Evangelical Lutheran Church in America

Policies and Procedures
Gift Acceptance Policy

Policy Category	B – Financial
Policy Name	Gift Acceptance Policy
Policy #	B09.00
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Ad Team Approval Date	N/A
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1.0 Purpose

The purpose of this statement is to articulate the policies of the churchwide organization of the Evangelical Lutheran Church in America (ELCA) concerning the acceptance of charitable gifts to the churchwide organization. The intent of the policy is to ensure that all gifts given in support of the work of the churchwide organization are appropriate and useful to the needs of the organization, do not impose undue financial burdens on the churchwide organization, are given with enough flexibility to maximize the usefulness of the gift to the organization, and are given in a spirit of trust that the gift may still be utilized if, at a later date, its designated purpose no longer exists or aligns with the mission of the organization.

2.0 Revision history

Date, revision number and modification made to the rule and/or procedures.

Date	Revision #	Change Description	Reference Section(s)	Author
9/15/2015	1.0	New		Trust and Gift Administration Manager
12/16/2015	1.1	Reformatting, text addition	Management fees	Gift and Trust Coordinator
5/30/23	1.2	To reflect separate incorporation of ELCA Foundation and to review policy in current context	Entire document	Executive for Development

3.0 Definitions

Term	Description
Gift	Under IRS Guidelines, a gift is defined as a voluntary transfer of assets from a person, organization, foundation or corporation to the churchwide organization, with no goods or services expected, implied or forthcoming to the donor. Gifts can be given in the form of cash, securities, real property or personal property. The following criteria generally identify a gift: a. A gift is motivated by charitableintent. b. A gift is an irrevocable transfer ofassets. c. The churchwide organization is not obliged to return unexpended funds. d. A gift cannot be subject to an exchange of

	consideration or other contractual duties between the churchwide organization and the donor. e. The churchwide organization is not required to make a formal financial accounting of expenditures to the donor, as it would, for example, with a research grant.
Donor Intent	A gift is motivated by charitable intent and does not include a commercially valuable return to the funder (quid pro quo). The language used — gift, charitable grant, contract or award — does not necessarily reflect intent.
Gift Purpose	The gift supports a restricted or unrestricted purpose — including unrestricted support for activities of the organization.

4.0 People affected

Responsible	Accountable	Consulted	Informed
Executive for Development	ELCA Treasurer	Office of the Presiding Bishop, ELCA Foundation, and Office of the Treasurer	All staff, including deployed staff

5.0 Policy

The policy of the ELCA churchwide organization shall be:

5.1 Responsibility to donors

5.1.1 General. The churchwide organization, its staff and its representatives shall endeavor to assist donors in accomplishing their philanthropic objectives in providing support for the ELCA.

5.1.2 Donor Bill of Rights. The Development staff of the churchwide organization embrace and endorse the Donor Bill of Rights, created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE) and the Giving Institute, a leading consultant to nonprofits. By endorsing the bill, Development staff commit to the rights/expectations articulated in it. Development staff of the churchwide organization will be asked to review these upon beginning employment and on an annual basis thereafter.

5.1.3 Donor control. IRS regulations prohibit donor control over the administration of gifts. A donor may not retain any explicit or implicit control over the use of a gift afteracceptance by the churchwide organization. There may be some circumstances in which donors will be consulted or involved in programmatic decisions, but the donor does not direct the activities the gift is supporting.

5.1.4 Confidentiality. The churchwide organization is committed to keeping personal information and privileged donor information confidential. We may disclose personal information that we collect, or that donors provide, only as described in our privacy policy: www.elca.org/about/privacy%20policy.

5.1.5 Anonymity. The churchwide organization shall respect the wishes of donors wanting to support the churchwide organization anonymously and will take reasonable steps to safeguard those donors' identities.

5.1.6 Disclaimer. Each prospective donor to the churchwide organization shall be informed that the ELCA does not provide legal, tax or financial advice, and shall be encouraged to discuss all charitable-gift-planning decisions with a legal, financial or tax adviser before entering any commitment to make a gift to the ELCA.

5.2 Gift restrictions

5.2.1 Unrestricted gifts. To provide the churchwide organization with maximum flexibility in the pursuit of its mission, donors shall always be encouraged to make unrestricted gifts to the churchwide organization.

