

Montana Synod Gift Acceptance Policy

1221 24th St. South, Great Falls, MT 59405

Approved February 19, 2022

I. PURPOSE

This policy governs the acceptance of gifts by The Montana Synod (the Synod) and provides guidance to prospective donors and their advisors when making gifts to this the Synod where all are invited to support our mission and ministry. The provisions of this policy apply to all gifts to the Synod over and above regular giving, offering, or pledges, or specific campaign or initiative contributions.

Gifts will be accepted when they support the mission, purpose, and procedures of the Synod. Donors are encouraged to bless this the Synod 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.

The Synod shall accept only such gifts as are legal and consistent with the Synod Gift Acceptance Policy, and applicable Bylaws and the Montana Synod Constitution. While the Synod 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 (IRS) for allowing charitable tax benefits.

II. EXECUTIVE COMMITTEE GUIDELINES

The Executive Committee of the Montana Synod Council is charged with the responsibility of reviewing gifts offered to the the Synod and shall make decisions and/or form recommendations regarding gift acceptance and use according to this Gift Acceptance Policy Section V. Gift acceptance and use decisions and recommendations will be forwarded to the Synod Council for acknowledgement and approval in a timely fashion.

- A. The Montana Synod will accept unrestricted gifts and donor restricted gifts for specified programs and purposes, provided that such gifts are consistent with the stated mission, vision, policies and priorities of the Montana Synod. The Synod 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 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 the Synod.
- B. The Synod, as a general rule, will convert all gifts to cash.
- C. Records of gift acceptance or decline, and use of the gift, shall be audited within this the Synod's standard audit procedures.
- D. The Committee shall complete a **Gift Worksheet** (see **Appendix 1**) to record the gift acceptance and use decisions.

- E. The 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 the Bishop of the Synod and/or a Synod Staff member.
- F. Recognition of the donor should not be a condition of the gift. The decision to provide acknowledgement and recognition for the gift will be the decision of the Committee, taking into consideration the desire of the donor and keeping with the standards and culture for the practice of appropriate gratitude for the Montana Synod.
- G. 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 Committee members are always encouraged to consult with the ELCA Foundation’s Regional Gift Planner and Foundation staff or other related professional.

III. TYPES OF GIFTS CONSIDERED

The following examples are intended to facilitate donation and acceptance of gifts offered, albeit not intended to represent an exclusive list of potential gifts.

- A. **Potential Gifts.** A variety of gifts can be shared with the Montana Synod, and donors are encouraged to inform the Executive Committee and/or this Synod’s 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 according to the documents of the Synod. The Committee may seek advice from attorneys, accountants, and other professionals in evaluating potential gifts. 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... “The Montana Synod, a nonprofit organization located at address, Federal Tax ID #TaxID, for general use and purpose.”
 - c. **Marketable Securities.** Gifts of marketable securities will be accepted when transferred electronically through the ELCA Foundation; or delivered physically with the transferor’s endorsement or signed stock power (with appropriate signature guarantees) attached.

All marketable securities will be sold promptly upon receipt. 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: The Montana Synod, a nonprofit organization located at address, Federal Tax ID #TaxID."

- d. **Life Insurance.** Gifts of life insurance will be accepted when this Synod is 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 Synod, 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: The Montana Synod, a nonprofit organization located at address, Federal Tax ID #TaxID."

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

NOTE: Sample bequest language... "I hereby give, devise and bequeath ten percent (10 %) of my total estate, to The Montana Synod, a nonprofit organization located at Address, Federal Tax ID #TaxID, 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 The Synod no more than 60 days prior to the real estate transfer (Ref. IRS Publication 561, under "Qualified Appraisal"). Prior to acceptance of any gift of real estate, this Committee may require an initial environmental review. In the event that the environmental review warrants additional investigation, this Committee 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

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 Acceptance 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, The Synod may use the property or reduce it to cash. When this Synod 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. Beneficiary Deeds
- ii. Enhanced Life Estate Deeds (aka Lady Bird deeds)
- iii. Life Estate Deeds
- iv. 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 Acceptance Policy Section III.f. Types of closely held business interests include, but are not limited to:

- i. Limited Liability type organizations (LLC, LLP, etc.)
- ii. Partnerships
- 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 Acceptance Policy Section III.f.

