

Gift Acceptance and Use Policy

St. Matthew Lutheran Church

115 East Penn Street, Martinsburg, PA 16662
814-793-2413, StMatthewMartinsburg@gmail.com
TAX ID#: 23-1489826

This gift acceptance policy is not, nor is it intended to constitute, legal advice. It is not, nor should it be viewed as, instructions or a directive from the ELCA Foundation, the Churchwide organization, or your Regional Gift Planner regarding your gift acceptance policy.

I. PURPOSE

This policy governs the acceptance of gifts by St. Matthew Lutheran Church (SMLC) and provides guidance to prospective donors and their advisors when making gifts to this congregation where all are invited to support our mission and ministry. The provisions of this policy apply- to all gifts to SMLC over and above regular giving, offering, or pledges, or specific campaign or initiative contributions. Gifts will be accepted when they support the mission, purpose, and procedures of SMLC. Donors are encouraged to bless this congregation with gifts free of restrictions. While all gifts will be considered based on the type of asset, gift transfer costs, donor restrictions, potential liabilities, mission, current needs, and other applicable factors, SMLC shall accept only such gifts as are legal and consistent with the SMLC Gift Policy, and applicable Bylaws and Constitution. While SMLC does not provide tax advice, every effort will be made to assist donors in complying with the intents and purposes of the Internal Revenue Service (IRS) for allowing charitable tax benefits.

II. COMMITTEE GUIDELINES

The Finance Committee is charged with the responsibility of reviewing gifts offered to the congregation and shall make decisions and/or form recommendations regarding gift acceptance and use according to this Gift Policy, Section V. Gift acceptance and use decisions and recommendations will be forwarded to the Congregation Council and/or the congregation for acknowledgement and/or approval in a timely fashion. Gift decisions made by the Finance Committee and/or the Congregation Council shall be reported to the congregation at a duly called congregational meeting and, when required by the Gift Policy, presented to the congregation for final approval.

- A. SMLC will accept unrestricted gifts and donor restricted gifts for specified programs and purposes, provided that such gifts are consistent with the stated mission, vision, policies and priorities of this congregation. SMLC will not accept gifts that would result in losing its status as a US Internal Revenue Code Section 501(c)(3) nonprofit organization; are deemed by the Finance Committee/Congregation Council/congregation too difficult or too expensive to administer; or be a liability, in relation to the gift value; would result in unacceptable consequences; or are for purposes outside the mission of this congregation.
- B. SMLC, as a rule, will convert all gifts to cash.
- C. Records of gift acceptance decisions and use shall be audited within this congregation's standard compliance review procedures.

- D. The Finance Committee/Congregation Council shall complete a **Gift Worksheet** (see Exhibit A) to record the gift acceptance and use decisions.
- E. The Finance Committee/Congregation Council shall offer appreciation for every donor's generosity, regardless of the acceptance decision. Often that appreciation will begin with a verbal conversation with the donor or donor's estate but will be formalized through written notice sent by US Mail, or email with read receipt requested, and signed by the current pastor, council president, and/or their designee.
- F. Recognition of the donor should not be a condition of the gift. The decision to provide acknowledgement and recognition for the gift will be the decision of the Finance Committee/Congregation Council, taking into consideration the desire of the donor and keeping with the standards and culture for the practice of appropriate gratitude for this congregation.
- G. If there are questions or concerns regarding any gift including the offer, acceptance, or use thereof, whether defined in this policy or not, the donor and/or the Finance Committee/Congregation Council members are always encouraged to consult with the ELCA Foundation's Regional Gift Planner and Foundation staff or another related professional.

III. TYPES OF GIFTS CONSIDERED

The following examples are intended to facilitate donation and acceptance of gifts offered, albeit not intended to represent an exclusive list of potential gifts nor review criteria.

- A. **Potential Gifts.** A variety of gifts can be shared with this congregation, and donors are encouraged to inform the Finance Committee/Congregation Council and/or this congregation's ELCA Foundation Regional Gift Planner of such gift plans whenever possible. Some gifts will be accepted outright, and other gifts will be reviewed on a case-by-case basis according to the documents of this congregation. The Finance Committee/Congregation Council may seek advice from attorneys, accountants, and other professionals in evaluating potential gifts. General categories of gifts include, but are not limited to:
 - 1. **Cash.** Gifts of cash will be accepted and are welcomed.
 - a. A Qualified Charitable Contribution (QCD) is a giving vehicle that allows taxpayers over age 70½ to donate to charities directly from their IRA, which would allow a donor to avoid federal income tax on this distribution. Consult with a financial professional or this congregation's ELCA Foundation Regional Gift Planner for more information.
 - b. Cash Gifts and Grants from private family foundations will be encouraged on a case-by-case basis.
 - c. Gifts from Donor Advised Funds will be encouraged.
 - 2. **Beneficiary Designations.** Gifts of assets that transfer through beneficiary designation will be accepted. Types of beneficiary designation assets include, but are not limited to:

