

# St. John's Episcopal Church, Essex

## Gift Acceptance Policy

### ***Purpose***

This Gift Acceptance Policy will provide guidelines to representatives of St. John's Episcopal Church, Essex (St. John's) 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 St. John's. The Policy is intended to also provide transparency in the acceptance and review of gifts. However, individual donors are encouraged to seek their own legal, tax and financial advice before completing a gift. This Gift Acceptance Policy is not meant to be relied on as professional advice to an individual or organization. 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***

Any questions that may arise in the review and acceptance of gifts to St. John's will be referred to the Executive Committee of the Vestry of St. John's (the Committee). The Committee has the overall authority to handle inquiries and communicate with donors, unless expert technical consultants are required. The Committee is comprised of the Rector, Treasurer, Secretary, and the two Wardens.

Gift review will be required on any gift over \$25,000, non-publicly traded securities, tangible property, real estate, and life insurance policies.

### ***Irrevocability of Gifts***

All gifts accepted by St. John's are irrevocable. Once transferred to St. John's, these gifts become the property of St. John's. St. John's will advise individuals and organizations that once gifts are accepted for donation, the gift will not be returned.

### ***Gift Acceptance***

All monetary gifts received by St. John's will be placed in the General Fund or a pre-existing approved Fund, unless for a specific project or fund raiser. Donors will be advised that their monetary gifts will go exclusively into these funds. (See Appendix B: Funds)

## ***Specific Project Gifts***

Monetary gifts given to St. John's for specific projects or fund raising will be entered into an appropriately named fund account. Upon completion of the specific project or fund raiser, any balance left outstanding in the fund will be transferred to the General Fund, and the specific fund will be closed.

Funding for a specific project must be made in full and must be approved by the Committee, unless it is part of a specific fundraiser held to raise funds for the specific project from various sources.

## ***Types of Gifts***

### ***Cash***

1. All gifts by check shall be accepted by St. John's regardless of amount.
1. Checks shall be made payable to St. John's Episcopal Church. In no event shall a check be made payable to an individual who represents St. John's in any capacity.

### ***Publicly Traded Securities***

2. Readily marketable securities, such as those traded on a stock exchange, can be accepted by St. John's.
3. The value of the gift of securities is the value determined by St. John's brokerage account on receipt of the stock by St. John's.
4. A gift of securities to St. John's is usually liquidated immediately by the brokerage account.

### ***Rummage Sale Gifts***

1. Gifts of tangible property to the Rummage Sale will be accepted 'as is.'
2. The IRS/State of Connecticut approved tax form is the only form of receipt that will be provided to a donor to the Rummage Sale. (See Appendix A: Forms)

### ***Closely-Held Securities***

1. Non-publicly traded securities may be accepted after consultation with the Executive Committee.
2. The Committee will explore methods for liquidation of the securities through redemption or sale **prior to acceptance**. The Committee will try to determine:
  - a. Any restrictions on transfer
  - b. 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.

## ***Real Estate***

1. Any gift of real estate must be reviewed by the Committee.
2. Normally, the donor is responsible for obtaining and paying for an appraisal of the property. The appraisal must be performed by an independent and professional agent.
3. The appraisal must be based upon a personal visitation and internal inspection of the property by the appraiser. Also, whenever possible, the appraisal must include 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. St. John's reserves the right to require an environmental assessment of any potential real estate gift.
6. St. John's reserves the right to conduct its own inspection, appraisal, or other assessment of the property proposed as a gift.
7. The property must be transferred to St. John's prior to any formal offer or contract for purchase being made.
8. 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;
  - e. Appraisal costs; or
  - f. Environmental inspection.
4. For gift crediting and accounting purposes, St. John's will use the appraised value of the real estate as the value of the gift. This value may be reduced, however, by the costs of maintenance, insurance, real estate taxes, broker's commission, and other expenses of sale.

## ***Life Insurance***

1. A gift of a life insurance policy must be referred to the Committee.
2. The Committee will accept ownership of a life insurance policy as a gift only if St. John's is named as the owner and beneficiary of 100% 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. (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.)
5. Donors can check with their insurance carrier regarding the following options:
  - a. purchasing a separate life insurance policy with St. John's as the sole designated beneficiary;
  - b. for purchasing a policy with several beneficiaries, designating St. John's as a beneficiary for a specific amount or specific percentage of the total amount of the life insurance policy.

6. A life insurance policy designation is not a tax-deductible contribution. (Separate and specific estate contributions to St. John's can be tax deductible.)

### ***Tangible Personal Property***

1. Any gift of tangible personal property shall be referred to the Committee prior to acceptance.
2. Gifts of jewelry, artwork, collections, equipment, and software shall be assessed for their value to St. John's. Their value may be realized either by being sold or used in connection with St. John's exempt purpose.
3. Depending upon the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value. The donor will be responsible for obtaining and paying for this appraisal.
4. St. John's shall adhere to all IRS requirements relating to valuation and disposition of gifts of tangible personal property and will provide appropriate forms to the donor and IRS.

### ***Deferred Gifts***

1. St. John's 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. St. John's (or its agent) shall not act as an executor (personal representative) for a donor's estate. A member of St. John's staff serving as personal representative for a member of the congregation does so in a personal capacity and not as an agent of St. John's.
3. St. John's (or its agent) shall not act as trustee of any charitable remainder trust.
4. St. John's may invite prospective donors to consider gift vehicles offered by The Episcopal Church Foundation (ECF) (specifically Charitable Remainder Trusts, Charitable Gift Annuities, and the Pooled Income Fund) as well as its investment services.
5. When St. John's provides donors with planned gift illustrations or form documents from ECF, 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:

***St. John's strongly urges you to consult with your attorney, financial and/or tax advisor to review this information provided to you without charge or obligation. This information in no way constitutes legal or financial advice.***

6. All information obtained from or about donors/prospects shall be held in the strictest confidence by St. John's, its staff, and volunteers. Neither the name, the amount, nor the condition of any gift shall be published without the express written or oral approval of the donor and/or beneficiary or their legal representative.

7. St. John's will seek qualified professional counsel in the exploration and execution of all planned gift agreements.

## ***Restrictions on Gifts***

The Committee on behalf of St. John's reserves the right to decline any gift that does not further the mission or goals of the congregation. Also, any gifts that would create an administrative burden or cause the congregation to incur excessive expenses may be declined. St. John's does not and will not have any donor advised funds.

## ***Donor Recognition and Gift Acknowledgement***

All gifts to St. John's will be acknowledged and receipted in writing in a timely fashion and in accordance with the then current IRS law.

All gifts will be tracked by the Bookkeeper as they are accepted for donation. If the donor is a registered parishioner, the gift will be itemized in their annual statement from St. John's.

## ***Standard Form Documents***

For administrative ease and convenience, St. John's has developed standard forms for the acknowledgement and receipt of donations. (See Appendix A: Forms)

## ***Integrity of St. John's Activities***

St. John's Vestry, Executive Committee, Staff and Volunteers

1. Cannot benefit personally from fees related to gifts received.
2. Shall not pay a finder's fee or other private inurement to anyone as a result of such person's involvement in acquiring gifts for St. John's.

## ***Vestry Oversight***

The Vestry of St. John's is responsible for oversight of the Parish's operations. This Gift Acceptance Policy has been adopted by the Vestry. The Vestry may amend or supplement this policy at any time.

## ***Dates***

Approved by the Vestry: **March 20<sup>th</sup>, 2024**

Amended: