

CONCORD CHURCH: GIFT ACCEPTANCE POLICY

I. Mission:

People Growing People by connecting them to their next step with Christ.

II. Introduction:

Concord Church of Dallas, Texas encourages gifts that will provide permanent funding to help Concord Church (hereinafter “Church”) fulfill its mission. Extraordinary or one time gifts to the Church that are not otherwise specifically directed to another purpose will be added to **the** Operating Budget of the Church.

The purpose of establishing these policies and guidelines (hereinafter “Policies”) is to maintain and preserve the integrity of the Church and minimize the acceptance of gifts that will not assist the Church in fulfilling its mission. In addition, these Policies are intended to provide guidance to prospective donors and their advisors when making gifts to the Church. Accordingly, all gifts to the Church shall be governed by these Policies. Concord Church retains the right to accept or reject any proposed gift and no gift shall be deemed accepted until accepted in accordance with these Policies.

Concord shall always disclose to donors important and relevant information. Every gift will be acknowledged and donors will be informed of how gifts will be recognized.

III. Donor Considerations:

The interest of the donor shall be the primary consideration with respect to any gift. NO representative of the Church in such capacity shall provide legal, financial, or tax advice to any prospective donor. All planned giving techniques have limitations and require that the donor comply with specific rules and regulations. As a result, all prospective donors should be encouraged to seek the assistance of personal legal, tax, and financial advisors in matters relating to gifts and the resulting tax and estate planning consequences.

IV. Procedure for Acceptance or Rejection:

All prospective cash gifts or gifts of publicly traded securities shall be reviewed and may be accepted by the Council of Elders.

All prospective gifts not involving cash or publicly traded securities, but which appear to be readily marketable, not subject to current anticipated litigation, and which will benefit the mission of Concord Church, shall be reviewed and may be accepted by the Investment Committee. The Investment Committee shall follow these Policies in accepting any prospective gift and make recommendations to Council of Elders.

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All other prospective gifts, including property of limited marketability or property involving liability or questionable benefit to the mission of Concord Church, shall be reviewed and may be accepted by the Investment Committee and its recommendation referred to Council of Elders for final determination as to acceptance and rejection. The Concord Church Council of Elders may deviate from these Policies if it determines that doing so is in the best interests of the Church. The Concord Church Council of Elders is authorized to retain and rely upon consultants, advisors, legal experts and others when it deems such consultation is necessary.

V. Specific Types of Gifts

A. Cash

Cash is acceptable in any form. Checks should be made payable to the Concord Church and delivered to the Concord Church Finance Office.

B. Securities

Securities may be either publicly traded or non-publicly traded. Publicly traded securities are securities that are traded in a generally recognized market and can be easily sold and converted to cash. Non-publicly traded securities are interests in closely held business entities and other securities that are not traded on a recognized market or cannot be easily sold and converted to cash.

Publicly traded securities: Publicly traded securities are acceptable gifts. Transfer is the best with unendorsed securities plus executed stock or bond powers, either hand delivered to the Concord Church Finance Office or sent separately by certified mail. Securities can be transferred by the donor to Concord Church's current brokerage account or to a new account opened in name of Concord Church. The Concord Church Finance office shall assist in transferring any securities and in opening any new account.

Non-publicly traded securities: Non-publicly traded securities will be carefully examined to determine their value and marketability. The examination shall specifically determine that:

1. There are no restrictions on the security or ownership of the security that would prevent Concord Church from converting such security into cash within a reasonable time; And
2. The security will not generate any undesirable tax consequences to Concord Church.

C. Real Property:

Real property includes developed or undeveloped land, including residences, agricultural land, commercial property, and gifts of such property subject to a prior life interest. A gift of real property can represent a major contribution to Concord Church. Such a gift may also represent a major liability in terms of up-front costs, carrying costs, property taxes, and environmental remediation. As a result, no interests in real property shall be accepted without a thorough

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review of the property, including a review of environmental aspects, the title, real estate taxes, insurance, and valuation of the property.

