

GIFT ACCEPTANCE POLICIES

The Annunciation Greek Orthodox Church of Sacramento (hereinafter referred to as the “Church”), a not-for-profit entity and recognized by the IRS as an exempt organization, encourages the solicitation and acceptance of gifts to the Church for purposes that will help the Church to further and fulfill its mission. The following policies outline the process by which prospective gifts to the Church or for the benefit of any of its programs, congregations, and special ministries shall be accepted.

I. Purpose of Policies

The Church may solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of the Church. These policies govern the process for the review of prospective gifts prior to acceptance by the Church; the type of the asset and the form of the proposed gift will affect the review process undertaken by the Church. These policies are also intended to guide prospective donors and their advisors when considering a gift to the Church. The provisions of these policies shall apply to all gifts to the Church for any of its programs, ministries, or services. All potential gifts will be evaluated to determine the appropriateness of their origin and to be certain that they are given in accordance with principles of Orthodox Christian stewardship.

II. Use of Legal Counsel and Avoiding Conflicts of Interest

A. The Church shall seek the advice of legal counsel in matters relating to the acceptance of gifts, when appropriate. Review by legal counsel is recommended for:

Gifts of closely held stock subject to restriction or a buy-sell agreement;

Gifts involving contracts, such as bargain sales or other documents requiring the Church to assume an obligation;

Transactions with potential conflict of interest that may invoke IRS sanctions; and

Other instances in which use of counsel is deemed appropriate by the Gifts Acceptance Committee

B. The Church shall encourage donors to seek independent professional counsel to represent the donor’s interests and to explore the alternatives, costs, tax benefits and obligations of potential gifts. The Church shall have no responsibility to provide and shall not provide technical, legal or tax advice to the donor or an analysis of the resulting tax and estate planning consequences to the donor.

III. Unrestricted and Restricted Gifts

The Church will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, policies and priorities. The Church will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that are too difficult or costly to administer or value, or gifts that are for purposes outside the scope of the mission of the Church. The Gifts Acceptance Committee will review all restricted gifts and make recommendations to the Parish Council.

IV. The Gifts Acceptance Committee

- A. The Gifts Acceptance Committee shall have as its members three persons appointed by the Parish Council with requisite knowledge and good judgment.
- B. The Gifts Acceptance Committee is charged with the responsibility of reviewing all gifts except outright gifts of cash and unencumbered publicly traded securities. The purpose of the review by the Gifts Acceptance Committee is to properly screen gifts and make recommendations to the Parish Council. The Parish Council will vote on the acceptance of a Gift after it receives a recommendation from the Gifts Acceptance Committee. A gift is not accepted until approved by the Parish Council and if applicable a Gift Acceptance Form is signed.
- C. The Gift Acceptance Committee will not have authority to bind the Church contractually without express prior written authority from the Parish Council President or members of the Parish Council legally empowered to bind the Church contractually.
- D. The Gift Acceptance Committee need not review outright unrestricted gifts of cash and unencumbered publicly traded securities. Gifts of this nature (including gifts the *+he Build*) shall be automatically accepted. A Gift Acceptance Form may be used for this type of gift but is not required.
- E. The Gift Acceptance Committee shall complete the Gifts Acceptance Form for all accepted gifts not included section IV-D of this document. The Gifts Acceptance Form is incorporated as the last page of this document.

V. Types of Gifts

- A. The Church will accept outright gifts of cash and unencumbered publicly traded securities.
- B. Gifts of real or personal property other than cash and publicly traded securities or gifts in a form other than outright are subject to the review of the Gifts Acceptance Committee.
- C. The following criteria guide the acceptance of each gift:
 - (1) *Cash and Publicly Traded Securities.* Cash and publicly traded securities are acceptable in any form. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Parish Council. In some cases marketable securities may be restricted by

applicable securities laws; in such instance the Gifts Acceptance Committee will make recommendations on the acceptance of the restricted securities.

(2) *Tangible Personal Property.* Gifts of tangible personal property shall be examined in light of the following criteria:

- a. Does the property fulfill the mission of the Church?
- b. Is the property marketable?
- c. Are there any undue restrictions on the use, display, or sale of the property?
- d. Are there any carrying costs or other liabilities for the property?
- e. Is the property's value ascertainable?
- f. Is the property useful to the Church?

The Gifts Acceptance Committee shall make recommendations on the acceptance of tangible personal property gifts.

(3) *Closely Held Securities.* Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies or other ownership forms, may not be accepted without the review of the Gifts Acceptance Committee.

