

GIFT POLICY

CHRIST THE KING LUTHERAN CHURCH
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I. PURPOSE

This policy governs the acceptance of gifts by Christ the King Lutheran Church 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 Christ the King Lutheran Church over and above regular giving, offering, or pledges. Gifts will be accepted when they support the mission, purpose, and procedures of Christ the King Lutheran Church. Donors are encouraged to bless this congregation with gifts free of restrictions. 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. Christ the King Lutheran Church shall accept only such gifts as are legal and consistent with the Christ the King Lutheran Church Gift Policy, and applicable Bylaws and Constitution. While Christ the King Lutheran Church 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 for allowing charitable tax benefits.

II. GIFT COMMITTEE GUIDELINES

The Gift Committee shall be appointed by the congregation in accordance with the constitution of Christ the King Lutheran Church.

- a. The Gift Committee shall be comprised of at least four (4) members, including the Pastor of this congregation and at least three (3) lay members.
- b. All members of the Gift Committee shall have equal voice and vote privileges to address the business of the Gift Committee.
- c. The Gift Committee term shall last for three (3) years, with a limit of two (2) consecutive terms, except for the Pastor.
 - i. The initial Gift Committee terms will be established on a staggered basis so that the initial term of the three (3) lay members will be as follows:
 1. At least one (1) member will serve a one (1) year term.
 2. At least one (1) member will serve a two (2) year term.
 3. At least one (1) member will serve a three (3) year term.
 - ii. After a three (3) year hiatus, a lay member would be eligible to serve on the Gift Committee again.
- d. The Gift Committee shall name a committee chairperson.
- e. If a member of the Gift Committee is unable to fulfill their term, the Congregational Council shall appoint a replacement for the remainder of that term.
- f. All motions shall pass with a majority vote.
- g. A quorum shall be met when there are at least three (3) of the four (4) members present. In the event there are only three (3) members present, all motions will pass with a unanimous vote.
- h. The Gift Committee shall meet at least annually, or as needed.

- i. The Gift Committee shall report to the Congregation at least annually, or as needed.
- B. The Gift 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 in this *Gift Policy Section IV*. Gift acceptance and use decisions and recommendations will be forwarded to the congregation council and/or the congregation for acknowledgement and/or approval. Gift decisions made by the Gift Committee, the congregation council, and/or the congregation shall be reported to the congregation at the annual meeting and, when required by the constitution, presented to the congregation for final approval.
- C. The Gift Committee is charged with maintaining the 'Needs/Wants/Goals' list; making it readily accessible to all members of this congregation; and inviting congregation engagement on a regular basis. The purpose of this list is to collect ideas of unbudgeted ministry priorities that could be addressed when this congregation receives gifts above and beyond a donors regular giving, offering or pledges.
- D. Christ the King Lutheran Church will accept unrestricted gifts and donor restricted gifts for specified programs and purposes, provided that such gifts are consistent with the stated mission, vision, and priorities of this congregation. Christ the King Lutheran Church 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 Gift Committee 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.
- E. Christ the King Lutheran Church, as a general rule, will convert all gifts to cash.
- F. The Gift Committee shall complete a **Gift Worksheet** (see Exhibit A) to record the gift acceptance and use decisions.
- G. The Gift Committee shall offer appreciation for every donor's generosity, regardless of the decision to accept or decline the gift. 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 a current Pastor or Gift Committee chairperson or their designee.
- H. Recognition of the donor should not be a condition of the gift. It is the general practice of this congregation to not include inscriptions, plaques, or other naming considerations. However, it is important to this congregation that donors feel appreciated for their generosity so when appropriate, all donor names will be included in the annual report to the congregation.

- I. 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 Gift Committee members are encouraged to consult with the ELCA Foundation's Regional Gift Planner and advisory staff or other related professional.

III. TYPES OF GIFTS CONSIDERED

The following examples are intended to facilitate donation and acceptance of gifts offered, but they are 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 Gift Committee and/or this congregations 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. All gifts will be reviewed and approved according to the constitution of this congregation. General categories of gifts include, but are not limited to:

- a. **Cash** – Gifts of cash will be accepted and are welcomed.
- b. **Beneficiary Designations** – Gifts of assets that transfer through beneficiary designation will be accepted. Types of beneficiary designation assets include, but are not limited to:
 - i. Bank and credit union accounts
 - ii. Bank accounts and investments of qualified or non-qualified status, including, but not limited to, annuities, mutual funds, and securities
 - iii. Charitable Gift Annuities
 - iv. Charitable Remainder Trusts
 - v. Charitable Lead Trusts
 - vi. Distribution Agreements
 - vii. Donor Advised Funds
 - viii. Endowments
 - ix. Life insurance policies

NOTE: Sample beneficiary designation language... "Christ the King Lutheran Church, a nonprofit organization located at 950 Vindicator Drive, Colorado Springs, CO 80919, Federal Tax ID #84-1179812, for general use and purpose."

- c. **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 to 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:

- i. Bonds
- ii. Master Limited Partnerships (MLP)
- iii. Mutual Funds
- iv. Real Estate Investment Trusts (REIT)
- v. Stocks

NOTE: Sample language when securities are transferred through the ELCA Foundation... "For Benefit Of: Christ the King Lutheran Church, a nonprofit organization located at 950 Vindicator Drive, Colorado Springs, CO 80919, Federal Tax ID #84-1179812."

- d. **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: Christ the King Lutheran Church, a nonprofit organization located at 950 Vindicator Drive, Colorado Springs, CO 80919, Federal Tax ID #84-1179812."

