

Congregation Gift Policy

Adopted May 16, 2019

Good Shepherd Lutheran Church
1700 N. Towne Ave. Claremont, Ca. 91711

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 answers two core questions:

1. How can gifts be provided to the congregation?
2. How will the gift be used?

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

Special note regarding legal counsel:

The Legacy Committee may seek the advice of outside resources including CPAs, Financial Advisors, ELCA Resources, and legal counsel as appropriate on matters relating to acceptance of gifts. Use of these resources may be sought in connection with all gifts including:

- a. Closely held stock transfers that are subject to restrictions or buy-sell agreements
- b. Documents naming the Church as Trustee
- c. Gifts involving contracts, such as bargain sales or other documents requiring the Church to assume a legal obligation
- d. Gifts of patents and intellectual property
- e. Transactions with potential conflict of interest that may invoke IRS sanctions
- f. Other instances in which use of counsel and/or other resources is deemed appropriate by Congregation Council or Legacy Committee.

Gift Policy Acceptance

1. When a designated or undesignated gift 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, the Legacy Committee will be tasked with exploration and due diligence of the gift, making a recommendation to Congregation Council that the gift be accepted. The recommendation will be voted on by Congregation Council for approval.

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- a. The Legacy Committee will be comprised of the Pastor (non-voting), President of Congregation Council and the Endowment Committee.
2. Our congregation is willing to **consider** all gifts.
3. If our Congregation Council decides to decline the gift, the donor or donor's estate will be contacted by written notice and verbal notice by a member of the Legacy Committee as determined by the Legacy Committee.
4. If our Congregation Council accepts an unrestricted gift, which is defined as an asset that a donor has given to our congregation without any limitation of its use, the Legacy Committee will review its use and make recommendations to Congregation Council for approval.

Gift Policy Use

5. (Undesignated Gift) An automatic tithe, of 10% will be given to our ELCA Synod.
6. (Undesignated Gift) An automatic contribution to the Endowment Fund will be made of 20%.
7. (Undesignated Gift) After the tithe and Endowment Fund contribution, the net amount may serve these ministries:
 - a. 100% may be used for the good of the congregation.
 - b. Up to 10 % may be used for ELCA Churchwide ministries, ELCA related charities, and other non-related charities reflective of our congregation's mission.
8. (Undesignated Gift) The net remainder to the congregation (after tithe and endowment contribution of 10%) may be used in these ways:
 - a. No amount (0%) may be used for operating budget.
 - b. Up to 20% may be used for debt reduction.
 - c. Up to 75% may be used for property improvement.
 - d. Up to 75% may be used for youth and family programming.
 - e. Up to 75% may be used for music programs.
 - f. Up to 50% may be used for witnessing and evangelical programming.
 - g. Up to 10% may be used for Pastor's discretionary fund.
9. If the purpose of a restricted (designated) gift does not serve the current congregation or its ministry, every attempt will be made to use the gift in as similar a fashion as possible to the original intent. If the funds are unable to be used in this way, due to the lack of program or need as determined by Legacy Committee, the gift will become unrestricted after 12 months. The gift will then begin the unrestricted gift process, as outlined in this document.
10. Memorial gifts of \$1000 or over will be subject to the gift policy. Gifts under \$1000 will be kept as discretionary monies.
11. This Congregation Gift Policy will be reviewed annually by the Legacy Committee.

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Are you considering a special gift or an estate gift to your congregation?

If so, we have resources available through the services of the ELCA Foundation. These gift planning services are available at no charge to you as a member of our congregation. The Charitable Gift Planner assists with establishing a comprehensive estate plan that provides for your family and the ministries you care about. In addition, the Gift Planner assists with current gifts to our congregation as described in this policy. Contact our pastor, a member of the Congregation Legacy Committee, or visit <http://elca.org/foundation> to connect with our Regional Gift Planner.

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.

Resource: ELCA Foundation: 800-638-3522 <http://elca.org/foundation>