

Richland Lutheran Church

GIFT ACCEPTANCE POLICY

The following policies have been adopted by the Congregation Council (Council) for the purpose of achieving the following goals:

- protecting the interests of Richland Lutheran Church (RLC) and the people and entities who support its ministry
- ensuring all gifts to or for the use of Richland Lutheran Church ministries are structured to provide maximum benefit to all parties involved
- encouraging giving to Richland Lutheran Church without encumbering RLC with gifts that cost more than benefit Richland Lutheran Church
- avoiding gifts with donor restrictions inconsistent with the goals of Richland Lutheran Church
- defining and standardizing terminology related to giving

TERMINOLOGY

Richland Lutheran Church defines commonly used terms as follows:

- **General Purpose:** The stated purpose of Richland Lutheran Church as recorded in the Constitution.
- **Gifts without Restriction:** A gift made for the purpose that is not more specific than the congregation's general purpose and nature.
- **Gifts with Restriction:** A gift made for a purpose more specific than the congregation's general purpose and nature.
- **Designated:** Council-designated funds are those funds which the Congregation Council, rather than the donor, has determined to be retained and invested. The church council has the right to decide at any time to expend the principal of these funds.
- **Preference:** A non-binding expression of preference of the donor, considered to be advisory in nature, allowing the congregation full discretion for use.
- **Donor:** The individual, agent, or entity making the gift to the congregation.
- **Publicly Traded Securities:** Securities listed on any organized exchange and sold under a prospectus.
- **Memorials and Honorariums:** Gifts made to Richland Lutheran Church in memory or in honor of an individual or a group.

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OUTRIGHT GIFTS

A. Cash, Checks, and Credit Cards

Richland Lutheran Church may accept gifts in the form of cash, checks, and credit card, unless a question exists as to:

- whether the donor has legal title to the funds; or
- the legal capacity of the donor to give the funds; or
- the mental capacity of the donor to give the funds; or
- any expectation that the gift will cause RLC, in whole or in part, to benefit the donor or the donor's relatives.

All checks are payable to Richland Lutheran Church. Checks made payable to an employee, director, agent, or volunteer for the credit of RLC will be returned to the maker of the check.

B. Publicly Traded Securities

- a. Richland Lutheran Church can accept publicly traded securities. Such securities will be turned over to RLC's Investment Advisor for liquidation..

C. Real Property

- a. The Congregation Council must approve all gifts of real estate in writing in advance of accepting the gift.
- b. Richland Lutheran Church may require that a licensed appraiser issue an appraisal of the real estate before acceptance. The licensed appraiser shall not have any business or other relationship with the donor. The costs of the appraisal shall be borne by the donor.
- c. RLC cannot accept any gift of real estate until the Council determines that no environmental waste contaminates the property. Richland Lutheran Church may require a Level I Environmental Survey. All costs related to the survey will be borne by the donor.
- d. In general, residential and commercial real estate located within the state of Washington will be accepted, unless the Congregation Council shall determine for some reason that the property is not suitable for acceptance.

D. Tangible Personal Property

- a. Personal property may be accepted by Richland Lutheran Church. If there is reason to believe personal property such as jewelry, artwork, precious metals, and collections has a value of \$1,000 or more, it may only be accepted after receipt and review by the Council or those empowered to act on its behalf, and only after an appraisal qualified under the terms of the Internal Revenue Code governing gifts of personal property.

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- b. No perishable property or property which will require special facilities or security to properly store or safeguard it will be accepted without prior written approval of the Council.
- c. RLC's normal practice will be to liquidate the donated tangible personal property. However, should there be extenuating circumstances and implications, Council may choose to delay liquidation until a more opportune time.

E. Other Property

Other property of any description including mortgages, notes, copyrights, patents, royalties, easements, whether real or personal, shall only be accepted by further action of the Congregation Council or persons duly acting on its behalf.

DEFERRED GIFTS

Richland Lutheran Church shall execute no planned giving agreement without the advice of legal counsel. Prospective donors shall be strongly encouraged to seek their own legal and tax counsel in matters relating to their charitable gifts, taxes, and estate plans.

