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GIFT ACCEPTANCE PROTOCOLS of The North Avenue Presbyterian Church Permanent Endowment

Purpose

The goal of these protocols is to encourage funding of the Endowment without encumbering it with gifts which may prove to generate more cost than benefit, or which are restricted in a manner which is not in keeping with the goals of North Avenue Presbyterian Church, Atlanta, GA (the Church).

The Gift Acceptance Protocols provide guidance to the Endowment Team and other representatives of the Church who may be involved in the acceptance of gifts to the Endowment. These protocols will also serve to inform and give guidance to prospective donors who may wish to make gifts to the Church or its Endowment. Note the Church and its representative do not offer tax or financial advice. Any donor should seek outside tax advice and counsel to determine deductibility of donations to the Church or any other legal matter.

To optimize funding from individuals and other entities, the Church must be capable of responding quickly, and in the affirmative where possible, to all gifts offered by prospective donors. It is understood that except where stated otherwise, these protocols are intended as guidelines for prospective donors to the Endowment and the Endowment and Gift Acceptance Teams and that flexibility should be maintained on a case-by-case basis. Decisions on gift acceptance or rejection should only be made after careful consideration.

Review Oversight

Generally, the Endowment Team will be advised at each meeting of all gifts or potential gifts to the Endowment for receipt, acknowledgement and handling pursuant to the Endowment Principles and these protocols. Any questions, including ethical considerations, which may arise in the review and acceptance of gifts to the Church, will be referred to the Gift Acceptance Team established by the Endowment Principles.

In general, this Gift Acceptance Team, on behalf of the Church and the Endowment Team, reserves the right to decline any gift that does not further the mission of the Church. Any gift that would create an administrative burden or cause the Church to incur excessive expenses may also be declined.

Types of Accepted Gifts

Two types of gifts are accepted as part of the Endowment: outright gifts (i.e., gifts transferred immediately from the donor to the Church and specifically designated for the Endowment or determined to be intended for the Endowment by inquiry to the donor) and deferred gifts (i.e., gifts transferred from the donor to the Endowment or the Church upon the donor's death).

Outright Gifts to the Endowment may include:

A. Cash

Gifts in the form of cash and checks shall be accepted regardless of amount unless, as in the case of all gifts, there is a question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds as a gift to the church.

All checks must be made payable to North Avenue Presbyterian Church, Atlanta, GA and shall in no event be made payable to an employee, agent, or volunteer for the credit of the church.

All cash gifts to the Endowment, even if labeled for the Endowment, should only be accepted from a Church member if such a gift is over and above satisfaction of all outstanding pledges or if reasonable assurances have been given that any outstanding pledge will also be satisfied.

Debbie Barta, *Team Chair*

Kenny Kyle, *Executive Director of Finance and Operations*

The Rev. Dr. Fred Foy Strang, *Interim Senior Pastor*

Anne Barron | William McClatchey, MD | Deborrah S Heller | Ben Carmichael | Steve Saggus | Wallace Underwood

B. Publicly Traded Securities

Cryptocurrencies and readily marketable securities, such as those traded on NASDAQ, New York or the American stock exchange can be accepted by the Church. The value of the gift of securities is the fair market value or the average of the high and low prices on the date of the gift. Normally a gift of securities to the Church will be liquidated immediately.

C. Closely Held Securities

Non-publicly traded securities may only be accepted into the Endowment after approval of the Gift Acceptance Team. Such securities may be subsequently disposed of only with the approval of the Gift Acceptance Team.

D. Real Estate

No gift of real estate shall be accepted to the Endowment without prior approval of the Gift Acceptance Team.

No gift of real estate shall be accepted without first being appraised by a professional appraiser chosen by the Church that shall have no business or other relationship to the donor. Normally the donor is responsible for obtaining and paying for the appraisal. The appraisal must be based upon a personal visitation and internal inspection of the property by the appraiser. Whenever possible, the appraisal must show documented valuation of comparable properties located in the same area. The formal appraisal should contain photographs of the property, the tax map number, the assessed value, the current asking price (if applicable), a legal description of the property, the zoning status, and complete information regarding all mortgages, liens, litigation, or title disputes.

In general, residential real estate located within 100 miles of the Church with a value estimated by an appraisal of at least \$25,000 or greater will be accepted as a gift to the Endowment unless the Gift Acceptance Team determines that the property is not suitable for acceptance as a gift.

In general, residential real estate located more than 100 miles will not be accepted as a gift unless it appears to have a value in excess of \$100,000 and there is a reason to believe it is highly marketable. The Gift Acceptance Team may make exceptions to this policy if conditions warrant.

