Gift Acceptance Policy

To protect the interests of the Grace Fellowship (hereinafter referred to as "The Church") and the persons and entities who support its causes, these policies are designed to assure that all gifts to, or for the use of, charitable causes are structured to provide maximum benefit to all parties involved.

The Church shall execute no planned giving agreement without the advice of legal counsel. Prospective donors shall be strongly encouraged to seek their own legal and/or tax counsel in matters relating to their charitable gifts, taxes, and estate plans.

The goal of this policy is to encourage giving to The Church without encumbering The Church with gifts that cost more than benefit The Church. The goal is also to avoid gifts that the donor restricts in a manner inconsistent with the goals of The Church.

To facilitate the receipt of gifts and bequests, The Church must be capable of responding quickly and in the affirmative where possible to all gifts offered by prospective donors. The Business Office has been established to handle the day-to-day management of gifts, and is duly acting on behalf of the Board of Elders in carrying out these policies. Unless stated otherwise, the Board of Elders intends that these policies apply to all gifts.

- **Gifts of:**
  - Cash, Check, and Online Donations
    - The Church will accept gifts in the form of cash.checks, and online donations regardless of amount, unless: (a) a question exists as to whether the donor has legal title to the asset; or (b) a question exists as to the legal capacity of the donor to transfer funds.
    - Donors shall make all checks payable to Grace Fellowship and donors shall never make checks payable to an employee, Elder ("director"), agent, or volunteer for the credit of The Church.
  - Publicly Traded Securities
    - The Church shall accept publicly traded securities. The donor may anticipate that The Church may immediately sell such securities
  - Closely-Held Securities
    - The Church may only accept closely held securities upon written approval by the Business Office. The securities will be reviewed using the following criteria:
      - There is a readily available market for their disposition.
      - Accepting such securities will not create any potential liability to The Church.
      - The closely held entity engages in no activities that would be inconsistent with The Church's objectives.
      - The Church has identified whether the security will generate unrelated business income tax ("UBIT").
  - Real Property
    - The Board of Elders or persons duly acting on its behalf must approve in writing all gifts of real estate in advance of accepting the gift.

    - The Church may require that a licensed appraiser issue an appraisal of the real estate before acceptance. The licensed appraiser shall not have any business or other relationship with the donor. The costs of the appraisal shall be borne by the donor.
    - The Church cannot accept any gift of real estate until the Board determines that no environmental waste contaminates the property. The Church may require a Level I Environmental Survey. All costs related to the survey will be borne by the donor.
    - In general, residential real estate located within the state of New York will be accepted, unless the Board of Elders shall determine for some reason that the property is not suitable for acceptance.
    - Special deliberation shall be given to the receipt of real estate encumbered by a mortgage, as the administration of such property may give rise to unrelated business income for The Church, as well as payments, taxes and insurance that may burden The Church's finances.
    - The Board of Elders or persons duly acting on its behalf may choose to accept royalty interests in oil, gas, or other minerals. Before accepting such interests, The Church shall engage legal counsel and other professional advice, where appropriate, to evaluate whether accepting the gift exposes The Church to environmental or other liabilities. The Church shall not accept working interests.
  - Tangible Personal Property
    - Jewelry, artwork, collections, and other personal property shall not be accepted unless the employee, agent or volunteer working on behalf of The Church shall have reason to believe the property has a value in excess of $1,000. Such property can only be accepted on behalf of The Church by the Business Office.
    - No personal property shall be accepted by The Church unless there is reason to believe the property can be quickly sold. No personal property shall be accepted that obligates The Church to retain it in perpetuity. No perishable property or property which will require special facilities or security to properly safeguard it will be accepted without prior written approval of the Business Office.
    - Notwithstanding the foregoing, if there is reason to believe personal property has a value of $1,000 or more, it may only be accepted after receipt and review by the Business Office, after an appraisal qualified under the terms of the Internal Revenue Code governing gifts of personal property.
  - Other Property
    - Other property of any description including mortgages, notes, copyrights, royalties, easements, whether real or personal, shall only be accepted by further action of the Business Office.
  - Social Responsibility
    - In keeping with the mission and goals of The Church, The Church may refuse the donation of assets that are not compatible with The Church's social responsibilities or that conflict with the mission of The Church.
- **Deferred Gifts**
  - Bequests
    - The Church shall welcome gifts through Wills and Living Trusts.
    - 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.
    - The Church 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.