A. Bequests

- a. Richland Lutheran Church shall encourage gifts through wills and living trusts.
- b. In the event of inquiry by a prospective donor, representations as to the acceptability of a bequest to Richland Lutheran Church shall be made in accordance with this Gift Acceptance Policy.
- c. Richland Lutheran Church shall at all times retain the right to refuse a gift from an individual or from an estate when it is not in the best interest of RLC to accept the gift.
- d. When Richland Lutheran Church is the recipient of a gift from a will or trust with designation/restriction, the Council shall review the designation/restrictions upon the gift, and determine if it is in the best interests of RLC to accept the gift. When RLC receives an unrestricted estate gift, the Council, in consultation with RLC's Lead Pastor, shall determine its highest and best use at the time.
- e. Richland Lutheran Church will not accept a gift that might result in conflict within RLC or confusion as to the utilization of the gift or that might create an undue financial burden upon Richland Lutheran Church.
- f. If Richland Lutheran Church has created an endowment fund over which it has exclusive control, and the unrestricted funds are not needed for the ordinary and every-day

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expenses of RLC, said unrestricted gifts shall be contributed as an addition to the endowment fund.

B. Life Estate Gifts

- a. Donors shall not be encouraged to make gifts of a remainder interest in real property in which the donor retains a life estate.
- b. Such gifts may be accepted by the Congregation Council when the asset involved appears to be a minor portion of the donor's wealth, and the Council is satisfied there has been full disclosure to the donor of the future ramifications of the transaction.
- c. This policy is based upon the possibility the donor may need to sell the home in the future and not fully understand the life estate is a small portion of the value of the property.

C. Gifts of Life Insurance

- a. Richland Lutheran Church will encourage donors to name Richland Lutheran Church as a beneficiary of all or a portion of a person's life insurance policies.
- b. Richland Lutheran Church will not accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy may be made after researching relevant state and federal laws to assure Richland Lutheran Church has an insurable interest, and is otherwise in compliance with all applicable state and federal law.
- c. No insurance products may be endorsed for use in funding gifts to Richland Lutheran Church. Under no circumstances shall lists of RLC's donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors or Richland Lutheran Church. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject RLC to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

D. Memorials

- a. Richland Lutheran Church accepts financial gifts in memory or honor of individuals and groups as long as the donation is consistent with all governing documents of the congregation. Our purpose is to provide individuals the opportunity to memorialize or honor a loved one through designated or undesignated contributions that support the ministries at Richland Lutheran Church. All gifts are used in a manner that will enhance RLC's worship or missions.

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- b. Unless specifically designated to a Council approved account, all memorials are considered temporarily restricted funds and will be entered into the Memorial fund in the chart of accounts.
- c. If, after 12-months' time from the origination date of a specific memorial fund, the fund amount falls below \$200, then the balance of the fund shall be moved to the General Memorial Fund for future use.
- d. Interest earned on the Memorial funds is distributed into the General Memorial Fund and not to individual funds.
- e. The Biblical Stewardship MALT is responsible for submitting a recommended list for the use and disbursement of memorial funds by a motion to the Congregation Council, who make the final decision on fund disbursement.
- f. Requests to use memorial funds for items not included on the list must be approved by the Congregation Council.
- g. Unless a time extension has been approved by the Congregation Council, designated gifts for approved purposes not achieved within two years from the date of approval will be placed in the Memorial General Fund.
- h. Memorial funds are intended to memorialize or honor individuals by creating a lasting memory contributing to the memory and heritage of the church.
- i. Memorial funds may not be used for general operations.

DESIGNATED GIFTS ESTABLISHING DESIGNATED ACCOUNTS

A. Establishing Designated Accounts

- a. The Council, with input from RLC's Lead Pastor, will determine what designated accounts may be established.
- b. Any donor to Richland Lutheran Church by written request to the Council, may request the establishment of a designated account. Once an account is established, RLC may accept funds into that account.
- c. The Congregation Council will determine the length of time the account shall exist. When that time has passed, the Council will review the designation and may either extend the time period for expiration of the account or transfer any remaining funds to the general fund.

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B. Disbursing Designated Funds

- a. Designated funds may only be spent for the purpose for which they are designated.
- b. The Finance Team is responsible for annual review and recommendations of redistribution of unused restricted/designated funds by a motion to the Council, who make the final decision on fund disbursement.

C. Third Party Disbursement

Richland Lutheran Church will not accept donations for third party distribution unless established by, and approved by, the Congregation Council.

D. Notice to Donors

Richland Lutheran Church shall include in fund raising, solicitation materials and donor receipts the following statement:

“No goods or services were provided to you. All donations are subject to the Gift Acceptance Policy (available on website & in finance office). Donor’s designations are suggestions unless the Council has approved of the designation prior to gift reception.”

FINDERS FEES AND COMMISSIONS

No finder’s fee or commission shall be paid to anyone as consideration for directing a gift to the Richland Lutheran Church.