**GIFT ACCEPTANCE POLICY**

**Saint Mark United Methodist Church (1085)**

**INTRODUCTION**

Giving is an act of worship. Saint Mark United Methodist Church (the “Church”) is blessed with a generous membership whose gifts of cash, tangible assets and service to the Church reflect a deep understanding of Christian stewardship.

The primary objective of this Gift Acceptance Policy is to describe the types of gifts that the Church is able to accept and how those gifts will be utilized in compliance with The Book of Discipline of the United Methodist Church and all applicable laws. The Policy was also developed with a focus on protecting the Church’s status as a 501(c)(3) charitable organization and helping to ensure that members’ gifts to the Church are deductible as contributions for U.S. Federal income tax purposes. The Church intends and will endeavor to use gifts in the manner the donor wishes, but donors should be aware that the Church must retain the right to determine how the funds will be used for gifts to be tax deductible.

This policy was developed by the Saint Mark Finance Committee (the “Committee”) and approved by the Board of Trustees (the “Trustees”) and Church Council (the “Council”). These three committees of the Church have responsibilities covering gifts due to their job descriptions within The Book of Discipline of the United Methodist Church.

* Finance Committee: “The committee on finance shall be charged with responsibility for developing and implementing plans that will raise sufficient income to meet the budget adopted by the church council. It shall administer the funds received according to instructions from the church council.”
* Board of Trustees: “The board of trustees shall have the supervision, oversight, and care of all real property owned by the local church and of all property and equipment acquired directly by the local church or by any society, board, class, commission, or similar organization connected therewith…”
* Church Council: “The **church council** shall provide for planning and implementing a program of nurture, outreach, witness, and resources in the local church. It shall also provide for the administration of its organization and temporal life. It shall envision, plan, implement, and annually evaluate the mission and ministry of the church. The church council shall be amenable to and function as the administrative agency of the charge conference.”

This document focuses on both current and deferred gifts, with special emphasis on various types of deferred gifts and gifts of non-cash property. The goal is to encourage giving without encumbering the Church with gifts which may prove to generate more cost than benefit, or which are restricted in a manner that is not in keeping with the goals of the Church.

To optimize funding from individuals and other entities, the Church must be capable of responding quickly, and in the affirmative where possible, to all gifts offered by prospective donors. Except where stated otherwise, these policies are intended as guidelines only. Flexibility must be maintained since some gift situations can be complex and decisions only made after careful consideration of a number of interrelated factors. Therefore, these policies may in some instances require that the merits of a particular gift be considered by the Committee and a final decision be made only after a recommendation by the Board.

**GIFT ACCEPTANCE TERMS AND CONDITIONS**

All gifts will be acknowledged by written confirmation of the gift via the quarterly giving statement. If the terms and conditions of the gift acceptance is complex, the gift will be acknowledged by letter. All information concerning donors and prospective donors, including their names, names of beneficiaries, the amount and type of the gift, aspects relating to their estates, etc., shall be kept strictly confidential except when donors permit the release of such information, and except when any such information is required to be disclosed by applicable law or legal requirement.

The Committee reserves the right to decline or otherwise refuse any gift offered to the church, with or without cause. Reasons for which a gift may be declined include, but are not limited to the following:

1. The Committee does not believe it is in the best interest of the church to abide by the restrictions placed on the gift by the donor.
2. The costs to maintain the gift or to meet the restrictions placed on the gift by the donor are considered to be excessive.
3. The gift is considered to be inappropriate or unrelated to the tax-exempt purposes of the Church.
4. The gift is designated to benefit or to be channeled to a specific individual.

**I. OUTRIGHT GIFTS**

A. CASH

Gifts in the form of cash and checks shall be accepted in any amount.

All checks must be payable to Saint Mark United Methodist Church and in no event shall they be made payable to an employee, agent, or volunteer for credit to the Church.

**CASH GIFT CATEGORIES**

**Unrestricted Gifts**: Unrestricted gifts (sometimes referred to as undesignated gifts) are donations made to the Church without stipulation by the donor. These gifts, which account for the majority of the Church’s receipts, are added to the Church’s General Fund and directly support the Church’s mission as reflected in its ministry budget. The budget is funded primarily through such unrestricted gifts and donors are encouraged to give in this manner. Unrestricted funds allow the Church to address its most pressing needs and ministry expenses, as reflected in the annual budget approved by the Church Council.

**Restricted Gifts**: A gift that a donor stipulates is to be used for a specific purpose is, in accounting terminology, a “restricted” gift (sometimes less formally referred to as a designated gift). Restricted gifts are accepted by the Church for ministries and programs that have been approved by the Church Council. Although the Church encourages gifts that are unrestricted in order to fund the operating budget, it does not wish to discourage donors from responding to God’s stewardship call in the manner that best suits them. Thus, the Church will accept, under the policies outlined below, contributions that are designated to fund specific ministries, programs, or components of the operating budget. However, the church, in its sole discretion, may decline any restricted gift.

Donors may make gifts to the following restricted funds that have been approved by the Church Council:

* Capital Fund
* Children’s Ministry Fund
* Columbarium Niche Fund
* Columbarium Prepaid Opening Fund
* Courtyard Fund
* Endowment Fund
* Missions Fund
* Missions for the Homeless Fund
* Music Fund
* Nurture Fund
* UMCOR Fund
* Youth Ministry Fund

There are other “designated” funds used by the Committee in managing the overall finances of the Church but are not approved to receive restricted gifts.