The Concord Council of Elders and Finance committee may accept gifts of real property in accordance with this section if the Committee determines that there are no significant concerns or potential adverse consequences to the Church. In all other cases, the Committee shall make a recommendation to the Church Council of Elders.

The review process for accepting a gift of real property shall start by obtaining a:

- (1) Copy of the property deed;
- (2) Copy of the property map, plat, or survey;
- (3) Copy of the current tax assessment and tax statement or similar indication of value and real estate taxes;
- (4) Copy of any lease encumbering all or any portion of the property;
- (5) Copy of any mortgage encumbering the property and its associated promissory note;
- (6) Copy of a current insurance invoice; and
- (7) General itemization of any other income and carrying costs.

The Church Finance Office, investment committee, and the Chair of the Finance Committee shall initially review these documents. If the review is favorable, a qualified appraisal of the property, an environmental assessment, and a title insurance commitment shall be obtained.

Prior to acceptance of any interest in real property, the donor shall obtain a qualified appraisal of the property and deliver it to the Church. The donor shall choose the appraiser. The purpose of the appraisal is to provide the donor with a valuation for charitable tax deduction purposes and to provide the Church with a professional estimation of the value of the property, against which the Church can measure any mortgage and potential liabilities.

Prior to acceptance of an interest in real property, the Church shall generally require an initial environmental assessment of the property (often referred to as a Phase I Environmental Survey). The purpose of the environmental assessment is to ensure that the property is not subject to environmental contamination, which could place unknown liabilities upon the Church. The only instance in which an environmental survey may not be required is residential real property involving improvements constructed after 1978, in which case the Planned Giving and Endowment Committee may, but is not required to, waive the requirement.

Prior to acceptance of an interest in real property, the Church shall obtain a title insurance commitment or other title search. The purpose of the title search is to determine the exact restrictions, easements, mortgages, liens, and other items encumbering the title of the real property. The results of the title search shall be considered in determining whether to accept or reject the real property. Upon acceptance of the real property and recording of the deed, the Church shall generally obtain a title insurance policy, insuring title in the church subject only to the items disclosed in the title search.

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It will be the general procedure to ask that the donor pay for the cost of an appraisal, the environmental assessment, and the title work. In appropriate circumstances, however, if the donor declines to pay for the environmental assessment or the title work, the Church may do so. If the donor intends to take a charitable tax deduction for contribution of the property, however, applicable provisions of the Internal Revenue Code require that the donor pay the costs of the appraisal.

Criteria for acceptance of gifts of interests of real property shall include:

1. Is the property useful for the purposes of the Church?
2. Is the property marketable?
3. Are there any restrictions, reservations, easements, or other limitations associated with the property that limit its usefulness or marketability?
4. Is the property subject to mortgages or delinquent real estate taxes? Note: an affirmative response to either of these questions does not necessarily indicate a rejection.
5. What are the carrying costs associated with the property, such as insurance, property taxes, mortgages, etc.?
6. Does the environmental assessment reflect any environmental concerns?
7. Does ownership of the property create other risks, such as subjecting the Church to litigation or other expenses?

VI. Life Insurance

Beneficiary Designation: Concord Church may accept the designation as a beneficiary of contingent beneficiary of a donor's life insurance policy. Such designation may be accepted by Concord Church Finance Office.

Gift of Policy: Concord Church may accept a "Whole" or "Universal" life insurance policy, provided that the insured consents to the gift. Gifts of fully paid –up policies may be accepted by Church Finance Office. The Church Finance may accept gifts of policies that are not fully paid-up, based upon the amount of the premiums, cash surrender value and other policy attributes, and health of the donor. Donors of policies that are not paid-up shall be encouraged to continue making the on-going premium payments; if ownership of the policy is irrevocably vested in the Church, such premium payments should be entitled a charitable tax payments may be surrendered to the life insurance company for the cash surrender value, Concord church may pay the premium through policy loans, or Concord pay the premiums from other funds as determined by the Council of Elders determines is in the best interests of the Church.

VII. Church Disposition of Donated Property

Property donated to and accepted by the Church shall generally be sold or liquidated as soon as practical and the net proceeds invested in accordance with the investment policy.

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