5.2.2 Budgeted programs or facilities. The churchwide organization may accept a gift whose use is restricted if the churchwide organization's approved budget for the year in which the gift is to be accepted includes proposed funding for the specific program, purpose or facility for which the restricted gift is made. These gifts will be counted toward current budgeted funds. The responsible gift officer must confirm that the gift restriction falls into this category, and staff within the Office of the Treasurer must confirm that the gift restriction can be accommodated and is budgeted for.

5.2.3 Other restrictions. With the prior written approval of the executive for Development and the treasurer, the churchwide organization may accept a gift whose use is restricted if the churchwide organization's budget for the year in which the gift is accepted does not include funding for the restricted use of the gift. These gifts will be accepted only within the priorities of new program development as determined by the churchwide organization Administration team and/or the home area executive who will be responsible for programmatic implementation. Any gift restriction may be deemed illegal, unreasonable or impossible to fulfill due to specific circumstancesincluding but not limited to:

a. The program being terminated.
b. A surplus of funds from other sources being available to fulfill the designated purpose.
c. The restricted funds being insufficient to fulfill the designatedpurpose and no funds from other sources being available to supplement the restricted funds.
d. The designated purpose no longer being consistent with the mission of the churchwide organization and its programs.
e. The designated purpose not complying with local, state or federal laws.
f. The churchwide organization being unable to identify a recipient within a reasonable time period.

If the donor is available, a member of the Development team of the churchwide organization or a designated representative will consult with the donor to restructure the gift. If the donor is not available, the program with oversight of the initiative will consult with the general counsel to determine next steps.

5.2.4 Variance power. Unless otherwise approved in advance by the executive for Development and in accordance with legal requirements, the churchwide organization will reserve the right, in the document that restricts the use of the gift, to broaden or alter the purpose of the gift should it determine in the future that the original purpose of the gift no longer meets the needs or serves the mission of the ELCA. As much as possible, the original intent of the giftshall be respected.

5.2.5 Right of refusal. The churchwide organization reserves the right to refuse any gift or realized bequest that is not in compliance with its current gift acceptance polices or that it deems not in the best interest of the churchwide organization. The churchwide organization may also choose to refuse a gift intended to be passed through the organization to a third-party organization if the churchwide organization deems the process too cumbersome or costly to accomplish.

5.3 Donor recognition

5.3.1 General. The Church Council, upon recommendation of the executive for Development, may establish criteria for recognizing a donor with certain honors or benefits based on the type of gift and on various giving levels achieved by the donor.

5.3.2 Buildings and other facilities. The Development staff of the churchwide organization shall make no commitments to a donor concerning the naming of buildings or other facilities without the approval of the Church Council, upon recommendation of the executive for Development. The only exception to this is when naming opportunities appear on a schedule approved by the Church

Council in the context of a capital campaign.

5.4 Fiduciary relationships

5.4.1 General. Unless approved in advance by the treasurer of the ELCA and the president of the Foundation, the ELCA will not agree to serve as executor of a decedent's estate nor as trustee of a living trust or other trust intended to serve as a person's primary estate-planning document. For more information, please refer to Section 7.1 of the ELCA Foundation Gift Acceptance Policy.

5.4.2 Trusteeship. The churchwide organization may serve as trustee of trusts to maintain its gift annuity reserve accounts, as required by relevant state insurance law, in connection with the churchwide organization's gift annuity program. The ELCA Foundation manages these gift types; please refer to Section 7.2 of the ELCA Foundation Gift Acceptance Policy.

5.5 Commitment of ELCA assets

5.5.1 Bargain sale. Please refer to section 8.1 of the ELCA Foundation Gift Acceptance Policy.

5.5.2 Gift annuities. Please refer to section 8.2 of the ELCA Foundation Gift Acceptance Policy.

5.5.3 Partnership and other liabilities. Please refer to section 8.3 of the ELCA Foundation Gift Acceptance Policy.

5.5.4 Real estate. Please refer to section 8.4 of the ELCA Foundation Gift Acceptance Policy.

5.6 Reporting and valuation standards

5.6.1 Valuation of planned gifts. Please refer to Section 9.0 of the ELCA Foundation Gift Acceptance Policy.

5.7 Ethical standards

5.7.1 General. The churchwide organization is committed to the highest ethical standards. Development staff at all levels of the organization shall adhere to the Association of Fundraising Professionals (AFP) Code of Ethical Standards. Development staff of the churchwide organization will be asked to reviewthese upon beginning employment and on an annual basis thereafter.

5.8 Delegation

5.8.1 Staff. Implementation of these policies is delegated to the executive for Development, who shall be responsible for oversight of the acceptance of all gifts to the churchwide organization.