The Gifts Acceptance Committee shall review the facts and circumstances to determine the following:

- a. Are there any restrictions on the security that would prevent the Church from converting the security to cash?
- b. Is the security marketable?
- c. Will the security generate an undesirable tax consequence for the Church?

If potential problems arise on the initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on the acceptance of the closely held stock. The Gifts Acceptance Committee and legal counsel, if applicable, shall make a recommendation on the acceptance of closely held securities. Every effort will be made to sell non-marketable securities as quickly as possible.

(4) *Real Estate.* Gifts of real estate may include developed property and undeveloped property. All gifts of real estate interests must be evaluated and inspected by an authorized representative of the Gifts Acceptance Committee prior to acceptance. Such inspection shall include an initial environmental review of the property to ensure that the property has no environmental liability or hazard. In the event that the initial inspection reveals a potential problem, the Church may retain a qualified inspection firm to conduct an environmental audit if the Gifts Acceptance Committee recommends further inspection. The cost of the environmental audit generally shall be at the sole expense of the donor. When appropriate, a title insurance binder shall be obtained by the Church prior to the acceptance of the real property gift. The cost of this title insurance binder generally shall be at the sole expense of the donor.

Prior to acceptance of real property, the following information should be provided by the donor:

- a. A map showing the location of the property
- b. A legal description of the property
- c. Proof of marketable title and ownership
- d. A registered land surveyor's survey of the property
- e. A list of improvements
- f. Copies of current leases and persons in possession, if any
- g. A list of encumbrances, including deed restrictions or covenants, liens/lis pendens, easements and/or current expenses, if any
- h. A copy of current year's tax bill
- i. A notice of pending assessments
- j. Proof of payment of taxes, assessments, and association fees, if any
- k. A copy of title insurance policy or a recent title insurance commitment, including copies of all documents shown as exceptions to title on the report
- l. A recent appraisal or other acceptable valuation, which will be attached to the donor's IRS Form 8283
- m. A written statement from the donor identifying any known waste disposal sites or spills of hazardous waste material on the property, or a statement to the contrary
- n. A written statement from the donor outlining the purposes of gift, including gift restrictions, if any
- o. An Environmental Impact Study

Prior to acceptance of the real property, the gift must be recommended by the Gifts Acceptance Committee. Criteria for acceptance of the property shall include satisfactory answers to the following questions:

- a. Is the property useful for the purposes of the Church?
- b. Is the property marketable?
- c. Are there any restrictions, covenants, reservations, easements, or other limitations on use associated with the property?
- d. Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, associated with the property?
- e. Does the environmental audit reflect that the property has liability issues?

(5) *Remainder Interests in Property.* The Church may accept a remainder interest in a personal residence, farm, ranch, vacation property or other real property subject to the provisions concerning real estate in paragraph (4) above. Other typical requirements of this type of gift may include the following:

- a. the donor or other occupants may continue to occupy the real property for the duration of the stated life or lives;
- b. insurance by life tenant will be required;

- c. upon the death of the life tenant or life tenants, the Church may use or sell the property as it deems appropriate; and
- d. during the life tenancy, expenses, including maintenance, real estate taxes, liability insurance, and indebtedness, shall be paid by the donor or life tenant, as the case may be.

(6) *Oil, Gas, and Mineral Interests.* The Church may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest the gift shall be recommended by the Gifts Acceptance Committee, and if necessary, by the Church's legal counsel. An environmental review may be undertaken. Criteria for acceptance of the property shall include satisfactory answers to the following questions:

- a. Do the surface rights have a value of \$20,000 or greater?
- b. Does the oil, gas, or mineral interest generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift)?
- c. Are there any extended liabilities or other considerations that make receipt of the gift inappropriate?

A working interest may only be accepted where there is a plan to minimize potential liability and tax consequences.

(7) *Bargain Sales.* The Church may enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Church. All bargain sales must be reviewed by the Gifts Acceptance Committee and to the extent the bargain sale involves real estate, the provisions concerning real estate in paragraph (4) above must be met.

Factors used in determining the appropriateness of the transaction include:

- a. Does an independent appraisal substantiate the value of the property?
- b. If the Church is asked to assume debt with the property, is the debt ratio less than 50% of the appraised market value?
- c. Can the Church use the property?
- d. If the property is to be sold, is it reasonable to expect a sale within twelve months of the property being placed on the market?
- e. What are the expected costs to safeguard, insure, and maintain the property during the holding period?

