

Gift Acceptance Policy for St. Mark's Episcopal Church

Purpose: The purpose of the gift acceptance policy is to ensure that donations accepted by St. Mark's are in compliance with IRS rules and regulations and Vestry guidance.

Background: The most recent policy regarding donations was established in 2011. This policy established that donations made to designated funds were required to be approved by the person responsible for the fund and donations given with conditions other than those established for designated funds required approval by the Vestry to be accepted with the donor's restrictions.

After the major renovation completed in 2015, St. Mark's is required to be audited by the bank holding the mortgage loan. The current system has been managed out of compliance with GAAP, Generally Accepted Accounting Principles (GAAP) which are the standards used to obtain a clean audit.

The current policy allowed for the establishment of many designated funds which were not all managed to the same standards.

The following policy is divided into two sections. The first section deals with "types" of donations using the categories defined by GAAP of Unrestricted, Temporarily Restricted and Permanently Restricted.

The second section addresses donation methods (i.e. cash, check, credit card, stock, property.)

Policy regarding donation types

Unrestricted Gifts

All unrestricted gifts that are in compliance with the donation method policy shall be accepted by the Church regardless of amount.

Temporarily Restricted Gifts

The concept of Temporarily Restricted gifts is imposed by GAAP. By definition, Temporarily Restricted gifts are donations made with donor-stated intent for the purpose and/or timing of the gift. The intent of the donor is the determining factor in whether a gift has to be treated as temporarily restricted or not. If the intent of the donor is unclear, it is church's responsibility to attempt to clarify that intent. The purpose of this policy is to assist the Rector and the Treasurer in determining donor-intent.

The Rector or Treasurer shall conduct the first review of temporarily restricted grants. If they determine that the gift meets the Basic Criteria (defined below), the Rector or the Treasurer may accept the gift on behalf of the church. Should the gift not meet Basic Criteria, the gift shall be reviewed by the Finance Committee and the Finance Committee shall make a recommendation to the Vestry. The Vestry has the ultimate responsibility for determining acceptance or redirection of any temporarily restricted gift that is not accepted by the Rector or the Treasurer.

To assist in the determination of gift acceptance, the Church requires a written statement of donor intent to honor the donor's desired use for the funds. A note written in the memo field of a check will not be considered a written statement of donor intent. The intent must clarify the donor's stated purpose for the use of the funds. If the gift does not meet the basic test for use of funds laid out here, the donor may be given an opportunity to answer, in writing, a set of questions for the Finance Committee and Vestry to review.

The questions to answer may include:

What is the specific purpose of the gift and your intention behind giving it?

Is there an expiration date for the restriction?

What does the donor want done with the funds if the purpose is not met by the church and you are not able to be reached? (e.g. funds should be added to endowment or operating funds or used at the discretion of the vestry)

Basic Criteria for Temporarily Restricted Donation.

Gifts may be accepted by the Rector or Treasurer if they meet the following:

1. The purpose of the gift is for an activity included in the annual budget and will not require additional effort to meet the purpose of the restriction.
2. The purpose of the gift is the same as an existing, active temporarily restricted fund
3. The gift will follow the same disposition agreement as well as any time restrictions held by the initial Vestry-approved gift that formed the existing, active temporarily restricted fund.

Vestry Review Process

If a gift does not meet the Basic Criteria, the Vestry reviews the restrictions of the gift. Vestry will have the option of approving, redirecting, or returning the gift.

- a. Process for Vestry approval:
 - i. When money is received with restrictions, the contribution and supporting documents are given to the Finance Manager. If a signed gift restriction form is not included, the Finance Manager will request one and explain the process and book the gift to "Gifts under consideration" in the General Ledger until reviewed
 - ii. Finance Manager notifies Rector and Treasurer of the gift.

