

Agnus Dei Lutheran Church  
10511 Peacock Hill Ave. NW  
Gig Harbor, WA 98332  
Website: [www.agnusdeilutheran.org](http://www.agnusdeilutheran.org)  
TAX ID#: 91-1236110

## **GIFT POLICY**

### **I. PURPOSE**

This policy governs the acceptance of gifts by Agnus Dei Lutheran Church (ADLC). It provides guidance to prospective donors and their advisors when making gifts to this Church to support our mission and ministry. The provisions of this policy apply to all gifts to ADLC over and above regular giving, offering, or pledges, or specific campaign or initiative contributions. This policy is administered by the Congregation Council (Council).

Gifts will be accepted when they support the mission, purpose, and procedures of ADLC. Donors are encouraged to bless this Church with gifts free of restrictions. 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. ADLC shall accept only such gifts as are legal and consistent with the ADLC Gift Policy, and applicable portions of ADLC's Bylaws and Constitution. While ADLC 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. GUIDELINES FOR GIFT ACCEPTANCE**

The Council is charged with the responsibility of reviewing gifts offered to the Church and shall make decisions regarding gift acceptance and use according to *Section IV* of this Policy. Gift decisions shall be duly noted in confidential minutes.

- A. ADLC will accept unrestricted gifts and donor restricted gifts for specified programs and purposes, provided that such gifts are consistent with the stated mission, vision, policies and priorities of this Church. ADLC will not accept gifts that would
  - a) result in losing its status as a US Internal Revenue Code Section 501(c)(3) nonprofit organization;
  - b) are deemed by the Council too difficult or too expensive to administer or would be a liability, in relation to the gift value;
  - c) would result in unacceptable consequences; or
  - d) are for purposes outside the mission of this Church.
- B. ADLC, as a general rule, will convert all restricted and unrestricted gifts to cash.

- C. Records of gift acceptance or declination and of gift use shall be audited within this Church's standard audit procedures.
- D. The Council shall complete a ***Gift Worksheet*** (see Exhibit A) to record the gift acceptance and use decisions or declination for any gifts offered that are greater than \$3,000.
- E. The Council shall offer appreciation for every donor's generosity, regardless of the decision to accept or decline the gift. For gifts over \$3,000, that appreciation will often begin with a verbal conversation with the donor or donor's estate but will be formalized through written notice sent by US Mail (certified, registered mail with receipt), or email with read receipt requested, and signed by a current President or their designee and Vice-President or their designee.
- F. Recognition of the donor should not be a condition of the gift. The decision to provide acknowledgement and recognition for the gift will be the decision of the Council, taking into consideration the desire of the donor and keeping with the usual practice of appropriate gratitude for this congregation.
- G. If there are questions or concerns regarding any gift including the offer, acceptance, or use thereof, whether defined in this policy or not, the donor and/or the Council members are always encouraged to consult with the Evangelical Lutheran Church in America (ELCA) Foundation's Regional Gift Planner and Foundation staff or other related professional.

### **III. USE OF GIFTS RECEIVED BY ADLC**

ADLC will accept both unrestricted gifts and donor restricted gifts, pursuant to the limitations in Section II(A) of this policy. Different action will be taken in relation to a gift, depending on whether it is an unrestricted gift or a donor-restricted gift.

#### **A. USE OF UNRESTRICTED GIFTS**

An unrestricted gift is given without any stipulation for its use and is accepted to support the mission and ministry of ADLC. This Gift Policy defines two categories of unrestricted gifts and offers related protocols for each in an effort to honor the time and expertise held by the Council:

1. Unrestricted gifts with a value less than three thousand dollars (\$3,000) shall have the acceptance and use decisions managed by the Council. The Council will determine a specific project or purpose for the balance of the unrestricted gift, which furthers the mission and values of ADLC.
2. Unrestricted gifts with value equal to or greater than three thousand dollars (\$3,000) shall have the acceptance and use decisions approved by the Council in accordance with this policy.

**Step 1: Tithe.** ADLC shall promptly offer a gift of ten percent (10%) of the total gift to the SWWA Synod of the ELCA for Mission Support. This is referred to as a "tithe."

