

**Central Lutheran Church Foundation
Minneapolis, Minnesota
Gift Acceptance Policy**

Foundation History, Purpose, Relationship, Goals, and Overview

1. History

The Central Lutheran Church Foundation dates back to an initial gift of generosity: a bequest in 1942 of one thousand dollars in a Central Lutheran Church member's will. In gratitude for such a gift, church leaders started an Endowment Fund. Some ten years later, on February 20, 1952, the Foundation was incorporated for the purpose of managing the Endowment Fund. Since then, gifts and bequests to the Foundation by many members and friends of Central Lutheran Church have provided support to the mission and outreach of the congregation.

2. Purpose Statement

The Foundation's general purpose is to provide an opportunity for members and friends of Central Lutheran Church to participate in the on-going legacy of Central Lutheran Church as it lives out its mission.

3. Statement of Relationship: Central Lutheran Church Foundation and Central Lutheran Church Congregation

The Central Lutheran Church Foundation is a 501(c)(3) nonprofit corporation, separate from Central Lutheran Church, with its own elected Board of Trustees. The purpose of the Foundation as stated in its Articles of Incorporation "shall be to receive gifts, hold the principal of such gifts in perpetuity, and to expend the income therefrom for educational, charitable, and religious purposes within the activities of the Lutheran Church, and for such purposes as may be undertaken, approved, or supported by Central Lutheran Church of Minneapolis...". The Foundation and the congregation are partners in mission.

4. Investment Goals

The Foundation's investment goals are to seek prudent growth of principal over time and to provide a stream of income for use in distribution to Central Lutheran Church. To achieve these goals, the Board of Trustees manages The Foundation.

5. Overview

In gratitude for Central's tradition of generosity and to encourage future gifts, the Board of Trustees has approved these documents to govern the acceptance of gifts to The Foundation and to ensure their responsible management:

- a) Gift Acceptance Policy
- b) Designated Fund Descriptions
- c) Model Standards of Practice for the Charitable Gift Planner

A. Foundation Gift Acceptance Policy

The Central Lutheran Church Foundation (hereinafter referred to as The Foundation) gratefully receives gifts of any size to further the ministry of Central Lutheran Church (The Church) now and as a legacy for generations to come. The following is a description of a variety of gift structures and policies. These policies are intended to assure that all gifts to The Foundation are structured to provide maximum benefit to both the giver and The Foundation.

1. Gifts Accepted by The Foundation

The Foundation accepts the following types of gifts, subject to the requirements of this Policy:

- 1.1 Cash:** All gifts by check for The Foundation will be accepted regardless of the amount. Checks must be made payable to “Central Lutheran Church Foundation”. In no event will a check be made payable to an individual who represents The Foundation in any capacity.
- 1.2 Donor-Advised Fund:** Distributions from a donor-advised fund will be accepted.
- 1.3 Gifts through Employers:** Employees of some firms may elect to give to one of a variety of community causes through a corporate campaign. Others may give to causes and have such gifts matched by their employer. All such gifts will be gratefully accepted.
- 1.4 Stocks, Bonds, and Securities:** Publicly traded securities will be accepted by The Foundation. Gifts of closely held securities will be accepted at the discretion of the Board of Trustees if they can readily be liquidated. Securities and alternative assets will be sold as soon as practicable.
- 1.5 Personal Property:** Gifts of tangible personal property, such as art, antiques, collectibles, and other personal property, are gratefully accepted for The Foundation upon recommendation by the Executive Committee, and based on (but not limited to) the following information:
 - a) current title and ownership
 - b) an independent qualified third-party appraisal
 - c) a recommendation on marketabilitySuch information is necessary for The Foundation to adhere to all Internal Revenue Service (IRS) requirements relating to disposing of gifts of tangible personal property.
- 1.6 Charitable Lead Trust:** Payments from a charitable lead trust designated for The Foundation will be accepted, with assets returned to the donor’s estate at the end of the term.
- 1.7 Charitable Gift Annuity:** Charitable gift annuities and deferred payment charitable gift annuities will be accepted for The Foundation. Annuities may be administered by The Foundation or by other parties.

