

## **Section 64.1**

*Date Approved: 11-5-13*

*Approved By: Finance Committee*

# **GIFT ACCEPTANCE POLICY**

## **Statement of Policy:**

**1.0** In order to protect the interests of North Richland Hills Baptist Church (“Church” or NRHBC) and the persons and entities who support its ministry, this Policy is designed to help ensure that all gifts to, or for the use of the Church are structured to provide maximum benefit to all parties involved.

This Policy focuses on both current and deferred gifts--with special emphasis on deferred gifts and gifts of non-cash property.

The goal of this Policy is to encourage giving to the Church without encumbering the Church with gifts that result in a greater cost to the Church than the benefit received by the Church from the gift, or which are restricted in a manner inconsistent with the goals of the Church.

To facilitate receiving gifts from individuals and other entities, the Church must be capable of responding quickly, and in the affirmative where possible, to gifts offered by prospective donors. Any exceptions to this Policy or any gift not specifically mentioned in this Policy shall be addressed by the Finance Committee.

**Prospective donors shall be urged to seek their own counsel in matters relating to their planned gifts and tax and estate planning.**

## **2.0 GIFTS**

### **.01 Cash**

Gifts in the form of cash and checks shall be accepted regardless of amount unless the Church, in its sole discretion, has actual knowledge that (i) an issue exists with regard to whether the donor has legal title to the asset or (ii) an issue exists as to the capacity of the donor to legally transfer funds as a gift to the Church.

### **.02 Publicly Traded Securities**

NRHBC shall accept publicly traded securities. The donor should anticipate that NRHBC may immediately sell such securities.

### **.03 Closely Held Securities**

Closely held securities may be accepted only upon approval by the Finance Committee and only if: there is a readily available market for their disposition; the acceptance of such securities presents no significant potential for the Church to incur liability with respect to such securities; and the corporation engages in no activities which would be inconsistent with NRHBC beliefs and practices.

#### **.04 Real Property**

- a) No gift of real estate shall be accepted without prior approval of the Finance Committee.
- b) No gift of real estate shall be accepted without first being appraised by a certified appraiser having no business or other relationship to the donor. The costs of the appraisal shall be borne by the donor or the donor's estate.
- c) No gift of real estate shall be accepted until it has been determined that no reasonable possibility exists that the property could be contaminated by toxic waste or any other dangerous condition. The Church may require a Level I Environmental Survey or other testing and inspection. All costs related to the survey, testing or inspection will be borne by the donor.
- d) In general, residential real estate located within the state of Texas will be accepted, unless the Finance Committee shall determine for some reason that the property is not suitable for acceptance as a gift.
- e) Special attention shall be given to the receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for the Church and payments, taxes, and insurance could result in an untimely financial burden to the Church.

#### **.05 Tangible Personal Property**

No personal property shall be accepted by NRHBC unless there is reason to believe the property can be readily liquidated and the donor should anticipate that NRHBC may immediately liquidate the property. No personal property shall be accepted that obligates the Church to ownership of it in perpetuity. No perishable property or property which will require special facilities or security to properly safeguard it will be accepted without prior approval of the Finance Committee.

#### **.06 Life Insurance – Cash Values**

Cash value amounts accrued within life insurance policies are acceptable as gifts as long as there are no additional premium payments due or expectation of repayment liability associated with the gift.

#### **.07 Other Property**

Other property of any description including but not limited to mortgages, notes, copyrights, royalties, easements, whether real or personal, tangible or intangible shall only be accepted by action of the Finance Committee or persons duly acting on its behalf.

### **3.0 GIFT ACKNOWLEDGMENTS**

### **.01 Written Acknowledgment Letter**

If any of the above gifts are accepted by the Church, the Church should issue a written acknowledgement of the gift that meets the charitable contribution substantiation requirements of the Internal Revenue Code.

In no event should the Church provide an estimate of the value of the property donated by a donor to the Church; the value determination remains the responsibility of the donor.

## **4.0 DEFERRED GIFTS**

### **.01 Bequests**

- a) NRHBC shall actively encourage gifts to the Church through wills and living trusts.
- b) In the event of inquiry by a prospective donor, representations as to the acceptability of a bequest to the Church shall be made in accordance with this Gift Acceptance Policy only.
- c) NRHBC shall at all times retain the right to refuse a gift from an individual or from an estate when it is not in the best interest of the Church to accept the gift. This determination is made by the Finance Committee.
- d) When NRHBC is the recipient of a gift from a will or trust, the Finance Committee shall review any restrictions upon the gift and determine if it is in the best interests of the Church to accept the gift.
- e) NRHBC will not accept a gift that might result in conflict within the Church or confusion as to the utilization of the gift or that might create an undue financial burden upon the Church.
- f) When NRHBC receives an estate gift, the Finance Committee shall administer and use the gift as described in the Legacy Giving Ministry Policy.

### **.02 Life Estate Gifts**

- a) Donors shall generally be discouraged to make gifts of a remainder interest in real property in which the donor retains a life estate.
- b) This Policy is based upon the possibility that the donor may need to sell the home in the future and find that the value of the life estate is a small portion of the value of the property. Such gifts may be accepted by the Finance Committee when the asset involved appears to be a minor portion of the donor's wealth, and the Finance Committee is satisfied that there has been full disclosure to the donor of the possible future ramifications of the

transaction.

### **.03 Gifts of Life Insurance**

- a) NRHBC will encourage donors to name the Church as a beneficiary of all or a portion of a person's life insurance policies.
- b) NRHBC at the discretion of the Finance Committee may accept assignment of cash value life insurance policies to the Church. The Finance Committee may make a determination whether to hold any such policy or to cash it in.
- c) NRHBC will not accept gifts from donors for the express purpose of purchasing life insurance on the donor's life.
- d) No insurance products may be endorsed for use in funding gifts to NRHBC. In no event shall lists of NRHBC's members or donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors or the Church. This Policy is based on the fact that this practice represents a potential conflict of interest, may cause donor-relations problems, and may subject the Church to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

## **5.0 DESIGNATED FUNDS**

**.01** Designated Gifts establishing Designated Funds or Trusts shall be governed by the **NRHBC Designated Funds Policy (Section 64.2)**

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