If a donor wishes to make a restricted gift to the Church that is not listed above, and the gift adheres to the requirements in *IV.B Restrictions*, they should make an application to the Council to approve the new restricted fund. The Council will determine if the request is in line with the overall ministry and mission of the church and will not create undue costs and labor to maintain the fund. If approved, the Committee will update this policy to reflect the change(s).

B. PUBLICLY TRADED SECURITIES

Securities that are traded on the exchanges shall be accepted by the Church. Shares will be liquidated upon receipt by the Trustees, who will then direct the Financial Manager to place the proceeds in the appropriate fund based on any gift restrictions. If there are no restrictions, the Trustees will determine how the money will be used.

C. CLOSELY HELD SECURITIES

Non-publicly traded securities may be accepted upon approval by the Trustees. The Trustees shall make the decision to keep or sell the security.

D. REAL PROPERTY

1. Prior to approval, the Committee shall make a recommendation for accepting the real estate and shall include a report on (but not limited to) the following:

a. current title and ownership

b. current zoning

c. any and all restrictions

d. any encumbrances, including an Affidavit of Lien signed by the Donor

e. an independent qualified third-party appraisal

f. at least a Phase I environmental audit

g. a recommendation on marketability

2. Upon recommendation from the Committee, the Trustees shall make the final decision to keep or sell the property.

E. TANGIBLE PERSONAL PROPERTY

(According to the Alabama Department of Revenue, the definition of Tangible Personal Property is “property that is not attached to the earth at the time it is sold.” Clothing, vehicles, jewelry, and business equipment are examples of tangible personal property.)

1. Prior to approval, the Committee shall make a recommendation for accepting the personal property and shall include a report on (but not limited to) the following to the Trustees:

a. current title and ownership

b. an independent qualified third-party appraisal

c. a recommendation on marketability

2. The Trustees shall make the decision whether to keep or sell the property.

F. OTHER PROPERTY

The Committee may recommend to the Trustees to make the decision to accept and to keep or sell any other property that it may deem to be in the interest of the Church.

**II. PLANNED (DEFERRED) GIFTS**

A. BEQUESTS

1. Gifts through wills (bequests) shall be actively encouraged by the Church.

2. Upon inquiry by a prospective donor, all representations as to the future acceptability of various properties to be left to the Church in a will or other deferred gift shall be made in accordance with the terms and provisions of Paragraph I (A-F) of the Gift Acceptance Policy.

3. Gifts of property that are not acceptable from estates shall be rejected by the Trustees and that decision shall be communicated to the legal representatives of the estate.

B. REVOCABLE LIVING TRUSTS AND CHARITABLE TRUSTS

1. The Committee will recommend as fiduciary the United Methodist Foundation of North Alabama.

2. The fees for management of a Revocable Living Trust will not be paid by the Church.

3. Revocable Living Trusts and Charitable Remainder Trusts and all other deferred gifts shall be encouraged as a method of making gifts to the Church while retaining income which may be needed by the donor for personal purposes.

4. No representations as to the manner in which trust assets will be managed or invested shall be made by any employee or other persons acting on behalf of the Church.

C. LIFE ESTATE GIFTS

1. The Committee may accept such gifts provided that there has been a full disclosure of the possible ramifications of the transaction to the donor.

2. In instances where a life estate in a personal residence has been retained by a donor, the donor will continue to be responsible for maintenance expenses and the payment of taxes and insurance.

D. LIFE INSURANCE POLICIES

1. The Church will encourage donors to name the Church as a beneficiary of life insurance policies that they have purchased.

2. The Church will not accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy may be made only when the Church has an insurable interest and is in compliance with all State and Federal statutes.

3. No insurance products will be endorsed for use in funding gifts to the Church.

4. In no event shall lists of Church donors' names be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or the Church.

E. GIFT ANNUITIES

The Church may be named as beneficiary in Charitable Gift Annuities purchased from the United Methodist Foundation of North Alabama.

**III. PAYMENT OF FEES RELATED TO GIFTS TO THE CHURCH**

1. FINDER'S FEES OR COMMISSIONS

No fees shall be paid to anyone as consideration for directing a gift to the Church.

B. PROFESSIONAL FEES

1. In general, the donor shall pay any fees associated with the gift.

2. No fees shall be paid to anyone as compensation for the sale of any products to the donor.

**IV. RESTRICTIONS**

A. Any restriction on the use of any gift must be approved by the Committee (or Trustees or Council, if appropriate) prior to acceptance of the gift.

B. A designated permanent fund, other than those identified, may be established with a minimum gift of $10,000 or such minimum to be determined appropriate and approved by the Committee.

**V. GIFT USE**

A. The use of undesignated gifts to the church, other than those gifts intended for undesignated use within the operating budget of the church, shall be determined by the Church Council. The Church Council will entertain suggestions on the use of the gift from local church bodies prior to making a decision on its use.

B. Undesignated gifts donated to the Church **in memory of** or **in honor of** someone will be contributed to the Endowment Fund unless otherwise specified in the obituary.