1.8 Charitable Remainder Trusts: Charitable remainder trusts for which The Foundation is a remainder beneficiary are accepted, provided that The Foundation will not serve as the trustee.

1.9 Life Insurance: Proceeds from a life insurance policy that names The Foundation as a beneficiary (primary or contingent) are accepted. In addition, The Foundation may accept a gift of ownership of a life insurance policy. The Executive Committee will determine whether The Foundation will continue to pay the premiums, if the policy is not paid up, or to accept the cash surrender value of the policy.

1.10 Real Property: Gifts of real estate that is unencumbered, marketable, and free of environmental or other problems are accepted for The Foundation at the discretion of the Executive Committee, based on information about the following:

- a) current title and ownership
- b) at least a Phase I environmental audit
- c) current zoning
- d) any and all restrictions
- e) any encumbrances, including an Affidavit of Lien signed by the owner
- f) an independent qualified third-party appraisal
- g) a recommendation on marketability.

1.11 401(k) Retirement Benefit Plans and IRAs: Payments of the proceeds of a 401(k), 403(b), or similar retirement plan or individual retirement account for The Foundation will be gratefully accepted.

1.12 Other: Other gifts may be accepted for The Foundation at the discretion of the Executive Committee and with knowledge of the Board. The Foundation reserves the right to refuse any gifts it believes to be an unreasonable burden. In general circumstances, The Foundation will liquidate gifts as soon as practicable.

2. Appraisal

In securing appraisals and legal fees for gifts to The Foundation, it will normally be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to The Foundation. The donor is responsible for obtaining a qualified appraisal in accordance with instruction to IRS Form 82283 for all non-cash gifts (except marketable securities) valued at \$5,000 or more and for closely held stocks valued at \$10,000 or more. In the case of all non-cash gifts, it is normally the donor's responsibility to pay for the appraisal.

3. Gift Classification

For purposes of this policy, The Foundation classifies gifts as follows:

3.1 Current Gifts: Current Gifts are gifts received during the donor's lifetime that benefit The Foundation at the time of the gift.

3.2 Estate Gifts: Estate Gifts are gifts received following the death of the donor or survivor of the donor.

4. Donor Restrictions

All gifts designated in a written instrument for The Foundation by the donor will be placed in The Foundation and are subject to a permanent endowment restriction. Expenditures from such gifts will be made only in accordance with The Foundation's Endowment Spending Policy. A donor may restrict the use of a gift to a specific purpose. Specific purpose restrictions must be imposed by the donor at the time of the gift and are subject to the following provisions:

- 4.1 Existing Designated Funds:** Gifts of any amount may be directed by the donor to an existing Designated Fund of The Foundation. The Designated Funds, which support specific programs or activities of The Church, are detailed in Part B.
- 4.2 New Designated Funds:** A gift may be made to a new Designated Fund for a specific purpose in furtherance of The Church's mission. New Designated Funds may be created by the Board of Trustees upon recommendation by the Executive Committee or in response to a specific donor proposal. Generally, a new Designated Fund for a specific purpose will be established only if one or more donors have given or pledged at least \$10,000 for the Designated Fund. If the donor agrees at the time of the gift, the Designated Fund description may specify that after a stated period of time, the Fund may be reallocated as needed by the Board of Trustees.
- 4.3 Change in Purpose:** The specific purpose of a Designated Fund may be modified or released only as follows. An endowment restriction may not be modified or released.
 - a) Donor Consent.** If the donors consent in writing, the Board of Trustees may modify or release a restriction on the purpose of a Designated Fund in accordance with Minnesota Statutes, Section 309.755.
 - b) Court Approval.** If the donor does not or cannot consent, The Foundation may petition the Probate Court under Minnesota Statutes, Section 501B.31, to modify or release a restriction on the purpose of a Designated Fund if the original Fund purposes have become impossible, inexpedient, or impracticable.
 - c) Board of Trustees Action.** If a Designated Fund has been established for at least 20 years, has a total value of less than \$50,000, and contains a restriction that is unlawful, impracticable, impossible, or wasteful, the Board of Trustees may modify or release the restriction in whole or in part 60 days after notification to the Minnesota Attorney General in accordance with Minnesota Statutes, Section 309.755.

