

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION

GIFT¹ ACCEPTANCE POLICY

Theological Introduction

The teachings of Jesus and all of the Holy Scriptures promote stewardship as fundamental to our Christian faith. Our Judeo-Christian heritage leads to an understanding of stewardship as the responsible gratitude and relationship of trust for all of God's many blessings. A faithful response to this mandate includes a commitment to the highest ideals of stewardship by all parties to charitable giving, including the donor as well as the recipient ministry. In order to ensure that such ideals are pursued for all gifts to be received, whether as donee or trustee, GCFA commits itself to the responsible administration of all prospective gifts. GCFA understands this commitment to include careful examination of the actual condition, use and benefits of the gift taking into consideration all legal, ethical and practical aspects. GCFA understands these considerations to be necessary steps toward the fulfillment of its own stewardship commitments, as well as those of the prospective donor. It is from this foundational understanding of stewardship, that GCFA adopts the following policy.

I. General Principles

GCFA seeks to support the mission of the United Methodist religious denomination and related organizations by developing financial resources and receiving and holding financial assets. This Gift Acceptance Policy is designed to facilitate the acceptance of gifts and the fulfillment of *Disciplinary* directives.

The following principles guide the acceptance and administration of gifts to GCFA and the Church:

- To work to make all gifts possible, within the strictures of law, tax regulations and GCFA policies;
- To make resources available over time for the mission of The United Methodist Church, while upholding the purposes of GCFA as set forth in the *Book of Discipline*;
- To honor the intent of the donor;
- To protect the assets entrusted to GCFA;
- To accept only property free of liens and encumbrances; and
- To accept gifts that GCFA can effectively administer.

¹ The term "gift" applies to gifts made *inter vivos*, testamentary, through trusts or by any other means.

II. Terms and Definitions

For purposes of this policy, terms are defined as follows:

The United Methodist Organizations: Bodies within the organizational structure of the United Methodist denomination including local churches, districts, annual conferences, the General Conference, the general agencies, the Council of Bishops and organizations affiliated with such bodies.

Related Organizations: Organizations related to the United Methodist denomination by historical or governance ties, or by the *Book of Discipline*.

GARC: The Gift Acceptance Review Committee of GCFA, which shall consist of a staff representative of Financial Services, Legal Services, and the United Methodist Church Foundation. GARC will serve to initially receive and process gifts.

GCFA Property Services Committee: GCFA's Property Services Committee as detailed in GCFA bylaws.

Tax Exempt: Exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or other applicable section of such Code.

UMC Foundation: The United Methodist Church Foundation

III. Acceptance

A. Within the guidelines set forth below, GCFA is authorized to accept gifts from individuals, estates, and organizations:

- On behalf of The United Methodist Church, GCFA, general agencies and as successor of the Board of Trustees of the Methodist Episcopal Church and other entities as set forth in the *Book of Discipline*;
- To establish or expand permanent funds and endowments;
- To be received and paid out by GCFA to qualified United Methodist charitable organizations or other proper charities;
- As directed by this Gift Acceptance Policy.

B. These gifts may take the form of:

- Cash and checks, including distributions from third-party administered estates;
- Marketable and closely-held or thinly traded securities;
- Real estate and interests in real estate;
- Tangible personal property;
- Other forms of property.

- C. Any charitable beneficiary organization must, at all times while the gift is administered, be qualified as tax-exempt, and must have a mission that is consistent with The United Methodist Church Social Principles. The purpose of the gift must be consistent with the theological beliefs of The United Methodist Church.

IV. **Gifts and Acceptance**

GARC is authorized to accept gifts for the benefit of GCFA, The United Methodist Church and related organizations subject to this policy and related procedures. Gifts of monies, stocks, bonds and other marketable securities are to be received by GCFA through GARC and notifications of such gifts will be made to the Property Services Committee. If GARC determines that any concerns, conditions or restrictions exist that may raise a question about the advisability of acceptance, the Property Services Committee, or subcommittee thereof, shall be authorized to review and act. Should further review or authority be needed, the GCFA Executive Committee will be consulted. Attached as Exhibit A to this Policy are Real Estate Procedures. This set of procedures, and any other procedures as shall be adopted from time to time, shall be used to govern the acceptance of gifts. When an exception to such procedures is requested, acceptance will be evaluated by the Property Services Committee, or a subcommittee thereof, and reported to GCFA at its next regularly scheduled meeting. The GARC is directed in most instances, absent donor direction or other good reason, to convert non-cash gifts into cash and to allow the GCFA Investment Committee to place those cash funds with the UMC Foundation or otherwise as it deems appropriate.

V. **Records and Reporting**

Accounting records will conform to the requirements of generally accepted accounting principles, as recommended by the Financial Accounting Standards Board and GCFA's external auditors. Supporting documents will be filed with the Internal Revenue Service and other regulatory bodies as required or appropriate for each gift accepted. GCFA's legal services will maintain physical files of all gifts and the files shall contain at least probate papers and the will of an estate.

VI. **Notifying Financial Services**

As set forth above, GARC will notify GCFA's Financial Services Department as early as possible prior to acceptance of the gift, so it may be added to insurance coverage.

VII. **Commitment to Donor Directions**

It is the intention and commitment to comply with the legal intent and directions of donors. In the event that GCFA is unable to comply with such wishes and directions, GCFA will seek reformation, if possible. If reformation is not possible, the assets will be transferred to assure compliance with such wishes and directions or to identify an alternate use which will comply with the original wishes and directions of donors.

