

# The Vestry of St. John the Baptist Episcopal Church, Capitola California

## Document 2

### Gift Acceptance Policy

#### Purpose

This Gift Acceptance Policy will provide guidelines to representatives of St. John the Baptist Episcopal Church [hereafter, the 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 the 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.

#### Gift Review Committee

Any questions which may arise in the review and acceptance of gifts to St. John's will be referred to the Gift Review Committee, which, unless otherwise designated by the vestry, will be comprised of the Endowment Fund Board itself. In performing its duties as Gift Review Committee, the procedural requirements shall apply in the same manner as required of the Endowment Board.

#### A. Cash

1. All gifts by cash or check shall be accepted by the Church, regardless of amount.
2. Checks shall be made payable to St. John the Baptist Episcopal Church. In no event should checks be made payable to an individual who represents St. John's in any capacity.

#### B. Publicly Traded Securities

1. Readily marketable securities, such as those traded on a stock exchange, shall be accepted by the Church and will be liquidated immediately and deposited with endowment funds.
2. For accounting purposes, the value of the gift of securities is the net proceeds to the Endowment Fund upon sale of the securities.

#### C. Closely Held Securities

1. Non-publicly traded securities may be accepted after consultation with the Gift Review Committee.
2. Prior to acceptance, the Gift Review Committee will explore methods and timing of liquidation of the securities through redemption or sale. The Gift Review Committee will try to determine:
  - a) an estimate of fair market value
  - b) any restrictions on transfer
  - c) 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 gift of the securities.

#### D. Real Estate

1. Any gift of real estate must be reviewed by the Gift Review Committee.
2. The donor is normally responsible for obtaining and paying for an appraisal of the property. The appraisal will be performed by an independent, professional appraiser.
3. 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.
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. The Church reserves the right to require an environmental assessment of any potential gift of real estate.
6. The property must be transferred to the Church prior to any formal offer or contract for purchase being 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
8. 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.

#### E. Life Insurance policies

1. A gift of a life insurance policy must be referred to the Gift Review Committee.
2. The Vestry will accept a life insurance policy as a gift only if St. John the Baptist Episcopal Church is named as the owner and beneficiary of 100 percent of the policy.
3. If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the policy's replacement cost.
4. If the policy is partially paid up, the value for gift crediting and accounting purposes is the policy's cash surrender value.
5. The policy on acceptance of life insurance policies as gifts does not affect the Church's status as a designated beneficiary of someone's life insurance policy.

#### F. Tangible Personal Property

1. Any gift of tangible personal property shall be referred to the Gift Review Committee prior to acceptance.
2. A gift of jewelry, artwork, collections, equipment, and software shall be assessed for its value to the Church, which may be realized either by being sold or by being used in connection with the parish's status as a tax-exempt organization.
3. Depending upon the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value prior to acceptance.

4. The Church shall adhere to all IRS requirements relating to disposing of gifts of tangible personal property and will provide appropriate forms to the donor and to the IRS.

### G. Deferred Gifts

1. The 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. The 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 personal representative for a member of the parish does so in a personal capacity, and not as an agent of the parish.

3. The Church (or its agent) shall not act as trustee of a charitable remainder trust.

4. When appropriate, the Church may invite prospective donors to consider the gift vehicles offered by the Episcopal Church Foundation (specifically, charitable remainder trusts, charitable gift annuities, and the pooled income fund) as well as its investment services.

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:

*We strongly urge that you consult with your attorney, financial and/or tax advisor to review and approve this information provided you without charge or obligation. This information in no way constitutes advice. We will work with your independent advisors to assist in any way.*

6. All information obtained from or about living donors (or prospective donors) shall be held in the strictest confidence by members of the Gift Review Committee, the Endowment Board and the vestry, its staff and volunteers. The name, amount, or conditions of any gift shall not be published without the express written approval of the donor and/or beneficiary.

7. The Church and the Endowment Fund committees will seek qualified professional counsel in the exploration and execution of all planned gift agreements. The Church recognizes the right of fair and just remuneration for professional services.

8. The Vestry, upon the advice of the Gift Review Committee, 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.