

**Gift Acceptance Policy of
The Episcopal Diocese of West Tennessee
Adopted by Bishop and Council of the Diocese on 10.26.2017**

INTRODUCTION

The Episcopal Diocese of West Tennessee (hereafter “the Diocese”) is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Diocese encourages donors to make it a priority when considering charitable contributions. The Diocese gladly accepts donations for the support of its programs and facilities provided they are in keeping with its vision and mission.

The Diocese's goal is to encourage funding of projects and programs without encumbering it with gifts that may generate more cost than benefit or which are restricted in such a way as to not be in keeping with its vision and mission. The Diocese reserves the right to refuse gifts of any type.

MAKING A GIFT

Outright gifts are current contributions of cash, stocks, bonds, mutual fund shares, real estate, and personal property. The donor may benefit from tax deductions based upon the current value of any such gift and is encouraged to consult with his or her tax specialist for details. Outright gifts accepted by the Diocese include:

- **Cash** – accepted as single or multiple payments and include cash, checks, Electronic Funds Transfer, credit card charges, and IRA distributions.
- **Marketable securities** - publicly traded stocks, bonds, and mutual funds. When the securities are in "street name," they are transferred to the Diocese's account. The Diocese will sell the securities immediately upon receipt and utilize the proceeds as directed by the donor.
- **Stock/Ownership interests in privately-owned companies** – To be accepted, such stocks must have a qualified appraisal performed by an independent professional appraiser. If immediately marketable, the stocks are sold. If not, any certificates will be held until they can be redeemed. This includes ownership interests in C-Corporations, S-Corporations, LLCs, LLPs, and any other corporate entity. Prior to acceptance, such gifts are reviewed and approved by the Bishop of the Diocese or his or her appointed representative(s).
- **Real estate** – “real property.” Prior to acceptance, any gifts of real estate must be reviewed and approved by the Bishop of the Diocese or his or her appointed representative(s). Concerns include, but are not limited to legality, appraisals, mortgages, easements, restrictions, operating expenses/taxes and environmental problems.
- **Tangible personal property** – any tangible asset not considered “real property.” The property must be saleable and the donor must agree that the property can be sold unless the Diocese agrees to use the property for a purpose related to its exempt purpose. At least one qualified appraisal by an Independent professional is required. Prior to approval, such gifts are reviewed by the Bishop of the Diocese, his or her appointed representative(s), and/or legal counsel.

Deferred or Planned gifts are a broad description for gifts that provide a deferred benefit. Final designation of such gifts should be clearly stated and approved by the Bishop of The Diocese, his or

her appointed representative(s), and legal counsel. Deferred or planned gifts accepted by The Diocese include:

- **Charitable gift annuities (or Deferred gift annuities)** - a contract between The Diocese and the donor pursuant to which the beneficiaries of the annuity receive payments for their lifetime based on the amount of the gift and their age at the time the annuity is established. The donor may designate the use of the remainder value of the annuity which becomes available at the death of the beneficiaries.
- **Charitable remainder trusts** – a legal entity created by the donor pursuant to which the trustee of the trust invests the trust assets and makes fixed or variable payments to the named beneficiaries for life or a term of up to 20 years. The donor may designate the use of the remainder interest of the trust which will become available at the end of the term.
- **Charitable lead trusts** - a legal entity created by the donor pursuant to which the trustee of the trust invests the trust assets and makes fixed or variable payments to charity for a measuring lifetime or term of up to 20 years. At the end of the term, the remaining trust assets are returned to the donor's named beneficiaries. The donor may designate the use of the charitable gifts from the lead trust. The minimum gift to establish a lead trust is \$500,000.
- **Estate gifts** – a variety of provisions a donor may make for Diocese in his or her estate plans including will and revocable trust provisions, designations in life insurance policies, and/or designations in retirement assets.
- **Life insurance** – may be transferred to The Episcopal Diocese of West Tennessee with the understanding that if they are not fully paid the donor will make annual gifts in the amount of the premiums. Diocese may also be named as the beneficiary of a life insurance policy that the donor wishes to retain.