5.8.2 Development team of the Office of the Presiding Bishop. The Administration team of the churchwide organization shall delegate to the Policy Review Committee the responsibility for reviewing gift acceptance procedures to implement these policies. The Development team, in consultation with the Office of the Treasurer, shall prepare and recommend any policy or procedure changes.

5.9 Approval of exceptions

5.9.1 Reporting. Acceptance of gifts to the churchwide organization in any manner inconsistent with this statement of policy must be approved in writing by the executive for Development, who shall report such exceptions to the treasurer.

5.9.2 Special considerations. Gifts that could fall outside standard procedures and practices or that would significantly impact the churchwide organization are to be reviewed and approved by the Administration team. Following are some examples of gifts that may be considered for review:

a. Gifts of $5 million or more.
b. Gifts that would be fulfilled over a period greater than five years.
c. Gifts that would draw significant public attention or that may impact the churchwide organization's reputation.
d. Gifts that may pose real or apparent conflicts of interest for the donor or churchwide organization staff.
e. Gifts of $500,000 or more from corporate vendors.
f. Gifts of significant size that have been returned to donors because circumstances have made it impractical or impossible to use the gift as the donor intended or as the churchwide organization requires.
g. Gifts requiring institutional financial commitment.
h. Gifts for which the purpose is unusual.

In consideration of our Social Policy Resolution CA22.03.14, "Supporting ELCA Land Back Efforts and Indigenous Ministries and Tribal Relations," either the Administration team or its representatives will, as deemed appropriate, engage with the relevant local synods and Indigenous partners and any other relevant bodies when determining the appropriate use of a gift of real property.

5.10 Management fees

5.10.1 Direct gifts. Any gift given to the current fundraising priorities of the churchwide organization (as determined by the ELCA Church Council or Churchwide Assembly), with the exception of named disasters, will be subject to a fundraising fee determined annually by the executive for Development and the treasurer. This fee will cover the costs associated with development work of the churchwide organization but will not exceed 15% of any gift.

5.10.2 Foundation gifts. For all fees related to charitable gift annuities, endowment fund pooled trusts (EFPT) or charitable remainder trusts, please refer to section 13.0 of the ELCA Foundation Gift Acceptance Policy.

5.11 Periodic review

5.11.1 General. A subcommittee of the policy review team, including representatives of the treasurer and the executive for Development, shall review these procedures every five years for approval by the Resource Development Committee and the Churchwide Policy Review Committee to recommend revisions for approval by the policy review team.

5.11.2 Specified review. These procedures shall be reviewed and ratified by the policy review team every time the Church Council determines that the ELCA will embark on a capital or other fundraising campaign. The policy review team shall also initiate a review of these procedures when legislation or regulatory rules are enacted or promulgated that affect fundraising or gift acceptance by the ELCA, to assure continued compliance by the ELCA with relevant rules and legislation.

6.0 Procedures

6.1 Supervision and coordination

6.1.1 Costs and risks. Gifts must be accepted and documented under the supervision of the executive for Development to maximize their value to, and minimize their cost and risk to, the churchwide organization.

6.1.2 Gift processing. The Development team of the churchwide organization will do its best to post and apply the gift to the appropriate donor record and program, based upon the information available to the gift processing team. The donor is responsible for providing the needed information alongside the gift to ensure appropriate and accurate processing.

6.2 Adherence to policies

6.2.1 Gift acceptance policy. Every member of the Development team of the churchwide organization shall be given a copy of the final gift acceptance policy as approved by the Administration team of the churchwide organization. These procedures shall be applied by the Development team staff in compliance with that policy. Questions regarding interpretation of the policy should be directed to the executive for Development.

6.3 Donor expenses

Please refer to Section 17 of the ELCA Foundation Gift Acceptance Policy.

6.3.1 General. As a general rule, and except as provided elsewhere in these procedures for specific assets, including real estate, expenses associatedwith a donor's gift should be borne by the donor. Typical expenses include appraisal fees to substantiate the value of the donor's gift for tax purposes and the donor's legal fees.

6.3.2 Payment by the ELCA. The ELCA may, with the prior approval of the executive for Development and the treasurer, agree to pay some or all of the donor's expenses associated with the gift if the executive for Development determines that doing so is necessary to facilitate the gift. Such expenses will be paid by Development.