5. Board Designations

A gift that is not designated by the donor to a Designated Fund may be directed to one or more existing or new Designated Funds by the Board of Trustees. Gifts designated by the Board of Trustees to a Designated Fund may be reallocated for another purpose

by action of the Board of Trustees, provided that they remain in The Foundation. Such reallocations are not subject to the requirements of Section 4.3 of this Policy.

6. Limitations

6.1 Right to Decline: The Foundation reserves the right to decline or otherwise refuse any gift with or without cause. Reasons for which a gift may be declined include, but are not limited to, the following:

- a) The Board of Trustees does not believe it is in the best interest of The Foundation or The Church to abide by the restrictions placed on the gift by the donor.
- b) The costs to maintain the gift or to meet the restrictions placed on the gift by the donor are considered to be excessive for The Foundation.
- c) The gift is considered to be inappropriate or unrelated to the tax-exempt purposes of The Foundation or The Church.
- d) The gift is designated to benefit or to be channeled to a specific individual.

6.2 Will Not Act as Executor: The Foundation will not act as an executor or personal representative for a donor's estate. If a staff member of The Foundation or The Church serves as the executor or personal representative of a member of the congregation, the staff member does so in a personal capacity and not as The Foundation's agent.

6.3 Will Not Act as Trustee: The Foundation will not act as trustee of a charitable remainder trust or other trust.

7. Endowment Gift Management Policies

7.1 Gift Receipt and Direction

- a) **Cash and Checks:** Cash and checks will be deposited in The Foundation's bank account.
- b) **Securities:** Securities held for the owner by a brokerage firm (in "street name") should be transferred directly to one of The Foundation's brokerage accounts as directed by the Executive Secretary. Securities not held by a brokerage firm should be delivered to the office of The Foundation for disposition.
- c) **Other Gifts:** Other gifts will be disposed of as directed by the Executive Secretary, who may consult the donor or his/her representatives as appropriate.
- d) **Executive Secretary to Manage Estate Gifts:** The Executive Secretary will present all Estate Gifts to the Board of Trustees for its action and provide periodic and annual summaries of all Estate Gifts.

7.2 Gift Acknowledgement

a) Letters

- 1) *Accounting Letter*: The Executive Secretary will send an acknowledgement as soon as possible to the donor (if living), or the representative of the estate (if donor is deceased) as required by either party.
- 2) *Personal Letter*: The Executive Committee will send a thank-you letter as soon as possible to the donor or the representative of the estate. For memorial gifts or gifts in honor of individuals, members of the Board of Trustees may write such letters.

b) Donor Recognition

Persons who have indicated their intention to include The Foundation in their will or estate plan are considered “Legacy Partners” of The Foundation. At a recognition dinner or other event (or privately, if they wish to remain anonymous), they receive a crystal gift etched with an image of Central Lutheran Church.

8. Commitment to Donors

- 8.1 The Foundation will comply with the Model Standards of Practice for the Charitable Gift Planner, as recommended by the National Committee on Planned Giving (see Section C).
- 8.2 All personal and financial information obtained from or about donors will be held in confidence by The Foundation, its staff, and volunteers. The donor and amount of each gift will be recorded in the minutes of the Board of Trustees when presented by the Executive Secretary.
- 8.3 All prospective donors will be encouraged to seek the assistance of their personal, legal, and financial advisors relating to their gift planning and any tax or legal estate-planning consequences. At no time will The Foundation provide tax or legal advice to donors.

9. Changes to Policies

These policies are subject to amendment by the Board of Trustees whenever the Board deems such amendments are necessary. The Board may also make exceptions to these policies in handling a specific gift. Flexibility must be maintained since some gift situations can be complex and decisions made only after careful consideration of a number of interrelated factors. To optimize funding from individuals and other entities, the Foundation must be capable of responding quickly, in the affirmative where possible, and with gratitude always, to gifts offered by prospective donors.

B. Designated Fund Descriptions*

Funds Restricted by Donor Designation to Specific Programs of the Church:

To Support Broadcasts, Media, and Other External Communications

Radio Fund

To Support Building Maintenance and Other

Enger, Mrs. N.I. Fund

Steinke, Mary and Glenn Building Fund

Weisenburger, Robert and Bonnie Building Fund

To Support Debt Retirement

Ilstrup, Mr. & Mrs. Elvin O. Fund

Olson, Mr. & Mrs. Elmer N. Fund

Sommer, Mr. & Mrs. Clifford Fund

To Support General Funds of Central Lutheran Church

Anderson, Fred W. & Helen Memorial Fund – ½ split

To Support Mission and Benevolence Funds, Global Mission, & Outreach

Anderson, Fred W. & Helen Memorial Fund – ½ split

Peterson, Hilda Marie H. Fund

Rusten, Dr. & Mrs. Elmer Fund

Weiblen, Mrs. Anna A. Fund – ½ split

World Mission Fund

Worner, Darrell Global Mission Fund

To Support Music Ministry

Flachman Music Fund

Gaasedelen, Mr. & Mrs. F. W. Fund

Hillary, Frederick and Joyce Children's Music Fund

Hoffmann, Thomas and Lorna Music Endowment Fund

Ministry of Music at Central Fund

To Support Seminary Scholarships

Brings, Lawrence M. and Nettie Scholarship Fund

Hanson, Paul A. Seminary Scholarship Fund

Magnuson, Shirley Ann Scholarship Fund

To Support Senior, Health, and Homebound Ministry

Jacobson, Ralph Senior Activities Fund

Trystad, Pastor Martin Homebound Ministry Fund

Ward, Alice Health Fund

To Support Sunday School, Children, and Youth Ministries

Anderson, Frank A. Memorial Fund

Gregerson, Larry and Zylpha Fund

Hoople, Glen V. and Agnes H.J. Fund

Ulland, Ellen S. Fund
Weiblen, Mrs. Anna A. Fund – ½ split
Youth Fund - Anonymous

To Support Welfare Work, Neighborhood Ministry, & Restoration Center

Neighborhood Ministry Fund
Stub, Dr. J.A.O. Memorial Fund
Wiebe, Mr. & Mrs. James H. Fund – Central City

* It should be noted that most of the funds held by The Foundation are Unrestricted. The Unrestricted Funds are distributed monthly to Central Lutheran Church to be used at the discretion of The Church Council and the Senior Pastor in coordination with The Church budget.

C. Model Standards of Practice for the Charitable Gift Planner**

Preamble

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents, and other financial services professionals (collectively referred to hereafter as “Gift Planners”), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning, and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institutions.

I. Primacy of Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. Explanation of Tax Implications

Congress has provided tax incentives for charitable giving and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. Full Disclosure

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom such is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payments of finder’s fees, commissions, or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. Competence and Professionalism

A Gift Planner shall strive to achieve and maintain a high degree of competence in his or her chosen area and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact, and mutual respect.

VI. Consultation with Independent Advisers

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

VII. Consultation with Charities

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without prior knowledge or approval of the donor organization, a Gift Planner, to ensure that the gift will accomplish the donor's objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, a Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. Description and Representation of Gift

A Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent and the assumptions underlying any financial illustrations should be realistic.

IX. Full Compliance

A Gift Planner shall fully comply with and encourage other parties in the gift planning process, to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. Public Trust

Gift Planners shall, in all dealings with donors, institutions, and other professionals, act with fairness, honesty, integrity, and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

**This was copied verbatim from the website of the American Council of Gift Annuities (ACGA) – Model Standards of Practice for the Charitable Gift Planner – Adopted 05/07/1991. Revised April 1999.