NOTE: A working interest shall not be accepted.

j. **Agricultural Commodities.** Gifts of commodities from cash basis agricultural producers (excluding crop share landlords), including gifts of grain, livestock or other commodities will be considered on a case-by-case basis and shall be subject to the real estate provisions in this Gift Acceptance 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 the Synod. The Synod 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 the Synod as the owner (i.e., commodity is delivered and a warehouse receipt is executed to the the Synod, 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 Committee 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.
- m. **In-Kind Donations.** Gifts of in-kind goods or services given by a business or business owner, or a donor willing to pay for such goods or services on behalf of the Synod, will be considered on a case-by-case basis. In-Kind donations will be acknowledged in writing by this the Synod, but as per Internal Revenue Service (IRS) Guidelines, will not be valued by, nor provided a receipt for charitable contribution by this the Synod.
- B. Gift Review Criteria**
- Does the gift further the mission or help fulfill the purpose of the Montana Synod?
 - 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 (including theological and ethical concerns) that make receipt of the gift inappropriate?
 - Any other criteria determined to be applicable by the Committee.

IV. GIFT VALUATION

Gift Valuation. Gifts of real estate and personal property, acquiring an independent assessment or appraisal shall be the responsibility of the donor or donor's estate. This may be facilitated by the Committee to determine the comprehensive evaluation and impact of the gift. Appraisal of all non-cash gifts must take place within 60 days (Ref. IRS Publication 561 under "Qualified Appraisal").
NOTE: The ELCA Foundation can be a resource to help determine the necessary appraisal information.

V. 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 the Montana Synod.

- a. Unrestricted gifts with value greater than ten thousand dollars (\$10,000) shall be reviewed according to the criteria within this policy and recommended for approval to the Synod Council.
- b.
- Step 1: TITHE:** The Synod shall promptly gift ten percent (10%) of the total gift, as a tithe. The tithe will be shared as a Gift to the ELCA via Churchwide Undesignated Mission Support.
- Step 2: ENDOWMENT(S):** The Synod shall promptly gift a contribution of zero percent (0%) percent of the total gift to the Endowment, until revisions to the current

Endowment Policies are in place. At that time, reconsideration of contributions will occur.

Step 3: DEBT, SYNOD HOUSE: The Synod shall promptly gift a contribution of thirty percent (30%) of the total gift to the Synod House Debt Fund, until the debt is reduced to zero.

Step 4: DESIGNATED SPENDING:

4.1 The Synod shall promptly gift a contribution of thirty five percent (35%) of the total gift to equipping ministries that are currently going well; or new ministries; or leaders.

4.2 The Synod shall then promptly gift a contribution of twenty-five percent (25%) of the total gift to the needs of the Synod including the General Fund.

VI. USE OF RESTRICTED GIFTS AND GUIDELINES

A restricted gift is given with specific stipulations for its use and is accepted to support the mission and ministry of the Montana Synod through the donor's defined restrictions. Gifts with specific donor defined restrictions will be considered on a case-by-case basis with the understanding that the funds are to be used as requested by the donor.

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

- A. Donors should be aware that programs offered by the Montana Synod may be discontinued, 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 **Gift Restriction and Release Form** (see **Appendix 2**). The Committee shall make the *Restriction and Release Form* readily available in the office and through the website of this Synod.
- B. Restricted gifts established prior to the approval of this policy or received without the accompaniment of a *Restriction and Release Form* shall be reviewed by the Committee, and approved by the Synod Council, to determine if the gift shall be accepted. The Montana Synod may also consult legal counsel and this state's Attorney General to determine the requirements to lift a donor restriction if necessary.
- C. Donor Restricted Gifts to the Synod Mission Endowment Fund: If a donor wishes to establish an endowment to benefit the Synod, the gift should meet the following requirements:
 - a. Must have a purpose congruent with the vision and mission of the Synod.
 - b. Must be valued at Twenty-Five Thousand dollars (\$25,000.00) or greater.
 - c. Will be held into perpetuity by the ELCA Foundation where it is invested for the benefit of the Montana Synod.
 - d. Can accept contributions from other donors.