(8) *Life Insurance.*

- a. *Gift of Policy.* The Church must be named as both primary beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. A gift of a policy is valued at the interpolated terminal reserve value, or cash surrender value on the date of the transfer of ownership. If the donor contributes future premium payments, the Church will treat the amount of the additional premium as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance

policy, the Church may continue to pay the premiums, convert the policy to paid-up insurance or surrender the policy for its current cash value, as the Church deems appropriate.

- b. Designation as Beneficiary of Policy. Donors and supporters of the Church may name the Church as a primary beneficiary or a contingent beneficiary of life insurance policies. Such designations shall not be recorded as gifts to the Church until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

(9) *Retirement Plan Beneficiary Designations.* Donors and supporters of the Church may name the Church as a beneficiary of an individual retirement account, a 401(k) account, a 403(b), 457(b) account or other retirement plan. Such designations will not be recorded as gifts to the Church until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

(10) *Bequests.* Donors and supporters of the Church may make bequests to the Church under wills and trust instruments. Such bequests will not be recorded as gifts to the Church until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

VI. Miscellaneous Provisions

A. Securing appraisals and legal fees for gifts to the Church. Generally, it will be the responsibility of the donor to secure an appraisal (where required), provide an environmental review (as appropriate) and retain independent legal counsel for all gifts made to the Church.

B. Other types of gifts. If a donor offers a type of gift not contemplated by these policies the Gift Acceptance Committee shall review acceptance of the gift applying the general intent of this document.

C. Acknowledgment.

(1) Valuation of gifts. The Church will acknowledge a gift on the date the gift is completed at the fair market value for federal gift tax purposes. The Church will sign The Gift Acceptance Form and an IRS Form 8283 as the recipient of a charitable gift as is required for a gift having a value in excess of \$5,000.

(2) Responsibility for IRS Filings upon sale of gift items. The Church will file IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Church when the value of the gift is more than \$5,000. The Church must file this form within 125 days of the date of sale or disposition of the asset.

(3) Adherence to U.S. Treasury Regulations. The Church will acknowledge all gifts made to the Church for charitable purposes in accordance with the regulations issued by the United States Treasury Department.

D. Review of Pertinent IRS Publications. IRS Publication 561 *Determining the Value of Donated Property* and IRS Publication 526 *Charitable Contributions* shall be reviewed by the Gifts Acceptance Committee on a regular basis.

VII. Changes to Gift Acceptance Policies

Changes to, or deviations from, the Gift Acceptance Policies may be made with the approval of the Parish Council. All such changes shall be in writing.

Gift Acceptance Form

Name of Donor(s): _____

Date of Gift: _____ Gift Description: _____

Understood Intent of Gift: _____

Check One: Restricted _____ Unrestricted _____

Unrestricted donations or bequests usually benefit the Church most. If you wish your gift to be used for a specific purpose, please use an existing fund that has been designated for that purpose. If the intended recipient Church or Church organization does not already have a specific fund that meets your desires, please discuss your gift with the Gift Acceptance Committee intended recipient to be sure the funds can be used in the manner you desire.

Restrictions on Use (if any): _____

To be Deposited in / for the Benefit of:

_____ Current Designated Fund (name) _____

_____ New Fund (name) _____

_____ Memorial Fund (Name) _____

_____ Operating Expenses Fund/Accounts

_____ Endowment Fund (verify donor's restrictions, if any)

Attention! The donor may not revise restrictions or influence use of funds after they are gifted.

I/We _____ intend to make a gift of the property listed in this Gift Acceptance Form (Form) to the Annunciation Greek Orthodox Church of Sacramento; the gift shall be used in the manner consistent with the intent and restrictions listed in this Form (if any). I understand that after I give this gift I may not revise restrictions or influence use of the gift. There is no repayment expected or implied in this gift, either in the form of cash or by future services, and no lien will be filed by me/us against the property.

1st Donor Signature: _____ Date: _____

1st Donor Name: _____

2nd Donor Signature: _____ Date: _____

2st Donor Name: _____

Gift Acceptance Committee Representative Signature: _____ Date: _____

Gift Acceptance Committee Representative Name: _____

Parish Council President Signature: _____ Date: _____

Parish Council President Name: _____

THANK YOU!

We are ever mindful that God looks not so much at the amount of the gift, but rather at the heart of the giver; in that spirit we offer thanks to you for strengthening and enriching our efforts to make our parish a continuing blessing in the lives of all of us. May God bless each of you richly and may you rejoice in the sure knowledge that you, too, shall share in the words of our dear Savior, "Well done O good and faithful servants!" (Matt. 25:21).