. Life Insurance

- a) A gift of life insurance policy must be referred to the Board of Trustees prior to acceptance.
- b) The Vestry reserves the right to decline a life insurance policy as a gift where St. Alban's Episcopal Church is not named as the owner and beneficiary of 100% of the policy.
- c) If the gift is a paid-up policy, the value of the gift for St. Alban's Episcopal Church's gift crediting and accounting purposes is the policy's replacement cost.
- d) 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.)

6. Tangible Personal Property

- a) Any gift of tangible personal property shall be referred to the Board prior to acceptance.
- b) A gift of jewelry, artwork, collections, equipment, and software shall be assessed for its value to St. Alban's Episcopal Church, which may be realized either by being sold or by being used in connection with St. Alban's exempt purpose.
- c) Depending upon the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value.
- d) St. Alban's 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.

7. Deferred Gifts

- a) St. Alban's Episcopal Church encourages deferred gifts in its favor through any of a variety of vehicles such as:
 1. Charitable gift annuity (or deferred gift annuity)
 2. Pooled income fund
 3. Charitable remainder trust
 4. Charitable lead trust
 5. Bequest
 6. Retained life estate
 7. Individual Retirement Accounts.
- b) St. Alban's Episcopal Church (or its agent) shall not act as an executor (personal representative) for a donor's estate.
- c) St. Alban's Episcopal Church (or its agent) shall not act as trustee or co-trustee on a charitable remainder trust.

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- d) When appropriate, St. Alban's Episcopal Church will encourage prospective donors to take advantage of the gift vehicles offered by The Episcopal Church Foundation (specifically, Charitable Gift Annuities and the Pooled Income Fund) as well as its investment services.
- e) 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 complimentary information. This information in no way constitutes advice. We will gladly work with your independent advisors to assist in any way. "*
- f) Any deferred gift shall be referred to the Board prior to acceptance.

Adopted by action of the Vestry of St. Alban's this _____ day of _____, 200__.