Step 1: The Synod shall apply the appropriate distribution 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 six (6) months; and in alignment with the restriction release requirements of the Montana Synod 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 Acceptance Policy Section V.

VII. MEMORIAL AND HONORARY GIFTS

Memorial and honorary gifts are subject to the same guidelines for gift acceptance, appreciation, valuation, and use as defined in the Gift Acceptance Policy Sections III, IV, V and VI.

VIII. GIFT ACCEPTANCE POLICY REVIEW

This policy shall be reviewed every three (3) years by the Executive Committee at the September meeting. The initial review will commence in the year two thousand and twenty (2025).

IX. RESOURCES

The **ELCA Foundation**, through Regional Gift Planners and support staff, offer gift planning services at no charge to this the Synod and their donors. Visit www.elcafoundation.org or call **800-638-3522** to connect with the ELCA Foundation Regional Gift Planner that supports this the Synod.

Donors are also encouraged to consult with their personal tax advisor, estate attorney and/or financial advisor for specific tax, legal, and investment information. The Synod does not provide any tax, legal, or investment advice.

Date Approved:		Approved by:		
Date Reviewed:		Reviewed by:		Approved by:
Date Approved:		Approved by:		
Date Reviewed:		Reviewed by:		Approved by:

GIFT WORKSHEET
 Montana Synod, ELCA
 1221 24th St. S., Great Falls, MT 59405

Date: _____ Donor Name(s): _____

Gift Amount: \$ _____

Gift Type:

Gift Use: Restricted Unrestricted Donor Restriction: _____

Restriction Release Form _____

Gift Status: Rejected Reason for Rejection: _____

Accepted Donor Contact By: _____

Date: _____

1.	TITHE: ELCA	(10 %)	\$
2.	OTHER	(%)	\$
3.	OTHER	(%)	\$
4.	OTHER	(%)	\$
5.	OTHER	(%)	\$
6.			\$
7.			\$
8.			\$
9.			\$
10.			\$
TOTAL:			\$

<input type="checkbox"/> Thank you Letter Sent	<input type="checkbox"/> Decline Letter Sent
Synod Council Approval: _____	Date: _____
Gift Distribution Completed By: _____	Date: _____

GIFT RESTRICTION AND RELEASE FORM

Montana Synod, ELCA
1221 24th St. S., Great Falls, MT 59405

Donor Name(s): _____

Date: _____ Amount: _____

Endowment: Yes
 No

Donor Restriction:

If Endowment, Distribution Guidelines:

- Long-Term Investment Standard Distribution Rate* (Currently: 1% per Quarter)
 Permanent Endowment Donor Defined Distribution Rate: _____ %
 Quarterly Semi-Annually Annually As Needed

* The Standard Distribution Rate is defined annually by the ELCA Foundation in order to maintain fund perpetuity.

Donor Release:

In the event that a restricted gift to the Montana Synod of Great Falls, MT, or part thereof, is unable to be used due to lack of program, need, or funding, as determined by the Synod council, the gift will become unrestricted after a minimum of six (6) months beyond the restriction(s) useful life, to assure the restriction is no longer applicable. The gift or contribution along with any remainder, unused portion, accumulated interest, or growth will then begin the unrestricted gift process as outlined in the Montana Synod's Gift Acceptance Policy.

I/We understand and agree to the terms and conditions defined in the Montana Synod Gift Acceptance Policy and represented in this release form.

Donor Signature: _____ Date: _____

Donor Signature: _____ Date: _____

Restriction Acceptance:

On behalf of the Montana Synod, this Synod accepts the restriction offered by the Donor(s) and agree to honor that request as defined by this Synod's Gift Acceptance Policy and as represented by this release form.

Representative Name and Title: _____

Representative Signature: _____ Date: _____