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

* protecting the interests of Richland Lutheran Church 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 Richland Lutheran Church 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

**OUTRIGHT GIFTS**

1. **Cash**

Richland Lutheran Church may accept gifts in the form of cash or checks regardless of amount, unless:

* + - a question exists as to whether the donor has legal title to the funds; or
    - a question exists as to the legal capacity of the donor to give the funds; or
    - a question exists as to any expectation that the gift will cause RLC, in whole or in part, to benefit the donor or the donor’s relatives.
  1. Donors shall make all checks payable to Richland Lutheran Church. Checks made payable to an employee, director, agent, or volunteer for the credit of Richland Lutheran Church will be returned to the maker of the check.

1. **Publicly Traded Securities**
   1. Richland Lutheran Church shall accept publicly traded securities. Richland Lutheran Church may sell such securities at its discretion.
2. **Closely Held Securities**
   1. Richland Lutheran Church’s Congregation Council may only accept closely held securities (non-publicly traded securities) upon written approval.
   2. The Congregation Council will review offers for closely held securities using the following criteria:
      * there must be a readily available market for their disposition; and
      * accepting such securities may not create any potential liability to Richland Lutheran Church; and
      * the closely held entity does not engage in activities inconsistent with Richland Lutheran Church’s vision, mission, values, and objectives.
3. **Real Property**
   1. The Congregation Council must approve all gifts of real estate in writing in advance of accepting the gift.
   2. 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.
   3. Richland Lutheran Church cannot accept any gift of real estate until the Congregation 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.
   4. In general, residential 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.
   5. Special deliberation shall be given to the receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for the Richland Lutheran Church, as well as payments, taxes, and insurance that may burden the Richland Lutheran Church’s finances.
4. **Tangible Personal Property**
   1. No personal property shall be accepted by Richland Lutheran Church unless it can be quickly sold.
   2. No personal property shall be accepted that obligates the Richland Lutheran Church to retain it in perpetuity.
   3. 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 Congregation Council.
   4. Notwithstanding the forgoing, if there is reason to believe personal property such as jewelry, artwork, and collections has a value of $1,000 or more, it may only be accepted after receipt and review by the Congregation 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.
5. **Other Property**

Other property of any description including mortgages, notes, copyrights, 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.

1. **Bequests** 
   1. Richland Lutheran Church shall encourage gifts through wills and living trusts.
   2. 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.
   3. 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 Richland Lutheran Church to accept the gift.
   4. When Richland Lutheran Church is the recipient of a gift from a will or trust, the Congregation Council shall review the restrictions upon the gift and determine if it is in the best interests of Richland Lutheran Church to accept the gift.
   5. Richland Lutheran Church will not accept a gift that might result in conflict within Richland Lutheran Church or confusion as to the utilization of the gift or that might create an undue financial burden upon Richland Lutheran Church.
   6. When Richland Lutheran Church receives an unrestricted estate gift, the Congregation Council, in consultation with Richland Lutheran Church’s Lead Pastor shall determine its highest and best use at the time.
   7. 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 expenses of the Richland Lutheran Church, said unrestricted gifts shall be contributed as an addition to the Richland Lutheran Church’s endowment fund.
2. **Life Estate Gifts** 
   1. Donors shall not be encouraged to make gifts of a remainder interest in real property in which the donor retains a life estate.
   2. 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 Congregation Council is satisfied there has been full disclosure to the donor of the future ramifications of the transaction.
   3. 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.
3. **Gifts of Life Insurance** 
   1. 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.
   2. 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.
   3. No insurance products may be endorsed for use in funding gifts to Richland Lutheran Church. Under no circumstances shall lists of Richland Lutheran Church’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 Richland Lutheran Church to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.
4. **Memorials and Honorariums**
   1. 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 Richland Lutheran Church’s worship or missions.
   2. Unless specifically designated to a Congregation Council approved account, all memorials and honorariums are considered temporarily restricted funds and will be entered individually into the Memorial/Honorarium list in the chart of accounts.
   3. Interest earned on the Memorial/Honorarium funds is distributed into the General Memorial Fund and not to individual funds.
   4. The Finance Team is responsible for compiling and updating a list of approved (annually by the Congrecation Council), potential memorials for consideration by donors. Decisions on use and disbursement of memorial funds will be recommended by the Finance Team with a motion to the Congregation Council, who make the final decision on fund disbursement.
   5. Requests to use memorial funds for items not included on the list must be approved by the Congregation Council.
   6. 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.
   7. Memorial funds are intended to memorialize or honor individuals by creating a lasting memory contributing to the memory and heritage of the church.
   8. Memorial funds may not be used for general operations.

**DESIGNATED GIFTS ESTABLISHING DESIGNATED ACCOUNTS**

1. **Establishing Designated Accounts** 
   1. The Congregation Council, with input from Richland Lutheran Church’s Lead Pastor, will determine what designated accounts may be established.
   2. Any donor to Richland Lutheran Church by written request to the Congregation Council, may request the establishment of a designated account. Once an account is established, Richland Lutheran Church may accept funds into that account.
   3. The Congregation Council will determine the length of time the account shall exist. When that time has passed, the Congregation 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.
2. **Disbursing Designated Funds**
   1. Designated funds may only be spent for the purpose for which they are designated.
   2. If, at any time, Richland Lutheran Church accepts custody of designated accounts which have not been approved and established by the Congregation Council, and Richland Lutheran Church does not intend to use the designated funds for the purpose designated, Richland Lutheran Church will use the following procedure:
   * If the amount is insignificant[[1]](#endnote-1), redirect the gifts to a project with a similar purpose.
   * If the amount is insignificant and appropriate redirection is not possible, contact donor directly to discuss redirection or return of gift.
   * If the amount is significant[[2]](#endnote-2), contact donor to get approval for redirection or offer a return of the gift
   * If the amount is significant, and for whatever reason it is not possible to contact the donor, file an order with the court allowing the congregation to redirect the funds, seek approval from the Secretary of State, and take whatever other steps are outlined by state law at the time.
3. **Notice to Donors**

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

**“All donations are subject to the Gift Acceptance Policy. Richland Lutheran Church will treat the donor’s designations as suggestions unless the Congregation Council has approved of the designations before receiving the gift. Copies of the policy are available on the website and in the finance office.”**

**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.

**TERMINOLOGY**

Richland Lutheran Church defines commonly used terms as follows:

* **General Purpose and Nature:** The stated purpose of Richland Lutheran Church as recorded in the Constitution.
* **Unrestricted:** A gift made for the purpose that is not more specific than the congregation’s general purpose and nature.
* **Restricted:** A gift made for a purpose more specific than the congregation’s general purpose and nature.
* **Permanently Restricted:** Gifts made to the congregation that must be invested in perpetuity to provide for an ongoing source of revenue for a specific purpose. Also known as endowment funds.
* **Temporarily Restricted:** Gifts made to the congregation with donor-imposed restrictions of purpose, time, or both. These gifts expire either by passage of time or as a result of actions taken by the congregation.
* **Designated:** Council-designated funds are those funds which the Congregation Council, rather than the donor, has been determined are to be retained and invested. The church council has the right to decide at anytime 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.
* **Significant:** Single gifts $1,000 and over.
* **Insignificant:** Single gifts under $1,000.
* **Donor:** The individual, agent, or entity making the gift to the congregation.
* **Closely Held Securities:** Shares owned by one individual owner or by a small group of controlling stockholders.
* **Publically 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.

1. Refer to terminology in Section V [↑](#endnote-ref-1)
2. Refer to terminology in Section V [↑](#endnote-ref-2)