

**Grand Rapids First Assembly of God**  
**Endowment Funds**  
**Gift Acceptance Policies & Guidelines**

Grand Rapids First Assembly of God (hereinafter referred to as GR First) is a non-profit religious organization that encourages giving for purposes that will help GR First to further and fulfill its mission. *The mission of GR First is to bring people to Christ and equip them to be like Him.* The following policies and guidelines shall govern the acceptance of gifts made to GR First.

**1. Purpose of Policies and Guidelines**

The board of deacons and its staff solicit current and deferred gifts from individuals, corporations and foundations to secure the future growth and mission of GR First. It is the purpose of these policies and guidelines to govern the acceptance of gifts and to provide guidance to prospective donors and their advisors when making gifts. The provisions of these policies shall apply to all gifts received by GR First for any of its programs or services.

**2. Use of Legal Counsel**

When appropriate, GR First shall seek the advice of legal counsel in matters relating to acceptance of certain gifts. Review by counsel will be utilized for:

- Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- Gifts involving contracts, such as bargain sales or other agreements requiring GR First to assume an obligation.
- Transactions with a potential conflict of interest that may invoke IRS sanctions.
- Other instances in which the use of counsel is deemed

appropriate by the gift acceptance committee.

**3. Legal and Financial Advisors**

All prospective donors shall be strongly urged to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

**4. Restrictions on Gifts**

GR First will accept unrestricted gifts and gifts for specific programs and purposes provided that such gifts are not inconsistent with its stated mission, purposes and priorities. GR First will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the Constitution & By-Laws, those that are too difficult to administer, or those that are for purposes outside the mission of GR First. The gift acceptance committee shall make the final determination on the acceptance of restrictive gifts.

**5. The Gift Acceptance Committee**

The gift acceptance committee shall consist of:

- The business administrator.
- The treasurer.
- Two board members, appointed by the board of deacons.
- Such other members as appointed by the senior pastor.

The gift acceptance committee shall be charged with the responsibility of reviewing all gifts made to GR First, properly screening and accepting those gifts, and making

recommendations to the board on gift acceptance issues where appropriate.

## 6. Types of Gifts

The following gifts are acceptable:

- Cash
- Tangible personal property
- Securities
- Real estate
- Remainder interests in property
- Oil, gas and mineral interests
- Bargain sales
- Life insurance policies
- Charitable gift annuities
- Charitable remainder trusts
- Charitable lead trusts
- Retirement plan beneficiary designations
- Bequests
- Life insurance beneficiary designations

The following criteria govern the acceptance of each gift form:

**Cash:** Cash is acceptable in any form. Checks shall be made payable to Grand Rapids First and shall be delivered to the Business Administrator in the GR First administrative offices.

**Tangible Personal Property:** All gifts of tangible personal property shall be examined based on answers to the following questions:

- Does the property fulfill the mission of GR First?
- Is the property marketable?
- Are there any undue restrictions on the use, display or sale of the property?
- Are there any carrying costs for the property?

## Publicly Traded Securities:

Marketable securities may be transferred to an account maintained at one or more brokerage firms, or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the investment committee. In some cases, applicable securities laws may restrict the sale of marketable securities.

**Closely Held Securities:** Closely held securities, which include not only debt and equity positions in non-publicly traded companies, but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the gift acceptance committee. However, gifts must be reviewed prior to acceptance to determine that:

- There are no restrictions on the security that would prevent GR First from ultimately converting that security to cash.
- The security is marketable or there is reasonable likelihood that a market exists.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on the gift. Every effort will be made to sell non-marketable securities as quickly as possible.

**Real Estate:** Gifts of real estate may include developed property, underdeveloped property, or gifts subject to a prior life interest. Before

accepting real estate gifts, GR First shall require an initial environmental review of the property to ensure that it is not contaminated with environmental damage.

Environmental inspection forms are attached as an appendix to this document. In the event that the initial inspection reveals a potential problem, GR First shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

Where appropriate, a title insurance binder shall be obtained by GR First prior to the acceptance of the real estate gift. The cost of this title binder shall generally be an expense of the donor.

Gifts of real estate shall be examined based on the answers to the following questions:

- Is the property useful for the purposes of GR First?
- Is the property marketable?
- Are there any restrictions, reservations, easements or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages or notes, associated with the property?
- Does the environmental audit reflect that the property is not damaged?

**Oil, Gas and Mineral Interests:** GR First may accept oil and gas property interests where appropriate.

**Bargain Sales:** GR First may enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of GR First. The factors used in determining the appropriateness of the transaction are as follows:

- GR First will obtain an independent appraisal substantiating the value of the property.
- If GR First assumes debt with the property, the debt ratio must be less than 50% of the appraised market value of the property.
- GR First must determine that it will use the property, or that there is a market for sale of the property, allowing sale within 12 months of receipt.
- GR First will calculate the costs to safeguard, insure and expense the property (including property tax, if applicable) during the holding period.

**Life Insurance:** GR First must be named as beneficiary and owner of a life insurance policy before it can be recorded as a gift. The gift is valued at its interpolated terminal reserve value upon receipt. If the donor contributes future premium payments, GR First will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, GR First may:

- Continue to pay the premiums.
- Convert the policy to paid up insurance.

- Surrender the policy for its current cash value.

### **Retirement Plan Beneficiary**

**Designations:** Donors and supporters of GR First are encouraged to name GR First as beneficiary of their retirement plans. Such designations shall not be recorded as gifts to GR First until such time as a gift is irrevocable. Where the gift is irrevocable but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

**Bequests:** Donors and supporters of GR First are encouraged to make bequests to GR First under their wills and trusts. Such bequests shall not be recorded as gifts to GR First until such time as the gift is irrevocable. Where the gift is irrevocable but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

### **Life Insurance Beneficiary**

**Designations:** Donors and supporters of GR First are encouraged to name GR First as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to GR First until such time as a gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

## **7. Miscellaneous Provisions**

**Securing appraisals and legal fees for gifts to GR First:** It shall be the

responsibility of the donor to secure an appraisal (where required) for all gifts made to GR First.

**Valuation of gifts for development purposes:** GR First shall record a gift received by GR First at its valuation for gift purposes on the date of gift.

**Responsibility for IRS filings upon the sale of gift items:** The gift acceptance committee of GR First is responsible for filing IRS Form 8282 upon the sale or disposition of any property (other than cash or publicly traded securities) sold within three years of receipt by GR First where the charitable deduction value of the item is greater than \$5,000. GR First must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies.

Acknowledgement of all gifts made to GR First and compliance with the current IRS requirements in acknowledgement of such gifts shall be the responsibility of the GR First gift acceptance committee. IRS Publication 561 (Determining the Value of Donated Property) and IRS Publication 526 (Charitable Contributions) are attached to these policies as an appendix.

## **8. Grand Rapids First Will Not Act as a Trustee**

## **9. Changes to Policies**

These policies and guidelines have been reviewed and accepted by the Board of Deacons of GR First. The

Board of Deacons of GR First must  
approve any changes to or deviations  
from these policies.

8/5/08 – sy/kn