- a. Bank and credit union accounts (commonly called a Payable on Death or POD)
- b. Bank accounts and investments of qualified or non-qualified status, including, but not limited to, annuities, mutual funds, and securities (commonly called a Transfer on Death or TOD)
- c. Charitable Gift Annuities
- d. Charitable Remainder Trusts
- e. Charitable Lead Trusts
- f. Distribution Agreements
- g. Donor Advised Funds
- h. Endowments
- i. Life insurance policies
- j. Profit sharing plans

NOTE: Sample beneficiary designation language... "St. Matthew Lutheran Church, a nonprofit organization located at 115 E. Penn St., Martinsburg, PA 16662, Federal Tax ID # 23-1489826, for general use and purpose.

- 3. Marketable Securities.** Gifts of marketable securities will be accepted when transferred electronically to a congregation-owned brokerage account; or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached; or transferred through the ELCA Foundation. All marketable securities will be sold promptly upon receipt unless otherwise directed. In some cases, marketable securities may be restricted by applicable securities laws, the terms of the proposed gift, or other stipulations. Types of publicly and non-publicly traded marketable securities include, but are not limited to:

- a. Bonds
- b. Master Limited Partnerships (MLP)
- c. Mutual Funds
- d. Real Estate Investment Trusts (REIT)
- e. Stocks
- f. Unit Investment Trusts (UIT)

NOTE: Sample language when securities are transferred through the ELCA Foundation... "For Benefit Of: "St. Matthew Lutheran Church, a nonprofit organization located at 115 E. Penn St., Martinsburg, PA 16662, Federal Tax ID # 23-1489826.

- 4. Life Insurance.** Gifts of life insurance will be accepted when this congregation is named as the sole owner of the insurance policy and an agreement is reached regarding the responsibility for payment of current and future premiums due. If the premium payments are not paid, the congregation, as policy owner, reserves the right to surrender the policy in exchange for the cash value to avoid loan balance accruals.

NOTE: Sample life insurance transfer of ownership language... "I transfer sole ownership of life insurance contract (contract #) to: "St. Matthew Lutheran Church, a nonprofit organization located at 115 E. Penn St., Martinsburg, PA 16662, Federal Tax ID # 23-1489826."

- 5. Bequests.** Gifts in the form of a bequest will be considered on a case-by-case basis. Types of bequests include, but are not limited to:
- a. Charitable Lead Trusts (CLT) or Charitable Remainder Trusts (CRT)

- b. Irrevocable Life Insurance Trusts (ILIT)
- c. Living or Revocable Trusts
- d. Testamentary Trusts or 'trust under will'
- e. Wills

NOTE: Sample bequest language... "I hereby give, devise and bequeath ___ percent (___%) of my total estate, to "St. Matthew Lutheran Church, a nonprofit organization located at 115 E. Penn St., Martinsburg, PA 16662, Federal Tax ID # 23-1489826."

- 6. Real Estate.** Gifts of real estate will be considered on a case-by-case basis. The donor shall be required to present an appraisal to SMLC no more than 60 days prior to the real estate transfer (Ref. IRS Publication 561, under "Qualified Appraisal"). Prior to acceptance of any gift of real estate, this congregation may require an initial environmental review. In the event that the environmental review warrants additional investigation, this congregation may retain a qualified firm to conduct a comprehensive environmental audit. The donor shall be responsible for the costs of the appraisal and/or any environmental studies required as a result of the environmental review and/or audit. Types of real estate include, but are not limited to:
- a. Agricultural
 - b. Commercial
 - c. Residential
 - d. Undeveloped real estate

- 7. Remainder Interests in Property.** Gifts of a remainder interest in a personal residence, farm/ranch, or vacation property (excluding time share interests) shall be considered on a case-by-case basis and shall be subject to the real estate provisions in this *Gift Policy Section III.6*. The donor or other occupants may continue to occupy the real property for the duration of their stated life or lives. Upon termination of the life interest, SMLC may use the property or reduce it to cash. Where this congregation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or life tenant(s). Remainder interests/retained life estates may be created by the following:
- a. Beneficiary Deeds
 - b. Enhanced Life Estate Deeds (aka Lady Bird deeds)
 - c. Life Estate Deeds
 - d. Transfer on Death Deeds
 - e. Wills or Revocable Living Trusts
- NOTE: Availability and types of remainder interests in property are defined by current state law.*

- 8. Closely held business interests.** Gifts of closely held business interests shall be considered on a case-by-case basis and shall be subject to the real estate provisions in this *Gift Policy Section III.6*. Types of closely held business interests include, but are not limited to:
- a. Limited Liability type organizations (LLC, LLP, etc.)
 - b. Partnerships
 - c. S-Corporations or shares
 - d. C-Corporations or shares

e. Business options/warrants

9. **Oil, Gas, and Mineral Interests and Royalties.** Gifts of oil, gas, or mineral interests and/or royalties will be considered on a case-by-case basis and shall be subject to the real estate provisions in this *Gift Policy Section III.6.*

NOTE: A working interest shall not be accepted.

10. **Agricultural Commodities.** Gifts of commodities from cash basis farmers (excluding crop share landlords), including gifts of grain (e.g., soybeans, corn, wheat, et al.), will be considered on a case-by-case basis and shall be subject to the real estate provisions in this *Gift Policy Section III.6.*, provided the gift is from unsold crop inventory with no sale commitment made prior to the gift. The donor must give up “dominion and control” of the commodity and cannot sell the grain and order the proceeds to be sent to SMLC. This congregation assumes risk after the transfer to include storage, transportation, and marketing costs as well as price risk. The transaction must be well documented to show SMLC as the owner (i.e., commodity is delivered and a warehouse receipt is executed to the congregation, or a notarized letter of transfer for crops stored on the farm).

11. **Intellectual Property.** Gifts of intellectual property will be considered on a case-by-case basis. The donor and this congregation are encouraged to consult with an estate attorney/legal counsel before offering and/or accepting this gift.

Types of intellectual property include, but are not limited to:

- a. Copyrights
- b. Patents
- c. Trademarks

12. **Tangible Personal Property.** Gifts of tangible personal property will be considered on a case-by-case basis. The Finance Committee/Congregation Council may refer to IRS Publication 561 for guidelines in the valuation of different kinds of personal property. [IRS.gov/pub/irs-prior/p561--2020.pdf](https://www.irs.gov/pub/irs-prior/p561--2020.pdf)

13. **In-Kind Donations.** Gifts of in-kind goods or services given by a business or business owner, or a donor willing to pay for such goods or services on behalf of SMLC, will be considered on a case-by-case basis. In-Kind donations will be acknowledged in writing by this congregation, but as per Internal Revenue Service (IRS) Guidelines, will not be valued by, nor provided a receipt for charitable contribution by this congregation. It is the donor’s responsibility to complete and file IRS Form 8283 for any and each noncash contribution more than \$500. (Ref. IRS Publication 561 “*Determining the Value of Donated Property*”)

B. Gift Review Criteria

- Does the gift further the mission or help fulfill the purpose of this congregation?
- Is the gift easy to convert to cash, readily marketable, or are there restrictions on the use, display, or sale of the gift?
- Are there covenants, conditions, restrictions, reservations, easements, encumbrance, or other limitations associated with the gift?
- Are there any carrying costs (e.g. insurance, property or other taxes, mortgages, or notes), or maintenance expenses that outweigh the benefit of the gift?

- Does the environmental review or audit reflect that the property warrants additional investigation or otherwise requires remediation?
- Does the property have liabilities or other considerations that make receipt of the gift inappropriate?
- Any other criteria determined to be applicable by the Finance Committee and Congregation Council.

IV. GIFT VALUATION

Gift Valuation. For gifts of real estate and personal property valued at more than \$5,000, acquiring an independent assessment or appraisal shall be the responsibility of the donor or donor's estate. Appraisal of all non-cash gifts must take place within 60 days (Ref. IRS Publication 561 "*Determining the Value of Donated Property*" under "Qualified Appraisal"). NOTE: The ELCA Foundation can be a resource to help determine the necessary appraisal information.

V. USE OF UNRESTRICTED GIFTS

An unrestricted gift is given without any stipulation for its use and is accepted to support the mission and ministry of SMLC. This *Gift Policy* defines three categories of unrestricted gifts and offers related protocols for each to honor the time and expertise held by the Finance Committee/Congregation Council:

- Unrestricted gifts with a value less than ten thousand dollars (\$10,000) may have the acceptance and use decisions managed by the Finance Committee/Congregation Council in accordance with this policy.
- Unrestricted gifts with value greater than ten thousand dollars (\$10,000) and less than fifty thousand dollars (\$50,000) may have the acceptance and use decisions recommended by the Finance Committee and approved by the Church Council/ Congregation in accordance with this policy.

The congregation shall offer a contribution of ten percent (10%) of the net gift to the St. Matthew Third Century Endowment Fund.

- Unrestricted gifts with value equal to or greater than fifty thousand dollars (\$50,000) may have the acceptance and use decisions recommended by the Finance Committee and approved by the Congregational Council in accordance with this policy.

The congregation shall offer a contribution of 5 percent (5%) of the total net to the St. Matthew Third Century Endowment Fund.

VI. USE OF RESTRICTED GIFTS AND GUIDELINES

A restricted gift is given with specific stipulations for its use and is accepted to support the mission and ministry of this congregation through the donor's defined restrictions. Gifts with specific donor defined restrictions will be considered on a case-by-case basis with the understanding that the funds are to be used as requested by the donor.

NOTE: Once a gift is accepted, donors may not direct the way a gift is invested or utilize beyond the stipulated restriction(s). In accordance with the Internal Revenue Service, donors cannot claim tax favor or retain control over gifts to charity.

- A. Donors should be aware that programs offered by this congregation may be discontinued, renamed, modified, or incorporated into other programs, therefore a donor who makes a restricted gift, whether in the form of a current gift or through an estate plan, is strongly encouraged to complete the **Restriction and Release Form** (see Exhibit B). The Finance Committee shall make the *Restriction and Release Form* readily available in the office and through the website of this congregation.
- B. Restricted gifts established prior to the approval of this policy or received without the accompaniment of a *Restriction and Release Form* shall be reviewed by the Finance Committee, the Council, and potentially this congregation to determine if the gift shall be accepted. This congregation may also consult legal counsel and this state's Attorney General to determine the requirements to lift a donor restriction if necessary.
- C. If a donor wishes to establish a named endowment, the gift should/shall meet the following requirements:
 - 1. Must be valued at twenty-five thousand dollars (\$25,000.00) or greater.
 - 2. May be named after the original donor.
 - 3. Can accept contributions from other donors.
 - 4. Become an asset of this congregation.
- D. Donors wishing to establish a named endowment may also be encouraged to contact the ELCA Regional Gift Planner for assistance.
- E. These steps apply to all restricted gifts except for named endowments unless there is time-limitation on the endowment.
 - Step 1:** The congregation shall apply the full proceeds of the gift to the restriction defined by the donor.
 - Step 2:** In the rare event the gift is unable to be used as intended by the donor due to a lack of funding, need, or program; and after a review period of at least twelve (12) months; and in alignment with the restriction release requirements of this congregation and this state, the gift may become unrestricted and the balance of the gift (including any accumulated interest) may be utilized as an unrestricted gift as described in the *Gift Policy, Sec. V*.

VII. MEMORIAL AND HONORARY GIFTS

- A. Memorial and honorary gifts include gifts given in memory or honor of loved ones, friends, or others and may be unrestricted or restricted.
- B. Memorial and honorary gifts given to the congregation are subject to the same guidelines for gift acceptance, appreciation, valuation, and use as defined in the *Gift*

Policy Sections III, IV, V and VI. Accepted gifts shall be deposited in the Memorial Fund of SMLC.

- C. Notification shall be provided to the individual, family, or the individual's estate, listing the donors who contributed a memorial or honorary gift.

VIII. GIFT POLICY REVIEW

This policy shall be reviewed every three (3) years by the Finance Committee and the Church Council. The initial review will commence in the year two thousand and twenty-six (2026).

IX. RESOURCES

- A. The **ELCA Foundation**, through Regional Gift Planners and support staff, offer gift planning services at no charge to this congregation and their donors. Visit **www.elcafoundation.org** or call **800-638-3522** to connect with the ELCA Foundation Regional Gift Planner that supports this congregation.

- B. **Donors are also encouraged to consult with their personal tax advisor, estate attorney and/or financial advisor for specific tax, legal, and investment information. SMLC does not provide any tax, legal, or investment advice.**

Date Approved:		Approved by:		
Date Reviewed:		Reviewed by:		Approved by:

Gift Acceptance and Use Policy Summary

St. Matthew Lutheran Church

115 East Penn Street, Martinsburg, PA 16662
814-793-2413, StMatthewMartinsburg@gmail.com
TAX ID#: 23-1489826

This document is a summary of the full Gift Acceptance and Use Policy adopted by St. Matthew Lutheran Church (SMLC), intended to offer an overview of how this congregation will handle cash and non-cash gifts offered beyond regular giving. The full policy is available in the office and on the SMLC website.