- e. **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:

- i. Wills
- ii. Living Trusts
- iii. Testamentary Trusts or 'trust under will'
- iv. Irrevocable Life Insurance Trusts (ILIT)
- v. Charitable Lead Trusts (CLT) or Charitable Remainder Trusts (CRT)

NOTE: Sample bequest language... "I hereby give, devise and bequeath ten percent (10 %) of my total estate, to Christ the King Lutheran Church, a nonprofit organization located at 950 Vindicator Drive, Federal Tax ID #84-1179812, for general use and purpose."

- f. **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 Christ the King Lutheran Church no more than 60 days prior to the real estate transfer. 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:

- i. Agricultural
- ii. Commercial

- iii. Residential
- iv. Undeveloped real estate

NOTE: For gifts of real estate and other personal property, acquiring an independent assessment or appraisal shall be the responsibility of the donor or donor's estate. Appraisals may be facilitated by this congregation to determine the comprehensive evaluation and impact of the gift. Appraisal of all non-cash gifts must take place within 60 days.

NOTE: The ELCA Foundation can be a resource to help determine the necessary appraisal information.

- g. **Remainder Interests in Property** – Gifts of a remainder interest in a personal residence, farm/ranch, or vacation property (excluding time share interests) will be considered on a case-by-case basis and shall be subject to the real estate provisions in this *Gift Policy Section III.f*. 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, Christ the King Lutheran Church 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). Types of remainder interests include, but are not limited to:

- i. Life Estate Deeds
- ii. Enhanced Life Estate Deeds (aka Lady Bird deeds)
- iii. Transfer on Death Deeds

NOTE: Availability and types of remainder interests in property are defined by current state law.

- h. **Closely held business interests** – Gifts of closely held business interests will be considered on a case-by-case basis and shall be subject to the real estate provisions in this *Gift Policy Section III.f*. Types of closely held business interests include, but are not limited to:

- i. Partnerships
- ii. Limited Liability Organizations (LLC, LLP, etc.)
- iii. S-Corporations or shares
- iv. C-Corporations or shares
- v. Business options/warrants

- i. **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.f*.

NOTE: A working interest shall not be accepted.

- j. **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.f*, 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 Christ the King Lutheran Church. 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 Christ the King Lutheran Church 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).

- k. **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:
 - i. Copyrights
 - ii. Patents
 - iii. Trademarks
- l. **Tangible Personal Property** – Gifts of tangible personal property will be considered on a case-by-case basis and are subject to this *Gift Policy Section IV*.

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 Gift Committee.

IV. 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 Christ the King Lutheran Church. All unrestricted gifts shall be used to address the ‘Needs/Wants/Goals’ of this congregation. This Gift Policy defines two categories of unrestricted gifts and offers related protocols for each in an effort to honor the time and expertise held by the Gift Committee:

- A. Unrestricted gifts with a value less than five-thousand dollars (\$5,000) shall have the acceptance and use decisions managed by the Congregation Council in accordance with this policy.

- B. Unrestricted gifts with value of five-thousand dollars (\$5,000) or greater shall have the acceptance and use decisions recommended by the Gift Committee and approved by the Congregation Council in accordance with this policy.

- Step 1:** This congregation shall promptly contribute an outside gift of ten percent (10%) of the total gift, often referred to as a tithe.
- At least half of the tithe will be shared with the Rocky Mountain Synod of the ELCA.
 - No more than half of the tithe will be shared in any combination with the following:
 - An ELCA Churchwide organization or program, examples:
 - ELCA American Indian and Alaska Native Ministry
 - ELCA Domestic Mission, Global Mission, Youth and Global Mission
 - ELCA Fund for Leaders
 - ELCA Lutheran Disaster Response
 - ELCA World Hunger
 - Lutheran Immigration and Refugee Services (LIRS)
 - An ELCA-related organization or program, examples:
 - Lutheran Campus Ministry – Colorado State University, University of Colorado, University of Northern Colorado, Auraria Campus
 - Outdoor Ministry – Sky Ranch Lutheran Camp
 - Urban Servant Corps, Border Servant Corps
 - A local charitable organization, examples:
 - Westside Cares

- Step 2:** This congregation shall use the remaining funds to address the current needs, wants, and goals of Christ the King Lutheran Church.

V. USE OF RESTRICTED GIFTS

Gifts with specific restrictions accepted by Christ the King Lutheran Church are received with the understanding that the funds are to be used as requested by the donor. Donors should be aware that programs offered by the 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 Release Form** (see Exhibit B). The Gift Committee shall make the **Restriction Release Form** readily available in the office and through the website of this congregation. Restricted gifts established prior to the approval of this policy or received without the accompaniment of a **Restriction Release Form** shall be reviewed by the Gift Committee, the Congregation Council, and potentially the 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.

NOTE: Donors may not direct the way a gift is invested or utilized by the congregation. In accordance with the Internal Revenue Service, donors cannot claim tax favor or retain control over gifts to charity.

- 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 Section IV*.

VI. MEMORIAL AND HONORARY GIFTS

Memorial and honorary gifts include gifts given in memory or honor of loved ones, friends, or others and may be unrestricted or restricted. Memorial and honorary gifts are subject to the same guidelines for gift acceptance, appreciation, valuation, and use as defined in the *Gift Policy Sections III, IV, and V*. Notification shall be provided to the individual, family, or the individual’s estate, listing the donors who contributed a memorial or honorary gift.

VII. GIFT POLICY REVIEW

This policy shall be reviewed every three (3) years by the Gift Committee and the Congregation Council at the annual Council Retreat. The initial review will commence in the year two thousand and twenty-three (2023).

VIII. RESOURCES

The **ELCA Foundation**, through Regional Gift Planners and support staff, offer gift planning services at no charge to congregations and 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. Christ the King Lutheran Church does not provide any tax, legal, or investment advice.

Date Approved:	10/13/2020	Approved by:	Council	
Date Reviewed:		Reviewed by:		Approved by: