

Final Draft

MOUNT CROSS LUTHERAN CHURCH

GIFT POLICY

(Adopted March 19, 2024)

I. PURPOSE

This Policy governs the acceptance of gifts by Mount Cross Lutheran Church of Camarillo (“Mount Cross”) and provides guidance to prospective donors and their advisors when making gifts to this body where all are invited to support our mission and ministry. The provisions of this Policy apply to all gifts to Mount Cross over and above regular giving, or pledges, or specific campaign or initiative contributions. Gifts will be accepted when they support the mission, purpose, and procedures of Mount Cross. Donors are encouraged to bless this body with gifts free of restrictions.

It is also the purpose of this Policy to provide guidance to church staff on the handling of gifts subject to this Policy to provide for more efficient use of church staff time and resources.

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. Mount Cross shall accept only such gifts as are legal and consistent with this Policy, and applicable Bylaws and Constitution. While Mount Cross 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. COMMITTEE GUIDELINES

The Endowment Committee (“**Committee**”) is charged with the responsibility of overseeing the implementation of this Policy in consultation with the Pastor, Financial Secretary, and Treasurer. The Church Council and /or Treasurer shall be responsible for reporting to the congregation gift acceptance and use at least annually.

A. Mount Cross will accept unrestricted gifts and donor restricted gifts for specified programs and purposes, provided that such gifts are consistent with its stated mission, vision, policies and priorities. Mount Cross 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 body.

B. Mount Cross, as a general rule, will convert all gifts to cash.

C. Records of gift acceptance or decline, gift restrictions and of gift use shall be maintained by the Church Treasurer and will be subject to audit within the church’s standard audit procedures.

D. The Church 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.

E. Recognition of the donor, including plaques, name plates or other designation of the donor, should not be a condition of the gift. The decision to provide such recognition for any gift will be determined by the Church Council in its sole discretion.

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 nor review criteria.

A. Potential Gifts. A variety of gifts can be shared with this body. Some gifts will be accepted outright, and other gifts will be reviewed on a case-by-case basis according to the policies and practices of the church. 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:

1. **Cash.** Gifts of cash will be accepted and are welcomed.
2. **Other.** Gifts of real property and personal property, including but not limited to stocks, bonds, insurance policies, bank accounts, interests in trusts and intellectual property, will be considered on a case-by-case basis.

B. Gift Review Criteria

1. Does the gift further the mission or help fulfill the purpose of this body?
2. Is the gift easy to convert to cash, readily marketable, or are there restrictions on the use, display, or sale of the gift?
3. Are there covenants, conditions, restrictions, reservations, easements, encumbrance, or other limitations associated with the gift?
4. 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?
5. Does any environmental review or audit reflect that the property warrants additional investigation or otherwise requires remediation?
6. Does the property have liabilities or other considerations that make receipt of the gift inappropriate?
7. Any other criteria determined to be applicable by the Committee or the Church Council.

IV. GIFT VALUATION

The cost of any independent assessment or appraisal of gifts of real estate and/or personal property 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").

V. UNRESTRICTED GIFTS.

A. An “unrestricted gift” is given without any written stipulation for its use and is accepted to support the mission and ministry of Mount Cross.

Unrestricted gifts with a value less than five thousand dollars (\$5,000) shall be deposited into the Church’s general operating account and the Council will have discretion to use those funds when and how it deems necessary.

Unrestricted gifts valued at five-thousand dollars (\$5000) or more, shall be referred to the Committee which shall recommend to the Church Council acceptance and use decisions under this Policy. The Church Council, or its designee, will then decide whether to accept the recommendations of the Committee or whether to approve alternate acceptance and use decisions.

B. Unrestricted gifts valued at five-thousand dollars (\$5000) or more shall be designated for use in one or more of the following spending categories.

1. Property and Capital Improvements Perpetual Fund
2. Worship & Music Perpetual Fund
3. Mission and Social Action Perpetual Fund
4. Office equipment, furniture, technology
5. Children/Youth Programs
6. Pastor’s Discretionary Fund
7. Debt Reduction
8. Any specific program of the Church, now and in the future
9. The general operating account of Mount Cross
10. The Mission Endowment Fund.

Designation of unrestricted gifts for use in any spending category can be modified at any time by the Church Council in order to meet the needs of the church and its congregation.

VI. RESTRICTED GIFTS AND GUIDELINES

A. A “restricted gift” is given with specific written limitations or restrictions by the donor for its use and is accepted by Mount Cross to support the mission and ministry of this congregation 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.

B. If compliance with a donor restriction can be met by depositing the gift into one of the spending categories listed in Section V, B, the Financial Secretary, in consultation with the Pastor, shall deposit the gift into that category.

For any restricted gift where there is no Section V, B category consistent with the donor restriction, the gift shall be referred to the Committee which shall recommend to the Church Council acceptance and use decisions under this Policy. The Church Council, or its designee, will then decide whether to accept the recommendations of the Committee or whether to approve alternate acceptance and use decisions.

C. Donors should be aware that programs offered by this congregation may be discontinued, renamed, 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 discuss with the Pastor or Church Council President any proposed restrictions they wish to place on their gift.

D. Mount Cross will work with potential donors who wish to make a restricted gift to a named Mission Endowment Fund. If a donor wishes to establish a named endowment, the gift shall meet the following requirements:

1. The Church has determined to accept the gift pursuant to this Policy.
2. The gift must be valued at Twenty-Five Thousand dollars (\$25,000.00) or greater.
3. The gift may be named after the original donor.
4. The Church can accept contributions from other donors for the named endowment fund.
5. The named endowment fund becomes an asset of this congregation.

VII. MEMORIAL AND HONORARY GIFTS

Memorial and honorary gifts include gifts given in memory or honor often of loved ones, friends, or others and will be considered unrestricted unless the donor has specified in writing any limitation. Memorial and honorary gifts are subject to the same guidelines for gift acceptance, valuation, and use as defined in this Policy.

Notification shall be provided to the individual, family, or the individual's estate, listing the donors who contributed a memorial or honorary gift.

A donation

-end-