- iii. If the Rector or the Treasurer deems that the gift meets the Basic Criteria, the Finance Manager moves the gift to the appropriate GL account and keeps copies of the donor-intent documentation.
 - iv. If the gift does not meet Basic Criteria, it is taken by the Finance Manager for review by the Finance committee. At the time the gift is referred to the Finance Committee, the donor should be contacted by the Treasurer or Rector notifying them of the internal review and asking any clarifying questions about donor intent. The gift documentation along with the recommendation of the Finance Committee is presented to the Vestry for consideration.
 - v. If the Vestry accepts the gift, the Finance Manager reclassifies the gift to the appropriate GL account, retains all supporting documentation for the gift and sends the donor acknowledgement
- b. Process for re-directing gift
- i. If the Vestry does not want to accept the gift, the Vestry shall assign a member to contact the donor and request that the gift be re-directed either to an existing designated fund or budgeted activity. If the donor will not re-direct the gift for the Church, the Rector shall follow up with the donor to discuss alternatives.

To reduce confusion regarding temporarily restricted gifts, the following policy summary shall be shared with the congregation and posted on the website.

St. Mark's thrives on our community's generosity of spirit, time and funds. The Vestry of St. Mark's is charged with honoring that generosity by managing all of our resources. The vestry respectfully requests that donations made to St. Mark's be made to support the general operations of the church wherever possible to ensure a balanced approach to resource distribution. St. Mark's will accept donations to existing designated funds and budgeted activities of the parish. Any donation made to the church with additional donor-imposed restrictions will require approval by the vestry before the gift is accepted.

Permanently Restricted Gifts

Permanently restricted gifts are defined as those that can only be used to add to the principal funds of the endowment. Permanently restricted gifts to the endowment cannot be spent. Only the interest and investment income from the permanently restricted funds may be used to benefit the Church.

ADD ENDOWMENT POLICIES HERE.

Non-Charitable Payments

St. Mark's will follow IRS guidelines regarding payments made to the church that are not tax-deductible, charitable contributions. Payments to the church that result in personal benefit for the donor are not tax deductible unless the payment exceeds the market value of the activity. Examples are tickets to a church dinner, payment for attendance at the parish retreat or payment for a child to attend a church-sponsored activity. Contributions made and directed to benefit a specific individual determined by the donor are also not tax-deductible.

Policy regarding donation methods

Cash

St. Mark's Episcopal Church (Hereafter referred to as the "Church") accepts gifts given in cash, checks made payable to the church, credit card (we don't take credit cards ourselves but provide a place to use a credit card online), money order, and by text (when available.) Do we need to add payroll deduction and employer matches?, Donor advised funds? We do take some donations via Paypal, ACH bank debit, IRA distributions,

Publicly Traded Securities

The Church accepts gifts of publicly traded securities.

All donated securities will be sold as quickly as reasonably possible after receipt.

The donation will be valued at the average of the high and low price of that stock on the date it was transmitted to the Church.

The donor letter shall state the name of the stock, the number of shares received, the date the stock was transferred, and that the donor is responsible for valuing it for their tax purposes.

Closely Held Securities and Securities that are not readily marketable

Non-publicly traded securities. and publicly held securities that are not readily marketable may be accepted if approved by the Vestry.

The Vestry shall determine the time, effort, cost and estimated proceeds of liquidating the securities and, based upon that determination, decide whether the acceptance of the gift is beneficial to the Church.

The Church shall not discuss with the donor any repurchase agreement by the donor, the donor's company or the donor's affiliates, e.g. family members, etc. Doing so could jeopardize the donor's charitable deduction.

The Vestry may require the donor, at the donor's expense, to provide a qualified appraisal by an independent professional appraiser and must do so if the gift is valued in excess of \$5,000.

Personal Property

The Rector and her designees may accept gifts of tangible personal property on behalf of the Church. It should be noted that not all gifts of property are accepted. The Rector and her designees have the discretion to redirect a donor to give their goods to another organization if the donation is not of use to the church and/or not able to be stored by the church.

Any donor who disputes a donation refusal from the Rector may request consideration of the donation from the Senior Warden or Treasurer.

Donations of property valued at over \$5,000 must be approved by the Vestry before they are accepted.

Other types of donations

Other types of donations (i.e. Life insurance policies, real property, planned gifts) shall be reviewed by the Vestry on a case-by-case basis as they are presented.