

Congregation Gift Policy

St. Mark's Lutheran Church
580 Hilltop Dr. Vista, Ca. 91910

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 Church Council or Committee.

Gift Policy Acceptance

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, 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 Church Council for approval.

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- a. The Legacy Committee will be comprised of the Pastor (non-voting), and five members from the congregation.
2. Our congregation is willing to **consider** all gifts.
3. If our Church 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 Church 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 Church Council for approval.

Gift Policy Use

5. An automatic tithe, consistent with St. Mark's current giving at that time, will be given to our ELCA Synod.
6. Gifts over \$2500, including memorial gifts, will have an automatic contribution of 10% to the Memorial Endowment Fund, after tithing to the Synod.
7. 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 related Charities.
 - c. Up to 10% may be used for all other charities serving San Diego County.
 - d. Undesignated gifts of \$2500 or less, including memorial gifts shall go directly to the Memorial Endowment Fund in their entirety.
8. The net remainder of gifts given 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 or debt reduction.
 - b. Up to 10% may be used for youth programs and ministry.
 - c. Up to 10% may be used for music programs.
 - d. Up to 100% may be used for the common good of the congregation and its ministries.
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 the Legacy Committee, the gift will become unrestricted after 6 months. The gift will then begin the unrestricted gift process, as outlined in this document, including memorial gifts.
10. This Congregational Gift Policy will be reviewed annually by the Legacy Committee, and the Church Council for their approval if there were any changes made 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 your pastor, a member of the Legacy Committee, or visit 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 elca.org/foundation