        - When The Church is the recipient of a gift from a will or trust, the Business Office shall review the restrictions upon the gift and determine if it is in the best interests of The Church to accept the gift.
        - The Church 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.
        - When The Church receives an unrestricted estate gift, the Business Office, in consultation with the Secretary of the Church, shall determine its highest and best use at the time.
        - If The Church has created an Endowment Fund and unrestricted funds are not needed for the ordinary and everyday expenses of The Church, priority for unrestricted gifts may be as an addition to The Church's Endowment Fund.
    - Life Estate Gifts
        - Donors shall generally not be encouraged to make gifts of a remainder interest in real property in which the donor retains a life estate. This policy is based on the possibility that the donor may need to sell a home in the future and may 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 Business Office when the asset involved appears to be a minor portion of the donor's wealth, and the Board of Elders is satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.

Gifts of Life Insurance

The Church shall welcome donors to name The Church as a beneficiary of all or a portion of a person's life insurance policies.

The Church will not, however, as a matter of course agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy will be made after researching relevant state laws to assure The Church has an insurable interest under applicable state law.

No insurance products may be endorsed for use in funding gifts to The Church. In no event shall lists of The Church's 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.

Retirement Plan Beneficiary Designations

The Church shall welcome the opportunity to be named as a beneficiary of a donor's retirement plan. Such designation shall be considered a revocable gift and not recorded as revenue until the designation becomes irrevocable, typically at the death of the donor.

Trusts

The Church welcomes the opportunity to be named as a beneficiary of donors' trusts, such as charitable remainder trusts (CRTs), charitable lead trusts (C ITs), and revocable trust arrangements. However, The Church will not serve as a trustee of any trust and instead encourage donors to use a professional fiduciary.

Charitable Gift Annuities

The Church does not offer charitable gift annuities.

Designated Gifts and Designated Accounts

- Establishing Designated Funds

The Business Office will determine what designated accounts may be established.

Any donor to The Church may request in writing to the Business Office the establishment of a designated account. Once an account is established, The Church may accept funds into that account.

The Business Office will determine the length of time the account shall exist. When that time has passed, the Business Office may either extend the time period for expiration of the account or transfer any remaining funds to the general fund.

- Disbursing Designated Funds

Designated funds may only be spent for the purpose for which they are designated.

If, at any time, The Church accepts custody of designated accounts which have not been approved and established by the Business Office, and The Church does not intend to use the designated funds for the purpose designated, The Church will return the monies to the donor or contact the donor for permission to transfer the funds to another fund or another charity chosen by the donor.

Notice to Donors

The Church shall include in fundraising, solicitation materials and donor receipts a statement identifying that all donations are subject to the Gift Acceptance Policy and the donor's designations will be treated as suggestions unless the Business Office has approved of the designations before receiving the gift.

Miscellaneous

Church employees and volunteers shall not provide legal, accounting, or tax advice to donors or prospective donors regarding their donations.

No finder's fee or commission shall be paid to anyone as consideration for directing a gift to The Church.

The Church may seek the advice of legal counsel when considering certain gifts. The donor may be asked to share the costs of such advice, at the discretion of the Secretary of the Church. Generally, legal counsel will be sought in connection with gifts involving:

- Closely-held stock, and particularly when the stock is subject to restrictions or buy-sell agreements;
- Gifts involving contracts that bind The Church, such as bargain sales or real property with a mortgage attached;
- Gifts of patents, intangibles, and intellectual property;
- Transactions with potential conflicts of interest; and
- Other instances at the discretion of the Board of Elders or the Secretary of the Church, except that The Church shall always seek the advice of legal counsel when accepting a gift outside the parameters of these Gift Acceptance Policies.

It is the responsibility of the donor to secure an appraisal of a gift to The Church, when an appraisal is necessary.

This policy was adopted by a resolution of the Board of Elders of The Church on the 26th day of June, 2017. Subsequent to being adopted by the Board of Elders, minor changes intended to clarify the meaning and not affecting the spirit and intention of this policy have been reviewed and approved by Timothy Kong, Secretary of the Church.

Timothy Kong
Secretary of The Church

Sep 19, 2024
Date