

# **Cross of Christ Lutheran Church**

## **Congregational Gift Policy**

*Approved*

*September 08, 2020*

*Second Draft September 3, 2020*

### **PURPOSE**

To provide governance and guidance when an asset is offered to our congregation through an estate or from a living individual, family or other legal entity, including the following gifts:

- Current gifts of cash or assets above and beyond regular pledge or plate offerings
- Deferred legacy or estate gifts of cash or assets at death
- Memorial or funeral gifts given after someone's death
- Honorary/tribute gifts given during someone's life

This policy will answer three core questions:

1. What types of gifts will the congregation accept?
2. How will the congregation use my gift?
3. How can I provide a gift to the congregation?

### **GIFT COMMITTEE**

- I. The Gift Committee will be comprised of five (5) members:
  - A. Pastor: All called pastors of the congregation are considered ex officio members of the Gift Committee, at least one called pastor will be a formal member with voice and vote.
  - B. Treasurer: Treasurer will serve as the committee Chairperson and will be responsible for communicating with the Congregational Council.
  - C. Remaining (3) Positions: The gift committee welcomes representation from any of the following teams:
    1. Finance Team
    2. Stewardship Team
    3. Property Team
    4. Long Range Planning Team
    5. Other
- II. The Gift Committee has the authority to solicit advice from any resource necessary to make sound decisions as related to the Gift Policy, gifts offered, and distribution of gifts

accepted.

III. Gift Committee terms of service:

- A. The Treasurer shall serve for two years and the term of the remaining Gift Committee Members shall be one (1) year
- B. The Congregational Council shall approve the five (5) members each year thereafter, at the January Council meeting.
- C. The Gift Committee Members can serve an unlimited number of back-to-back one (1) year terms, so long as they are willing and able to serve, and they retain approval from the Congregational Council.
- D. In the event of a mid-year vacancy on the committee, another individual will be appointed by the Council.

IV. The Gift Committee shall meet at least annually, or as frequently as monthly, depending on gifts being offered.

V. Review Process

- A. The Gift Committee will review the Gift Policy every year.
- B. Congregational Council will review the Gift Policy when changes are recommended by the gift committee or as needed.

VI. A quorum shall consist of three (3) members. When only three (3) members are present, a unanimous vote shall be required to carry any motion or resolution. In the event that a quorum cannot be reached, the Executive Team will make the final decision.

## GIFT ACCEPTANCE

All gifts will be considered on a case by case basis taking into consideration the type of asset, gift transfer costs, designations, potential liabilities, the Congregation's mission, current Congregational needs, and other factors. Donors are encouraged to offer gifts without restrictions.

I. Our Congregation is willing to **accept** the following types of assets:

- A. Cash
- B. Publicly traded securities
  - 1. Stocks
  - 2. Bonds
  - 3. Mutual Funds
  - 4. Options/Warrants
  - 5. Other marketable securities that trade on public exchanges

C. Whole Life Insurance with Cash Value

II. Our Congregation is willing to **consider** other types of assets with the full understanding that the gifts will most likely be sold or donated to another charity.

A. Real Property

1. Residential
2. Commercial
3. Property subject to life estate
4. Undeveloped Land

B. Tangible personal property with a donor provided appraisal of fair market value of at least one thousand dollars (\$1,000.00), including:

1. Vehicles
2. Jewelry
3. Books
4. Art
5. Collections

III. Determining the value of a gift is important information for both the donor and the congregation, therefore a formal assessment or appraisal is required on all real and tangible property and must have been completed no more than 60 days prior to receiving the gift.

A. Any formal assessment or appraisal will be the responsibility of the donor or the donor's estate but can be facilitated by the Gift Committee to the extent the donor requests or requires assistance.

B. Any fees associated with the assessment or appraisal process will be the responsibility of the donor or donor's estate. However, upon acceptance of the gift, the congregation can reimburse the donor or the donor's estate for the costs incurred if the request for such a reimbursement is made within one year of the assessment or appraisal receipt.

C. Prior to acceptance of any gift of real estate, CCLC shall require an initial environmental review. In the event that the initial review reveals a potential problem, this congregation may retain a qualified environmental firm to conduct an environmental audit. Criteria for acceptance of gifts of real estate include:

- Is the property useful for the organization's purposes?
- Is the property readily marketable?

- Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
  - Are there carrying costs (including insurance, property taxes, mortgages, notes, HOA fees or the like) or maintenance expenses associated with the property?
  - Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?
- IV. For all real or tangible property with an appraised value under \$1,000, the donor will be encouraged to sell said property and donate the proceeds to the congregation.
- V. Any gift that is deemed by the Gift Committee to be a risk or liability that is too great for the congregation to bear will be declined with a verbal and written notice provided via US Mail from the Pastor and/or Gift Committee.
- VI. If the gift is restricted, but is unable to be used due to the lack of program, need, or sufficient funds, as determined by the Gift Committee, the gift will become unrestricted after twenty four (24) months. Donor(s) are required to sign a release form that acknowledges the gift will become unrestricted after 24 months.
- VII. It is the policy of Cross of Christ that all gifts should not bear the donor's name, in memory of, or similar bequest.

## **GIFT USE**

The use of unrestricted gifts and restricted gifts that have become unrestricted after 24 months will be determined by the Gift Committee and will follow the process below:

- I. Before any allocations are made, our congregation will make an automatic 10% tithe from the proceeds to the Rocky Mountain Synod of the ELCA.
- II. An additional 10% will be given to the other partner ministries listed under Benevolence in the congregational ministry spending plan.
- III. The remaining 80% of the gift can be used for the needs of our congregation following these priority suggestions:
  - A. The initial priority shall be based on the objectives outlined in the strategic plan, in addition to ministries and capital improvements associated with this congregation.
  - B. The secondary priority could support the operational budget including: operational expenses, reserve accounts, and mortgage.

- C. The Gift Committee may consult with the Executive team of the council if needed.
- IV. Memorials will go into a designated account until it reaches \$500 before following the above process.

**ACCEPTANCE AND REJECTION ACKNOWLEDGEMENT**

The Gift Committee shall meet on an as needed basis to accept or reject a gift. The Donor(s) of Gifts that are accepted shall be personally acknowledged by the Pastor with a letter in a timely manner. If a gift is rejected, the Gift Committee will follow-up with a letter to the Donor(s) in a timely manner explaining why the gift was rejected and with any potential needed remediation that would allow the gift to be accepted.

**PUBLIC ACKNOWLEDGEMENT**

All Donor(s) will be acknowledged in a gift registry. Donor(s) will also be acknowledged for their generosity in the weekly newsletter with the Donor(s) permission. Donor(s) may also choose to remain anonymous.

## APPENDIX

### WAYS TO MAKE A GIFT

There are many ways to offer a current or estate gift to the Congregation. It is important to determine which account or asset you are interested in sharing, how much of that item is the right amount, and what is the strategy in which you are willing to share the gift.

- I. Accounts / Assets
  - A. Cash, check, or money order
  - B. Beneficiary designations – primary or secondary/contingent
  - C. Retirement accounts, like: IRA, 401(k), 403(b), or Annuities.
  - D. Individual or joint bank/brokerage accounts
    1. Transfer on death
    2. Payable on death
  - E. Life insurance
  - F. Real estate
  
- II. Strategies
  - A. Distribution from donor advised fund or named endowment
  - B. Trust
  - C. Will
  - D. Asset Transfer: transfer securities from your brokerage account directly to our congregation's brokerage account, or use the ELCA Foundation to facilitate the transfer.
  - E. Transfer a title or deed to our congregation.
  - F. Assign ownership of life insurance to our congregation, or ELCA Foundation, FBO (for benefit of) our congregation.
  - G. Deferred gifts
    1. Charitable gift annuity
    2. Charitable remainder trust
    3. Donor advised fund
    4. Named endowment
    5. Property subject to a Life estate
    6. Bargain sale
  
- III. Resources
  - A. It is important to consult with your tax advisor, estate attorney or financial advisor for specific tax, legal, and investment information.
  - B. The ELCA Foundation offers gift planning services at no charge to you as a member of our congregation. The Charitable Gift Planner assists with establishing

a comprehensive estate plan that provides for your family and the ministries you care about. In addition, the Gift Planner assists with current gifts to our congregation as described in this policy.

1. Contact our pastor, a member of Church Council, or visit [elca.org/foundation](http://elca.org/foundation) or call 800-638-3522 to connect with our Regional Gift Planner.