VIII. Donor Relations & Ethics

GCFA representatives will urge prospective donors to have the terms of proposed gifts reviewed by legal and financial advisers to give added assurance that the donor's interests are protected and that GCFA can effectively administer the gift or bequest in accordance with the donor's wishes.

It shall be the presumption that a donor, or their authorized representatives, permit public announcement of a gift. If a donor indicates a desire for anonymity or confidentiality, such requests should be made in writing and GCFA will hold all gift and investment information in confidence. GCFA will make its complete files available on request, as required by law, and to its own auditors. GCFA is not obligated to inform the donor of such requests for information. All other requests for information will be honored only if the donor, or their authorized representatives approve, in writing, the release of information, or if a court has issued an order to GCFA to that effect.

IX. Fees and Services

It is the intent of GCFA to fulfill its *Disciplinary* directives without addition of acceptance fees or costs. However, in the case of a gift of personal property requiring non-standard administration, fees and costs may be imposed according to a schedule adopted by the Property Service Committee (PSC), with exceptions to be approved by PSC. Further it is understood that if GCFA has chosen to use The UMC Foundation to work with donors, manage the gifts and provide other services, the UMC Foundation may develop and present to GCFA a reasonable fee structure.

Policy Adopted: September 2003
Last Revision Adopted Date: November 2005

Sample Gift Acceptance Policy

Please review and revise these policies as needed. An attorney and/or real estate agent should review the terminology and basic recommendations.

1. Unrestricted cash gifts will be accepted and acknowledged through the normal accounting procedures of _____ (name of church).
2. Designated gifts will be accepted for approved Memorials and Endowment Funds only. Those opportunities include:

These opportunities are available for Memorials or Endowment gifts by first contacting the Chair of the _____ Committee. The Committee has absolute responsibility for accepting Memorials and Endowment gifts and establishing appropriate recognition procedures.

3. Receipt of non-cash gifts will be the responsibility of the _____ Committee. The Committee reserves the right to return any gift determined to be unacceptable because of value, marketability or any other reason deemed problematic to _____-(name of church).
4. All non-cash gifts (except for real estate) will be immediately liquidated by the _____ Committee. Gifts of stock, various kinds of securities, insurance products, automobiles, animals, jewelry and other items of value must be unencumbered and given outright to _____ (name of church). If the gift is deemed acceptable to the committee, the gifts will immediately be sold in a manner deemed most appropriate by the Committee.
5. All gifts of real estate must be given with an appropriate title search, environmental evaluation, survey and appraisal. All costs of transferring will be born by the donor. Gifts of real estate must also be unencumbered with liens, litigation or any other potential liability for _____ (name of church). Before title is accepted by (Name of church), the _____ Committee reserves the right to not accept the gift.
6. All non-cash gifts will be acknowledged in a dated letter from the Chairperson of the _____ Committee which will include a description of the gift. There will be no appraisal, acknowledgement of appraisal, or determination of value offered in the acknowledgement process. The donor has sole responsibility to the Internal Revenue Service for identifying the value of any non-cash gift.
7. Any questions regarding this policy should be referred to the Chairperson of the _____ Committee.

ASSESSING A GIFT

Name of Donor _____

Date of Gift _____ Gift Description _____

Understood Intent of Gift _____

Restrictions on Use _____

Check One: _____ Restricted _____ Unrestricted

To be Deposited in:

_____ Current Designated Fund _____

_____ New Fund (if adopted by Administrative Board/Council after Trustees review and recommendation)

_____ Memorial Fund (must match church's designations)

_____ Operating Expenses Fund/Account

_____ Endowment Fund (verify donor's restrictions if any)

Attention! The donor may not revise restrictions or influence use of funds after they are gifted!

MEMORIAL FUND POLICY EXAMPLE

Gifts to the Memorial Fund are given in recognition of a person's life or celebration of an event in a person's life.

All gifts are cash only. Other in kind gifts or gifts of assets shall be referred to the Endowment Fund Committee.

When Memorial gifts are received following the death of a member or constituent, family members may suggest a specific use for the funds collected. Six months after the funeral, the funds for the designated item shall be dispersed. Surplus funds shall be released to the _____ for dispersal.

If the fund amount is less than the amount needed to cover the cost of the suggested item, the family will be contacted by _____ and given the option of covering the additional cost or suggesting another item.

All Memorial gifts shall be dispersed within 9 months of receipt. Options include:

- purchasing a specific item
- covering a budgeted expense
- depositing in Endowment Fund

Any questions or concerns should be directed to the Finance Committee or other body designated by the Finance Committee such as a Memorial Gifts Committee.

ACCEPTING A GIFT

Name _____ of
Donor _____

Date of Gift _____ Gift
Description _____

Understood Intent of
Gift _____

Restrictions on

Use _____

Check One: _____ Unrestricted _____ Restricted

To be Deposited in:

_____ Current Designated Fund _____

_____ New Fund (if adopted by Administrative Board/Council after review)

_____ Memorial Fund (must match church's designations)

_____ Operating Expenses Fund/Account

_____ Endowment Fund (verify donor's restrictions if any)

Attention! The donor may not revise restrictions or influence use of funds after they are gifted!