

**Gift Acceptance Policy for the  
Permanent Endowment Fund  
of  
First United Methodist – Los Alamos NM**



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## **GIFT ACCEPTANCE POLICY for the PERMANENT ENDOWMENT FUND**

### **FIRST UNITED METHODIST CHURCH, LOS ALAMOS, NEW MEXICO**

#### **PURPOSE**

The Permanent Endowment Fund Committee of the First United Methodist Church, Los Alamos, New Mexico, was established by Charge/Church Conference action on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_. One of its responsibilities is to review gifts to the Permanent Endowment Fund for acceptance or rejection. The purpose of this Gift Acceptance Policy is to describe the type of gifts that can be accepted and the manner in which they can be accepted.

Such a policy will facilitate giving by allowing the Permanent Endowment Fund Committee (hereafter referred to as The Committee) to respond quickly in the affirmative, where appropriate, and to seek broader approval before acceptance, where necessary. It will guide and encourage the Committee to decline gifts that are not appropriate to the church's ministry. It will encourage funding of the Permanent Endowment Fund without encumbering the organization with gifts which may prove to generate more cost than benefit, or which are restricted in a manner that is not in keeping with the goals of the church.

A major goal will be to assure all donors are given equal consideration.

#### **INTRODUCTION**

The Committee reserves the right to decline or otherwise refuse any gift offered to the church, with or without cause. Reasons for which a gift may be declined include, but are not limited to the following:

1. The Committee does not believe it is in the best interest of the church or the Fund to abide by the restrictions placed on the gift by the donor.
2. The costs to maintain the gift or to meet the restrictions placed on the gift by the donor are considered to be excessive for the Fund.
3. The gift is considered to be inappropriate or unrelated to the tax-exempt purposes of the church or the Fund.
4. The gift is designated to benefit or to be channeled to a specific individual.

The Committee will reach a decision to accept or reject a gift in a timely manner, as circumstances permit. The purpose and use of gifts must be in accord with the Social Principles of the United Methodist Church.

## **GIFT ACCEPTANCE TERMS AND CONDITIONS**

All gifts will be acknowledged by written confirmation of the gift and of any terms and conditions of the gift acceptance. All information concerning donors and prospective donors, including their names, names of beneficiaries, the amount and type of the gift, aspects relating to their estates, etc., shall be kept strictly confidential except when donors permit the release of such information.

### **I. OUTRIGHT GIFTS**

#### **A. CASH**

1. Gifts in the form of cash and checks shall be accepted in any amount.
2. All checks must be payable to First United Methodist Church Permanent Endowment Fund and in no event shall they be made payable to an employee, agent, or volunteer for credit to the church.

#### **B. PUBLICLY TRADED SECURITIES**

Securities that are traded on the exchanges shall be accepted by the church. If the gift is deemed acceptable to the Committee, the gift will immediately be sold in a manner deemed most appropriate by the Committee.

#### **C. REAL PROPERTY**

1. All gifts of real property must have the approval of the church trustees and a fair market value in excess of \$10,000. All costs of transferring will be borne by the donor. Value of the gift must exceed the cost of transference.
2. Prior to approval, the Committee shall make a recommendation for accepting the real estate and shall include a report on (but not limited to) the following:
  - current title and ownership
  - current zoning
  - any and all restrictions
  - encumbrances, including an Affidavit of Lien signed by the Donor
  - an independent qualified third party appraisal
  - an environmental audit
  - a recommendation on marketability
3. Upon recommendation from the Committee, the church Board of Trustees shall make the final decision to keep or sell the property.

#### **D. TANGIBLE PERSONAL PROPERTY**

1. All gifts of personal property such as automobiles, jewelry and other items of value must be unencumbered and given outright. The gift must have the approval of the Committee.
2. Prior to approval, the Committee shall prepare and consider a report including (but not limited to) the following information:
  - a. current title and ownership
  - b. an independent qualified third party appraisal

- c. a recommendation on marketability
3. The Committee shall make the decision to accept the property or not.

#### E. NON-CASH GIFTS AND ALL OTHER PROPERTY

1. All non-cash gifts such as securities and tangible property will be acknowledged in a dated letter from the Chair of the Permanent Endowment Fund Committee, which will include a description of the gift. There will be no appraisal, acknowledgement of appraisal, or determination of value offered in the acknowledgement process. The donor has sole responsibility to the Internal Revenue Service for identifying the value of any non-cash gift.
2. The Committee shall make the decision to accept any other property that it may deem to be in the interest of the Church.

### II. PLANNED (DEFERRED) GIFTS

#### A. BEQUESTS

1. Gifts through wills (bequests) shall be actively encouraged by the Committee.
2. Upon inquiry by a prospective donor, all representations as to the future acceptability of various properties to be left to the church in a will or other deferred gift shall be made in accordance with the terms and provisions of Paragraph I (A-E) of this document.
3. Gifts of property that are not acceptable from estates shall be rejected by the Committee and that decision shall be communicated to the legal representatives of the estate.

#### B. GIFT ANNUITIES AND CHARITABLE TRUSTS

1. The Committee may recommend TMF (formerly known as the Texas Methodist Foundation) as underwriter or trustee.
2. Gift Annuities and Charitable Remainder Trusts and all other deferred gifts shall be encouraged as a method of making gifts to the church while retaining income which may be needed by the donor for personal purposes.

#### C. LIFE INSURANCE POLICIES

1. The Committee will encourage donors to name the church Permanent Endowment Fund as beneficiary of life insurance policies that they have purchased.
2. The Committee will not accept gifts from donors for the purpose of purchasing life insurance on the donor's life.
3. No insurance products will be endorsed for use in funding gifts to the church.
4. In no event shall lists of church donors' names be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or the church.

### III. PAYMENT OF FEES RELATED TO GIFTS TO THE Church

#### A. FINDER'S FEES OR COMMISSIONS

No fees shall be paid to anyone as consideration for directing a gift to the church Permanent Endowment Fund.

B. PROFESSIONAL FEES

1. In general, the donor shall pay any fees associated with the gift.
2. No fees shall be paid to anyone as compensation for any sale of any products to the donor.

IV. RESTRICTIONS

- A. Any restriction on the use of any gift must be approved by the Committee prior to acceptance of the gift.
- B. A designated permanent sub-fund, other than those identified, may be established with a minimum gift to be determined appropriate and approved by the Committee. (See Permanent Endowment Fund Guidelines.)

V. GIFT USE

- A. The church should maintain a "wish" list of projects and items that can be supported or purchased with undesignated gifts.
- B. The church may direct that a percentage of all undesignated gifts to the church be placed automatically in a Permanent Endowment Fund.

This policy will be subject to review and change from time to time and may be amended by the Permanent Endowment Fund Committee, with concurrence by the Church Council.

Adopted on \_\_\_\_\_ of 20\_\_\_\_ by the Permanent Endowment Fund Committee of First United Methodist Church, Los Alamos, New Mexico.

\_\_\_\_\_  
Committee Chair

\_\_\_\_\_  
Committee Secretary

\_\_\_\_\_  
Church Council Chair