- The Finance Committee of St. Matthew Lutheran Church (SMLC) has responsibility for reviewing and making decisions regarding acceptance and use of gifts offered to the congregation, using the guidelines of the current Gift Acceptance and Use Policy of this congregation.
- The Finance Committee will consider gifts of cash, gifts through beneficiary designation (e.g., bank accounts, annuities, endowments, life insurance policies, etc.), marketable securities, bequests, other non-cash gifts and in-kind donations.
- As a general rule, SMLC will convert all gifts to cash.
- Valuation of non-cash gifts to SMLC shall be the responsibility of the donor or the donor's estate.
- Unrestricted gifts with a value of less than \$10,000 will be placed in the SMLC General Fund.
- Unrestricted gifts with a value equal to or greater than \$10,000 and less than \$50,000:
 - 10% of the gift shall be deposited in the SMLC Third Century Endowment Fund
 - The remainder may be distributed as recommended by Finance Committee
- Unrestricted gifts with a value of \$50,000:
 - 5% of the gift shall be deposited in the SMLC Third Century Endowment Fund
 - The remainder shall be distributed as recommended by Finance Committee
- Gifts with specific donor-defined restrictions will be considered on a case-by-case basis by the Finance Committee. Donors who choose to restrict the use of a gift to SMLC are encouraged to complete a Restriction and Release Form.
- Memorial and honorary gifts of any size given to SMLC shall be handled according to the Gift Acceptance and Use Policy, and donor names will be recorded in the congregation's memorial registry.

The **ELCA Foundation**, through Regional Gift Planners and support staff, offer gift planning services at no charge to SMLC and its donors. Visit www.elcafoundation.org or call **800-638-3522** to connect with the ELCA Foundation Regional Gift Planner that supports this congregation.

Donors are also encouraged to consult with their personal tax advisor, estate attorney and/or financial advisor for specific tax, legal, and investment information. St. Mathew Lutheran Church does not provide any tax, legal, or investment advice.

GIFT WORKSHEET

St. Matthew Lutheran Church
115 East Penn Street, Martinsburg, PA 16662
814-793-2413, StMatthewMartinsburg@gmail.com
TAX ID#: 23-1489826

Date: _____ Donor Name(s): _____

Gift Amt: _____

Gift Type: _____

Gift Use: Restricted Unrestricted
 Restriction Release Form on file

Donor Restriction: _____

Gift Status: Rejected
 Accepted

Reason for Rejection: _____
Donor Contact By: _____
Date: _____

1.	\$
2.	\$
3.	\$
4.	\$
5.	\$
6.	\$
TOTAL:	\$

<input type="checkbox"/> Thank you Letter Sent	<input type="checkbox"/> Rejection Letter Sent
Church Council Approval: _____	Date: _____
Gift Distribution Completed By: _____	Date: _____

RESTRICTION AND RELEASE FORM

St. Matthew Lutheran Church

115 East Penn Street, Martinsburg, PA 16662
814-793-2413, StMatthewMartinsburg@gmail.com
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Undesignated and unrestricted gifts offer the best opportunities for St. Matthew Lutheran Church to direct your gift to where it is most needed to impact our mission. We have adopted a gift policy that explains how we will use such gifts, and we are happy to share this information with you.

Donor Name(s): _____

Donor Address: _____

Date: _____ **Amount:** _____

Is this a gift to the Third Century Endowment? Yes No

Donor Restriction:

Donor Release:

In the event a restricted gift to St. Matthew Lutheran Church, or part thereof, is unable to be used due to lack of program, need, or funding, as determined by the Finance Committee or the Church Council, the gift will become unrestricted after a minimum of twelve (12) months beyond the restriction's useful life, to assure the restriction is no longer applicable. The gift or contribution along with any remainder, unused portion, accumulated interest, or growth will be managed according to the unrestricted gift guidelines in St. Matthew's Gift Policy.

I/We understand and agree to the terms and conditions defined in St. Matthew Lutheran Church's Gift Policy and represented in this release form.

Donor Signature: _____ **Date:** _____

Donor Signature: _____ **Date:** _____

Restriction Acceptance:

St. Matthew Lutheran Church accepts the restriction offered by the donor(s) and agrees to honor that request as defined by the congregation's Gift Policy and as represented by this release form.

Representative Name and Title: _____

Representative Signature: _____ **Date:** _____