

CONGREGATIONAL GIFT POLICY

St. Luke's Lutheran Church

Middleton, WI
November 20, 2017

Purpose

To give a written process to all constituents of our congregation that outlines what types of property are acceptable as gifts above and beyond pledges or plate offerings, and how decisions are made for its use.

This policy will answer 2 core questions:

1. How can I provide a gift to the congregation?
2. How will the congregation use my gift?

Elements of a Gift Policy

1. Gift Acceptance
 - a. Defines *who* will decide if gift is *accepted*
 - b. Defines *what* gifts will be *considered*
2. Gift Use
 - a. Defines *who* will decide how gifts are used
 - b. Outlines process and guidelines to determine *how* gifts are used
3. Ways to Make a Gift
 - a. Cash or check
 - b. Asset transfer
 - c. Beneficiary designation
 - d. Deferred gifts
 - e. Bargain sale

Gift Policy

1. When an asset is **offered** to our congregation through an estate, or from a living individual, family, or other legal entity that is above and beyond a regular pledge/plate offering, Church Council with Senior Pastor input, will determine if the gift is **accepted**.
2. Our congregation is willing to **consider** the following types of assets:
 - a. Cash
 - b. Securities
 - c. Publicly traded securities
 - i. Stocks
 - ii. Bonds
 - iii. Mutual funds
 - iv. Options/warrants
 - v. Other marketable securities traded on public exchanges
 - d. Non-publicly traded securities
 - i. REITS
 - ii. MLPs
 - iii. Closely held business interests
 1. Partnership units
 2. Limited liability companies
 3. S-Corp shares
 4. C-Corp shares

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5. Options/warrants

- e. Life insurance (assignment of ownership) – permanent type with cash value
 - f. Real property
 - i. Residential
 - ii. Commercial
 - iii. Life estate
 - g. Tangible personal property
 - i. Vehicles
 - ii. Jewelry
 - iii. Books
 - iv. Art
 - v. Collections
 - h. Other property
 - i. Mineral rights
 - ii. Royalties
 - iii. Notes/mortgages
 - iv. Copyrights
 - v. Patents
 - vi. Trademarks
 - vii. Oil and gas interests
 - viii. Bargain sales: congregation purchases an asset for less than fair market value
3. If our congregation decides to decline the gift, the donor or donor's estate will be contacted by written notice and by verbal notification.
4. If our congregation accepts a restricted gift, which is defined as an asset that a donor has given to our congregation with limitations to how it can be used, Church Council and Senior Pastor will be notified, in writing, of the gifts receipt.
5. If our congregation accepts an unrestricted gift (over \$1,000 in value) which is defined as an asset that a donor has given our congregation without any limitation of its use, Church Council with Senior Pastor input, will determine how it will be used.
6. If our congregation accepts an unrestricted gift (\$1,000 or less in value) which is defined as an asset that a donor has given our congregation without any limitation of its use, the Senior Pastor will determine how it will be used.
7. If the gift is restricted, but the funds are unable to be used due to the lack of program or need, as determined by Church Council, with Pastor input, the gift will become unrestricted after a period of 2 years. The gift will then begin the unrestricted gifts process, as outlined in this document, to determine how it will be used.

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8. This Congregational Gift Policy will be reviewed every 5 years. The next policy review date is October 2022.

Ways to Make a Gift

1. Cash, check, or money order
2. Beneficiary designations – primary or secondary/contingent
 - a. Retirement accounts
 - i. IRA
 - ii. 401(k)
 - iii. 403(b)
 - iv. Annuity
 - b. Individual or joint bank/brokerage accounts
 - i. Transfer on death
 - ii. Payable on death
 - c. Life insurance
 - d. Distribution from donor advised fund or named endowment
 - e. Living trust
 - f. Will
 - g. Real estate
 - i. Transfer of deed on death
3. Asset transfer
 - a. Transfer securities from your brokerage account directly to our congregation's brokerage account, or use the ELCA Foundation to facilitate the transfer.
 - b. Transfer a title or deed to our congregation.
 - c. Assign ownership of life insurance to our congregation, or ELCA Foundation, FBO (for benefit of) our congregation.
4. Deferred gifts
 - a. Charitable gift annuity
 - b. Charitable remainder trust
 - c. Donor advised fund
 - d. Named endowment
 - e. Life estate
5. Bargain sale
 - a. Sell an asset to our congregation below fair market value.

Resources:

ELCA Foundation: 800-638-3522 elca.org/foundation

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