6.4 Written agreements

6.4.1 General. All gift arrangements (other than a simple, outright, one-time gift of cash or a monthly recurring gift) shall be memorialized in a written document describing any restrictions imposed on the gift by the donor and any other obligations that may be undertaken by the churchwide organization with respect to the gift.

6.4.2 Legal counsel. Planned gift agreements prepared by the ELCA Foundationshall be reviewed and approved by the ELCA Foundation's legal counsel. Once the document is approved, it may then be forwarded to the donor (and their adviser) for review.

6.4.3 Signatures. The following people are authorized to sign gift agreements on behalf of the ELCA: the presiding bishop, the executive for Development and the treasurer.

6.4.4 Disclosure statement. The ELCA issues, and donors acknowledge, receipt of disclosure statements on all charitable gift annuities and charitableremainder trusts.

6.5 Commitments

6.5.1 Nonbinding commitment. The Development staff will encourage donors wishing to make their gifts in installments over time to document their commitment to the churchwide organization in a written Commitment Form that will create an intention by the donor, as well as an opportunity for the donor's estate to honor that form if the intention remains unpaid at the donor's death. This document is to be signed by the donor, the presiding bishop and the executive for Development.

6.5.2 Duration. Unless a longer period is approved by the executive for Development, the Commitment Form will specify the installments in which the gift is to be paid over a period not to exceed five years. The Development team is responsible for recording, acknowledging and monitoring the status of all commitments and payments.

6.5.3 Minimum amount. The minimum commitment amount is $5,000.

6.5.4 Donor's estate. Each commitment agreement for special initiatives or naming rights shall provide that any portion of the donor's commitment remaining unpaid at the donor's death be irrevocably provided for in the donor's estate, enforceable by the churchwide organization.

6.6 Named funds

6.6.1 General. A donor may establish a named endowment fund with a minimum gift of $25,000, subject to the ELCA's endowment, investment and spending policies, for general purposes of the ELCA or for restricted purposes approved in accordance with these procedures.

6.6.2 Minimum contribution. For a donor to establish a general endowment, they must maintain a minimum contribution of $25,000 before any distributions will be made from the fund. The minimum contribution to create a donor-advised fund is $10,000.

6.6.3 Administration of named funds. The assets contained within each named endowment fund shall be under the oversight of the endowment fund of the ELCA. All policies applied to those endowment funds, including the formula for spending from endowment funds and the assessment of the endowment management fee, shall apply to all named funds.

6.6.4 Variance power. When a gift agreement creates a named endowment fund benefiting the churchwide organization, and the executive for Development has not approved that agreement in advance, the churchwide organization will reserve the right to broaden or alter any restrictions on use of the endowment fund should it determine that the original restricted purpose of the endowment no longer meets the needs or serves the mission of the churchwide organization.

6.6.5 Termination of named fund. A named endowment fund solely benefiting the churchwide organization may be terminated, consistent with applicable law and required government or regulatory approvals, if the ELCA Church Council, upon recommendation of the executive for Development or the treasurer, determines that the market value of the remaining assets is uneconomically low in relation to the cost of administering the fund. In such case, all remaining assets in the named fund shall be transferred to the general endowment fund of the churchwide organization to be administered pursuant to its terms within each document.

6.7 Donor advice

6.7.1 General. The churchwide organization does not provide personal legal, financial, tax compliance or other professional advice to donors. Though gift officers may provide the ELCA with gift illustrations, including calculations, and draft documents prepared or approved by the ELCA's legal counsel, donors will be advised in a written gift proposal to seek the assistance of their own legal counsel or other professional advisers in matters relating to the legal, tax and estate planning consequences of theproposed gift to the churchwide organization.

6.8 Ethical standards

6.8.1 General. The ELCA is committed to the highest ethical standards. Each member of the Development staff shall subscribe to the AFP Code of Ethics and to this gift acceptance policy. To emphasize the importance of the churchwide organization's commitment, it shall be made in writing, with a copy maintained in the personnel file of each Development staff member. Development staff of the churchwide organization will be asked to review these upon beginning employment and on an annual basis thereafter.

6.9 Marketable securities

6.9.1 General. The ELCA will assist in the transfer of custody of marketable securities from the donor (or their custodian) to the ELCA. If the securities are to be mailed, the stock certificates should be mailed separately from the signed stock power with signature guaranty. If the share certificates are hand-delivered, the stock power may be attached. If the securities are in street name, the donor's broker may transfer them to a brokerage account designated by the ELCA.

6.9.2 Restrictions. If the donor is a member of the ELCA Church Council or a corporate officer of the ELCA, the gift officer will notify the executive for Development of this for the purpose of determining whether sale of the securities might be restricted under Rule 144 or other provisions of securitieslaw.

6.9.3 Reporting policy. Gifts of marketable securities will be accounted for at their market value on the date the gift is received by the churchwide organization, and this value will be determined by taking the mean between the high and low quotes on that date. These gifts will be counted as outright gifts or payments toward pledges.

6.9.4 Disposition. The ELCA will instruct its brokers that all marketable securities will be sold upon receipt. After consulting with the treasurer, the executive for Development is authorized to override this general rule and direct that the securities not be sold.

6.10 Gifts of cash, check or credit card

6.10.1 Valuation. Gifts of cash, check or credit received will be credited at face value.

6.10.2 Purpose. Gifts of cash, check or credit card received and restricted for specific priorities will be used solely for the stated restricted purpose.

6.10.3 Acknowledgment. Gifts will be acknowledged and receipted within 10 business days of processing.

6.11 Pledges to campaigns (annual, capital or endowment)

6.11.1 Value. Pledges shall be counted toward a campaign at the full-face value of the pledge.

6.11.2 Documentation. All pledges must be documented in writing by the donor in the form of either a pledge card or formal written correspondence from the donor. No verbal pledges will be counted toward a campaign. (The exception will be phonathon pledges for the Annual Fund. These are counted and entered on the donor's record. If not paid by the end of the fiscal year, the pledges are written off.)

6.11.3 Time frame. To be counted in full, pledges must be made withinthe preestablished campaign period or within an agreed-upon pledge period.

6.11.4 Fulfillment. For pledges to be counted in full, the donor must indicate that pledge payments will be fulfilled within a period of not more than five years, or as otherwise determined by the institutions.

6.11.5 Matches. Pledges from individuals who qualify for matching gifts should be counted in the amount the individual plans to contribute, not including the anticipated matching amount. The matching amount will be credited toward the gift record of the matching gift entity and counted toward a campaign if appropriate.

6.11.6 Life-income plans. Irrevocable life-income gifts (with the charitable remainder earmarked for campaign purposes) will be counted toward a goal only when made via the following instruments: charitable remainder unitrusts, charitable remainder annuity trusts and remainder interests in real estate. All such life-income gifts will be credited in an amount equal to the allowable federal income tax charitable deduction. For purposes of gift credit, gifts of remainder interest in real estate will be treated the same as life-income gifts.

6.11.7 Charitable lead trusts. Gift income from lead trusts received during the campaign period may be counted toward a campaign goal. Gift income from lead trusts projected after a campaign period should not be credited to a campaign unless it falls within the normal pledge period associated with other campaign gifts.

6.11.8 Bequests. Bequest provisions will be counted as future gift expectancies. In cases where the proceeds of bequests and other estate gifts earmarked for campaign purposes are actually received during a campaign for a campaign, or where the amount of assured future estate distribution is confirmed by the executors during that time period, the full amount of the bequest may be counted toward the current gifts and pledges portion of a campaign goal as long as such gifts have not been counted in previous campaigns. Newly established or newly confirmed bequest provisions may also be counted toward a campaign goal. All properly documented bequest provisions for campaign purposes shall be credited to a campaign deferred-giving goal at their fair market value. Before any future planned gift can be counted, the churchwide organization must secure proper documentation, which includes a formal and specific letter of intent, an actual copy of the bequest clause, and a will supported by accompanying statements that stipulate the bequest's estimated amount and purpose. The institution will provide the donor with a standard form for verification and certification of bequests uponrequest.

6.12 Closely-held stock

6.12.1 General. Stock not regularly traded on an established national exchange such as the NYSE or the NASDAQ may not be accepted without the prior written approval of the executive for Development and the treasurer.

6.12.2 Opportunities for sale. Criteria to be applied in evaluating the closely-held stock include the long-term prospects for the company and whether the ELCA has an opportunity to sell the stock for cash in the foreseeable future (for example, pursuant to a planned sale of the company).

6.12.3 Subchapter S. If the company in question is a Subchapter S corporation, another criteria shall be the unrelated business income tax (UBIT) consequences of holding and selling the stock.

6.12.4 Minimum amount. Gifts of closely-held stock should be at least$100,000.

6.12.5 Appraisals. It will be the responsibility of the donor to conduct and pay for appraisals of such securities and provide written documentation to the institution.

6.12.6 Disposal. No prior written agreements on the disposal of such gifts will be made, in accordance with IRS regulation on such gifts.

6.13 Interests in partnerships and limited-liability companies

6.13.1 General. Interest in partnerships and limited-liability companies may be accepted only with the prior written approval of the executive director of Development and the treasurer.

6.13.2 Limited liability. In recommending a gift for approval by the executive for Development and the treasurer, the responsible gift officer shall consider as a principal factor whether the ELCA will incur liability as a result of holding this asset. The gift officer will review, or request legal counsel to review, the governing documents of the partnership or limited-liability company to determine if capital-call provisions might require the ELCA to contribute funds to the partnership or LLC. Assuming there are no such capital-call provisions, the gift officer must determine that the entity is either a limited-liability company or a limited partnership and, if the latter, that the interest the ELCA will receive is a limited-partner interest. The ELCA will generally not accept general-partner interests.

6.13.3 Unrelated business income tax (UBIT). The gift officer must evaluate, with assistance from the finance department if required, the possibility thatUBIT will be attributed to the ELCA as a result of it owning an interest in the partnership or LLC.

6.13.4 Minimum amount. Gifts of partnership or LLC interests shall be atleast $250,000.

6.14 Tangible personal property

6.14.1 General. The churchwide organization may accept tangible personalproperty gifts valued at $10,000 or more with the prior written approval of the executive for Development and the treasurer.

6.14.2 Appraisal. Gifts of tangible personal property of $5,000 or more require a donor-obtained and -funded independent appraisal of fair market value before being credited as a gift.

6.14.3 Restrictions. Restrictions imposed by the donor regarding the sale, maintenance, administration or display of such items are subject to review by the executive for Development and the treasurer. Such gifts will be accepted only if additional expenses engendered by such restrictions are underwritten by the donor or are considered reasonable expenses by the institution. Gifts become irrevocable property of the ELCA, and their restrictions cannot be guaranteed in perpetuity.

6.14.4 Acceptance. Generally, gifts such as these will be accepted only if they enhance the institution's mission or asset value or are readily convertible to cash equivalents.

6.14.5 Sale. Subsequent sale of such items by the institution within two years of the date of the gift must be reported to the IRS and may cause a reduction in the value of the charitable gift to the donor if appreciated property is sold for less than its appraised value. Donors should obtain their own appraisal of gifts for income tax purposes. Should any gifts exceed an estimated value of $5,000, the value should be verified by an expert appraiser. Any appraiser's report should contain: (1) the appraiser's qualifications, (2) a statement of value and appraiser's definition of value, (3) a complete description of the property, (4) factors used in making the appraisal (e.g., restrictions on use of the property), (5) the data on which the property was evaluated and (6) the appraiser's signature and date. For the donor's protection, the institution cannot establish the value of such a gift, nor can it pay to have an independent appraisal made for a donor or the donor's own gift. The appraisal must also be current under IRS guidelines (typically 90 days).

6.14.6 Related use. The executive for Development shall determine the estimated carrying costs — including insurance, storage, curatorial services, maintenance, etc. — for any tangible personal property, assisted by the churchwide organization department or office that would be responsible for the continuing use of the property. Further evaluation into whether any restrictions on use of the property that are required by the donor are consistent with the institutional needs of the churchwide organization.

6.14.7 Unrelated use. If the property will not be retained for use by the churchwide organization, the gift officer must determine, prior to recommending the gift for approval by the executive for Development, a plan for selling the property for cash, including the anticipated time frame and marketing expense for the proposed sale.

6.15 Life insurance policies

6.15.1 General. Donors shall be encouraged to name the churchwide organization as a primary or contingent beneficiary of their life insurance policies. The donor is expected to maintain the policy premium payments. If the donor fails to make the payments, the ELCA reserves the right to surrender the policy before a loan balance accrues.

6.15.2 Recording the gift. To record a life insurance policy as a gift, the churchwide organization must be named as both a beneficiary and an owner of the policy. The churchwide organization will also record gifts of cash by the donor to be used by the churchwide organization to pay premiums on a life insurance policy it owns.

6.16 Real property

The ELCA Foundation handles gifts of real estate to benefit the churchwide organization; please refer to Section 8.4 of the ELCA Foundation Gift Acceptance Policy.

6.17 Retirement plan assets

6.17.1 General. The churchwide organization will accept funds it receives as the designated beneficiary of a retirement plan (for example, an IRA, a 401(k) plan or a defined contribution plan). The churchwide organization should obtain a copy of the executed designation form that the donor has submitted to the retirement plan administrator to name the churchwide organization as the beneficiary.

6.18 Other assets

6.18.1 General. Typically, the churchwide organization prefers that all gifts be liquid before it accepts them. Acceptance of any other type of property as a gift to the churchwide organization shall require the prior written approval of the executive for Development and the treasurer. Noncash gifts are converted as soon as possible.

6.18.2 Vehicles. Unless a viable organization has been identified by the donor, the ELCA will generally not accept gifts of automobiles, boats, or other vehicles.

6.19 Charitable gift annuities (CGA)

The ELCA Foundation oversees the CGA program for the churchwide organization; please refer to the ELCA Foundation Gift Acceptance Policy.

6.20 Charitable remainder trusts (CRT)

The ELCA Foundation oversees the CRT program for the churchwide organization; please refer to the ELCA Foundation Gift Acceptance Policy.

6.20.1 Percent. The ELCA will allow up to five charitable remainder beneficiaries of a trust. From time to time, exceptions may be granted on the number of charitable beneficiaries. For exceptions, please seek approval from the Foundation prior to donor commitment. Seventy percent of the charitable remainder beneficiaries must be ELCA-related or ELCA-affiliated 501(c)3 ministry organizations. The remaining 30% may be qualified 501(c)3 charitable organizations that are not related to the ELCA. The charitable remainder trusts must meet the minimum standards established from time to time by the gift planning procedures of the ELCA.

6.21 Bargain saletransactions

6.21.1 General. Bargain sale transactions other than CGAs may be accepted by the ELCA only with the prior written approval of the executive for Development and the treasurer. Since bargain sale transactions require the outlay of funds by the ELCA, these transactions should be approved only in very limited circumstances.

6.21.2 Use of acquired property. One such circumstance involves property that the ELCA intends to keep for use in its programs that may be acquired on beneficial terms in a bargain sale transaction.

6.21.3 Marketable assets. In limited circumstance the ELCA may consider bargain sale transactions to acquire property that would not be retained for use in the ELCA's programs, if it determines in the approval process that theproperty can be sold for cash in a timely manner.

6.22 Grants from businesses, foundations and corporations

6.22.1 Credit. Gifts received from businesses, foundations and corporations are credited to the business, foundation or corporation.

6.22.2 Approval. Before the ELCA pursues financial support from a corporation, the Corporate Social Responsibility committee will review and approve a financial relationship with that company.

6.23 Government grants

6.23.1 Fundraising goals. Government grants received for the institution should not be counted toward any fundraising goals.

6.23.2 Campaigns. Government grants are not philanthropic contributions and as a result are not counted in campaigns.

6.24 Due diligence

6.24.1 Research. The Prospect Development team of the churchwide organizationcan provide due diligence research upon request. Whereas the goal of prospect research is to assess a prospect's potential for giving, the goal of due diligence research is to protect the ELCA from potential harm. Due diligence research considers legal, criminal or moral/ethical concerns or connections that could damage the ELCA's reputation and/or credibility by association. Risks include legal risks, financial risks, reputational risks and dependency risks. Suggested triggers for due diligence research include prospects living abroad, prospects with unknown sources of wealth, prospects with ties to royal families, prospects earning money in industries that may not align with the ELCA's values (i.e., firearms), prospects with ties to known crimes or scandals, prospects with a history of not fulfilling pledges, prospects connected to companies with moral/ethical concerns, and solicitations of $1 million or more.

6.24.2 Ratings. Prospect Development can provide information that can be used to make gift acceptance decisions. Prospect Development will assign a rating of either low concern, medium concern or high concern, basing this on information available in the public domain.

6.24.3 Process. The Prospect Development team will: (1) consult the sources (see 6.24.4), (2) provide a list of concerns, (3) select adue diligence rating and (4) record research outcome in a case log.

6.24.4 Sources. The following sources will be consulted: (1) Violation Tracker (goodjobsfirst.org), (2) Foreign Corrupt Practices Act: Home (stanford.edu), (3) Sanctions List Search (treas.gov), (4) Article — DDTC Public Portal (state.gov), (5) Finding Negative News and Information on Lexis Advance Quicklaw (custhelp.com), (6) United States Department of Justice National Sex Offender Public Website (nsopw.gov), (7) UniCourt — One Portal to Access Court Records & Legal Data and (8) Organized Crime and Corruption Reporting Project — OCCRP.

6.24.5 Time frame. The turnaround time for due diligence research from the Prospect Development team is 20 business days; research can be requested through the ECIS queue by using the research type "Other."

6.25 Corporate matching gifts

6.25.1 Credits. Matching gifts of cash or securities received from corporations, businesses or other organizations will be credited as gifts from the entity that gave them.

6.25.2 Designation. Matching gifts will follow the gift designation of the individual for whom the gift is being matched unless the matching gift organization directs otherwise.

6.25.3 Obligation. Pledges made by individuals are considered personal obligations and should not include the anticipated matching gift amount.

6.25.4 Recognition. Should the institution wish to credit matching gifts to the individual for the purpose of donor recognition, it may, so long asgifts are not counted twice for the purpose of actual gifts raised.

6.26 Documentation of gifts

6.26.1 General. All gift, pledge and bequest commitments require formal, written documentation before being recognized and counted (with the exception of phonathon pledges, as mentioned in section 6.11.2).

6.26.2 Pledge form. Multiyear pledges will usually be documented in the form of a signed and dated pledge card or letter of intent that has been adopted by the institution.

6.26.3 Other acceptable forms. Other acceptable documentation includes: (1) formal contracts and letters of agreement, (2) instruments of transfer, (3) copies of bequests and bequest clauses along with a standard statement of the estimated amount and purposes of the bequest, (4) copies of insurance policies or (5) copies of trust instruments and supporting trust data.

6.27 Matching challenges

6.27.1 General. Matching challenges may be employedfrom time to time as a fundraising tool to incentivize donors. A donor may commit to matchinggifts made toward a particular initiative via a signed “statement of intent” that outlines the amount, timing and usage of these matching dollars. The matching gift can be made in advance of an initiative or at the conclusion but is not contingent upon a successful campaign to raise the funds — the gift is a commitment regardless of attaining the matching goals, so as to ensure effective planning for the Development team.

6.27.2 Amended use. Should the churchwide organization not raise the matchinggifts that complement the challenge set forth, the churchwide organization will discuss options for the donor to extend the challenge grant to future fundraising opportunities or to give the remainder of the gift outright.

6.28 Monthly giving

6.28.1 General. The churchwide organization encourages donors to enroll in the monthly giving program. Donors can use credit cards or checks to enroll. The churchwide organization will automatically deduct the amount fromthe donor’s bank or credit card every month on the agreed-upon date. The churchwide organization will continue to deduct the amount every month until the donor informs the organization to cancel the recurring gifts. Donors can cancel the recurring gift with the churchwide organization at any moment through phone call or email.

6.29 General procedures for processing gifts

6.29.1 Gift processing. Gift Processing is part of the Development Services team and is responsible for processing all gifts in the ELCA CRM system (ECIS). This includes all gifts to the ELCA and to other, separately incorporated ministries and partners that use ECIS (excluding Mission Support). The types of gifts the team processes include cash, checks, credit cards and ACHs. All ELCA staff are responsible for immediately sending any gift they receive to the gifts processing team in Development. The Gift Processing team is committed to processingall gifts in ECIS as soon as they have all the information needed to process the gift correctly. Gift Processing must receive notice of any new fundraising program/initiative/event at least two weeks before the team starts receiving gifts for that program, so that the team can be ready to process new gifts. The official date for gift processing is always the bank deposit date. The team never modifies that deposit date. Gift Processing aspires to process all gifts deposited in any month (including at year's end) no later than the tenth business day of the following month.

6.29.2 Gift accounting. The churchwide organization books are maintained in accordance with the principles and practices of fund accounting. Gifts and contributed revenues are classified into two net asset classes based uponthe existence or absence of donor-imposed restrictions. These classes are "With Donor Restrictions" and "Without Donor Restrictions." Contributions, including unconditional promises to give, are recognized in the period received. Gifts are recorded in our Customer Relationship Management System (ECIS) and are reconciled to the general ledger on a monthly basis.

7.0 **Document approvals**

Lori Fedyk — 4/11/24

Lori Fedyk — Date

Treasurer

Rachel Wind — 4/11/24

Rachel Wind — Date

Executive for Development

8.0 Organizational approvals

Category	Approving Body	Applicable?	Date Approved
Organizational policy	Administration team	Yes	1/5/16
Governance policy	Church Council/Board of Trustees	No	
Organizational procedures	Policy Review Committee	Yes	8/20/15
Single-unit/office procedures	Unit/office management	No	

9.0 **Appendix**