The Diocese does not have the staff or facilities to administer payments, investments, or manage the associated risks associated with all of these gifts. Gifts that create long-term financial risks for the Diocese may be refused or resold to a third party to eliminate the risks. The Diocesan staff or appointed representative(s) will work with the donor's attorney and other advisors to assist in accomplishing the donor's goals. In some cases, the Episcopal Church Foundation may be a resource.

Further considerations for deferred gifts include:

- The organization's legal name is The Episcopal Diocese of West Tennessee
- The Diocese (or its agent) shall not act as an executor (personal representative) for a donor's estate.
- The Diocese (or its agent) shall not act as trustee of a charitable remainder trust.
- All information obtained from or about donors/prospects shall be held in the strictest confidence by the Diocese and its staff.
- The Diocese will seek qualified professional counsel in the exploration and execution of all planned gift agreements.
- The Diocese reserves the right to decline any gift that does not further the mission or goals of the Diocese. Also, any gift that would create an administrative burden or cause the Diocese to incur excessive expenses may be declined

.FUND TYPES

Current use funds are resources received that are available for immediate expenditure to carry out the mission of the Diocese. **Current restricted funds** have donor-imposed limitations placed on their use, but are intended for immediate use. Such funds are held in money market accounts and exhausted as qualified expenses are incurred. **Current unrestricted funds** have no limitations placed on them by donors and are available for immediate use as determined by the Bishop of the Diocese.

Endowment funds are resources received that help provide a sustainable level of support for the Diocese. **Restricted endowments** are amounts that have been contributed with donor-specified restrictions that the gift be invested in perpetuity; income from those investments may also be restricted for a specific purpose by the donor (only a donor can permanently endow a fund). **Unrestricted endowments** are amounts that have been contributed for general purpose use and have no donor-specified restrictions. Donors may restrict the use of the initial contribution amount, allowing the income and market value appreciation to be spent on general operating purposes at the discretion of the Diocese.

ESTABLISHING A GIFT FUND

General Policies

The Diocese will graciously accept current use fund gifts in any amount. To ensure that the Diocese adheres to donor preferences when establishing and designating funds and making expenditures, and to guard against the creation of idle funds resulting from overly restrictive clauses, the following should general policies should be considered with each gift.

- Gift/fund terms and restrictions should accurately reflect donor intention and allow for maximum use and spending flexibility.
- Use of the gift/fund may not be administered by a donor, group of donors, or designees outside of Diocese.
- Questions regarding the appropriateness of terms stipulated by a donor should be referred to the Bishop of the Diocese and/or his or her appointed representative(s).

Minimum Gift Levels

Gifts made for current use in excess of \$200,000 may, at the donor's request or the preference of the Diocese, be placed for investment with other endowment funds. Placement of such funds with endowed investments will not constitute a restriction by either the donor or the Diocese.

The Diocese encourages donors to make gifts of less than \$25,000 as current use funds. Requests to make donations of less than \$25,000 as endowed funds must be approved by the Bishop of the Diocese or his or her appointed representative(s).

The minimum gift to create a new named endowment, whether restricted or unrestricted, is \$500,000.

Spending and Investment Policies

Donors acknowledge that the Diocese has a separate spending policy that may change from time to time. A copy of the current spending policy is attached.

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Donors acknowledge that endowment funds may be invested in a pooled account. If so, each specific endowment account will be assigned "units" of the pooled investment portfolio and any restricted income will be allocated based on the units of the whole.

Investment strategy and oversight of all endowment funds of the Diocese are assigned to The West Tennessee Endowment Corporation. The West Tennessee Endowment Corporation reports quarterly as to the fund balances, available income, and performance of the endowment funds. The West Tennessee Endowment Corporation does not direct spending of available funds.