No commercial real estate shall be accepted as a gift to the Endowment by anyone on behalf of the Church without subsequent approval of the Gift Acceptance Team.

The Church reserves the right to require an environmental assessment of any potential real estate gift to the Endowment, especially commercial real estate. Such assessments will be the financial responsibility of the donor.

The property must be transferred to the Church prior to any formal offer or contract for purchase is made.

The donor may be asked to pay for all or a portion of the following: maintenance costs, real estate taxes, insurance, real estate broker's commission and other costs of sale, in addition to appraisal costs. For gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate.

E. Tangible Personal Property

Jewelry, artwork, collections and other personal property like intellectual, copyrights, royalties, easements, whether real or personal, shall not be accepted unless the Gift Acceptance Team has reason to believe the property has a value in excess of \$10,000. Such property can only be accepted by the Gift Acceptance Team or persons authorized to do so by the Gift Acceptance Team and only after receipt and review of an appraisal and are deemed qualified under the terms of the Internal Revenue Service code governing gifts of property of this type.

No personal property, such as musical instruments or automobiles, buses or vans, shall be accepted by the Church as a gift to the Endowment, unless there is reason to believe the property can be quickly disposed of for Church purposes or easily liquidated. No personal property shall be accepted for the Endowment that obligates the Church to ownership of it or its use in perpetuity, unless approved by the Gift Acceptance Team. No perishable property or property which will require special facilities or security to properly safeguard will be accepted without prior approval of the Gift Acceptance Team.

Only the Gift Acceptance Team or persons authorized by the Gift Acceptance Team or the Endowment Team may represent to a donor that property will or will not be held by the Church for a requisite period of time or for purposes related to its tax-exempt status.

Outright gifts to the Endowment should not be encouraged in place of or in avoidance of annual generosity to and support of the Church. Rather all donors of gifts to the Endowment who are members or regular friends of the Church should be encouraged to give first to the annual support of the Church and satisfy any outstanding pledges prior to giving to the Endowment.

Deferred Gifts to the Endowment will include:

A. Bequests

Gifts to the Endowment through wills (bequests) are welcomed and encouraged by the Church but shall be governed by these Gift Acceptance Protocols and the Endowment Principles.

The Church shall not act as an executor (personal representative) for a donor's estate. A member of the church or the church's staff serving as personal representative for a donor does so in a personal capacity and not as an agent of the church. No member of the Endowment or the Gift Acceptance Team should serve in that capacity in any circumstances.

The Church may inform prospective donors of gift vehicles offered by the Presbyterian Church (USA) Foundation (specifically, Charitable Remainder Trusts, Charitable Gift Annuities, and Pooled Income Funds).

All information obtained from or about donors/prospective donors shall be held in the strictest confidence by the Church staff and volunteers. Neither the name, nor the amount, nor the conditions of any gift shall be published without the express written or oral approval of the donor and/or beneficiary directed to a member of the Gift Acceptance Team or a member of the Endowment Team.

Attempts shall be made to discover bequest expectancies wherever possible in order to reveal situations which might lead to complicated or unpleasant donor relations in the future. Where possible, intended bequests of property other than cash or marketable securities should be brought to the attention of the Endowment Team and every attempt should be made to encourage the donor involved to conform his or her plans to these Gift Acceptance protocols.

B. Life Insurance

The Church welcomes a donor's decision to name the Church to receive all the benefits of life insurance policies that they have purchased on their lives. The church will not, however, as a matter of course agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life. No insurance products, moreover, may be endorsed for use in funding gifts to the church without the Endowment Team's approval.

If the gift of life insurance is a paid-up policy, the value for gift crediting and accounting purposes is the policy's replacement cost. If the policy is partially paid-up, the value for gift crediting and accounting purposes is the policy's cash surrender value.

In no event shall lists of Church donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or the Church. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject the Church to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

Endowment Restrictions

No restrictions on how gifts to the Endowment may be used by the Church will be honored without prior approval of the Endowment Team. A new permanently restricted endowment fund within the Endowment may only be established with a minimum gift of \$50,000 and with the understanding that the distribution of funds from such a restricted fund will be governed by the Spending Rule Protocols.

Similarly, outright or deferred gifts to the Endowment with restrictions such that (or with the expectation that) a gift would be used or distributed within a certain time period, shall only be accepted in the Endowment if the time period for use is a minimum of ten years and the gift is given in a minimum amount of \$100,000. Moreover, all such time-based restricted gifts intended for the Endowment shall require approval of the Gift Acceptance Team, which will have authority to determine that such gifts impose too much burden for the Endowment or are better managed within the regular Church budgeting processes.

Adopted May 2020 by the Endowment Team

