

**PERMANENT ENDOWMENT AND PLANNED GIVING MINISTRY COMMITTEE
CENTRAL UNITED METHODIST CHURCH
MILBANK, SOUTH DAKOTA**

Gift Acceptance Policy (2.10)

Central United Methodist Church, of Milbank, South Dakota (“Central”), a not for profit organization, acting through its Permanent Endowment and Planned Giving Ministry Committee (“Endowment Committee”) encourages and accepts gifts to Central for purposes that will help to further and fulfill its mission.

1. Purpose of Policies

These policies govern the acceptance of certain gifts to Central or Endowment Committee and provide guidance to prospective donors and their advisors when making such gifts. These policies apply to all gifts (including bequests, trusts, trust funds, planned giving, and other similar gifts, current or deferred) to Central or Endowment Committee in which the donor intends the gift to be used as an endowment; these policies do not apply to any gift not intended to be used as an endowment.

2. Use of Legal Counsel

Endowment Committee will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- A. Gifts of securities or stock which is closely held or is subject to restrictions or buy-sell agreements.
- B. Documents naming Central as trustee or requiring Central to act in any fiduciary capacity.
- C. Gifts involving contracts, such as bargain sales, or other documents requiring Central to assume an obligation.
- D. Transactions with potential conflict of interest, or transactions that may invoke IRS sanctions.
- E. Gifts of property which may be subject to environmental or other regulatory restrictions.
- F. Other instances in which use of counsel is deemed appropriate by Endowment Committee.

3. Conflict of Interest

Endowment Committee will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

4. Restrictions on Gifts

Endowment Committee will accept unrestricted gifts, and gifts for specific programs and purposes; however, Endowment Committee will not accept gifts that, in Endowment Committee's sole discretion:

- A. Would result in Central violating its corporate charter.
- B. Would result in Central losing its IRS not-for-profit status.
- C. Are too difficult or expensive to administer in relation to their value.
- D. Would result in any unacceptable consequences for Central.
- E. Are for any purpose outside Central's mission.

5. Gifts Generally Accepted Without Review

- A. *Cash.* Cash gifts are acceptable in any form, including by check, money order, credit card, or on-line.
- B. *Marketable Securities.* Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. Generally, Central will sell the securities promptly upon receipt. If the marketable securities are restricted, for example, by applicable securities laws or the terms of the proposed gift, Endowment Committee may decide not to accept the proposed gift.
- C. *Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans.* Donors are encouraged to make bequests to Central under their wills, and to name Central as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.
- D. *Charitable Remainder Trusts.* Central will accept designation as a remainder beneficiary of charitable remainder trusts.
- E. *Charitable Lead Trusts.* Central will accept designation as an income beneficiary of charitable lead trusts.

6. Gifts Generally Accepted Subject to Prior Review.

Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts generally subject to prior review include, but are not limited to:

- A. *Tangible Personal Property.* Endowment Committee will review and determine whether to accept any gifts of tangible personal property in light of the following considerations:
 - Does the property further Central's mission?

- Is the property marketable?
- Are there any unacceptable restrictions imposed on the property?
- Are there any carrying costs for the property for which Central may be responsible?
- Is the title/provenance of the property clear?

B. *Life Insurance*. Endowment Committee will accept gifts of life insurance where Central is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.

C. *Real Estate*. All gifts of real estate are subject to review by Endowment Committee. Prior to acceptance of any gift of real estate other than a personal residence, Endowment Committee will require an initial environmental review by a qualified environmental firm. If the initial review reveals a potential problem, Central may retain a qualified environmental firm to conduct an environmental audit. Criteria for acceptance of gifts of real estate include:

- Does the property further Central's mission?
- Is the property marketable?
- Are there any unacceptable covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
- Are there any carrying costs (including insurance, property taxes, mortgages, notes) or maintenance expenses for which Central may be responsible?
- Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

7. Acknowledgment of Gifts

Endowment Committee will acknowledge all gifts by written confirmation of the gift and of any terms and conditions of the gift acceptance.

Adopted: _____

Ron Roehr, Chair