**Step 2: Endowment.** This Church shall promptly offer a contribution of ten percent (10%) of the total gift to the Agnus Dei Lutheran Church Endowment Fund, managed through the ELCA Foundation Pooled Trust - Ministry Growth Fund of the ELCA Foundation.

**Step 3: Designated Spending.** The remaining eighty percent (80 %) of the gift will be allocated by the ADLC Council among the following designated fund categories, guided by the mission, vision and values of this congregation as outlined in Appendix A:

Ministry needs within our organization:

- (a) Endowment
- (b) Debt Reduction
- (c) Operating Reserve Fund equal to three months' operating expenses of ADLC
- (d) Extraordinary needs identified by ADLC Committees
- (e) Other items current to the ministry wants and needs of the congregation

## B. USE OF RESTRICTED GIFTS AND GUIDELINES

A restricted gift is given with specific stipulations for its use and is accepted 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.

*NOTE: Donors may not direct the way a gift is invested or utilized by this congregation. In accordance with the Internal Revenue Service, donors cannot claim tax favor or retain control over gifts to charity. However, the ADLC Council may choose to honor the donor's desires within the context of serving the missions of the church.*

1. Donors should be aware that programs offered by this congregation may be discontinued, 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 complete the **Restriction and Release Form** (see Exhibit B). The Council shall make the *Restriction and Release Form* readily available in the office and through the website of this congregation. The Council will decide on redirection of gift funds when the original purpose no longer exists.

## IV. 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 Church and donors are encouraged to inform the Council and/or this Church's ELCA Foundation Regional Gift

Planner of such gift plans whenever possible. Some gifts will be accepted outright, and other gifts will be reviewed on a case-by-case basis according to the policies of this Church. The Council 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. **Beneficiary Designations.** Gifts of assets that transfer through beneficiary designation will be accepted. Types of beneficiary designation assets include, but are not limited to:
  - a) Bank and credit union accounts
  - b) Bank accounts and investments of qualified or non-qualified status, including, but not limited to, annuities, mutual funds, and securities
  - c) Charitable Gift Annuities
  - d) Charitable Remainder Trusts
  - e) Charitable Lead Trusts
  - f) Distribution Agreements
  - g) Donor Advised Funds
  - h) Endowments
  - i) Life insurance policies

*NOTE: Sample beneficiary designation language... "ADLC., a nonprofit organization located at 10511 Peacock Hill Ave NW, Gig Harbor, WA 98332, Federal Tax ID #91-1236110, for general use and purpose."*

3. **Marketable Securities.** Gifts of marketable securities will be accepted when transferred electronically to a Church-owned brokerage account; or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached; or transferred through the ELCA Foundation for the benefit of Agnus Dei Lutheran Church, a nonprofit organization located at 10511 Peacock Hill Ave NW, Gig Harbor, WA 98332, Federal Tax ID #91-1236110. All marketable securities will be sold promptly upon receipt unless otherwise directed. In some cases, marketable securities may be restricted by applicable securities laws, the terms of the proposed gift, or other stipulations. Types of publicly and non-publicly traded marketable securities include, but are not limited to:
  - a) Bonds
  - b) Master Limited Partnerships (MLP)
  - c) Mutual Funds
  - d) Real Estate Investment Trusts (REIT)
  - e) Stocks
4. **Life Insurance.** Gifts of life insurance will be accepted when ADLC is designated as the sole owner of the insurance policy and an agreement is reached regarding the

responsibility for payment of current and future premiums due. If the premium payments are not paid, the Church, as policy owner, reserves the right to surrender the policy in exchange for the cash value, in order to avoid loan balance accruals. Language for transfer of life insurance shall state: "I transfer ownership of life insurance contract (contract #) to ADLC, a nonprofit organization located at 10511 Peacock Hill Ave NW, Gig Harbor, WA 98332, Federal Tax ID #91-1236110.

5. **Bequests.** Gifts in the form of a bequest will be considered on a case-by-case basis. Types of bequests include, but are not limited to:

- a) Charitable Lead Trusts (CLT) or Charitable Remainder Trusts (CRT)
- b) Irrevocable Life Insurance Trusts (ILIT)
- c) Living or Revocable Trusts
- d) Testamentary Trusts or 'trust under will'
- e) Wills
- f) Named beneficiary of a tax-qualified retirement plan

*NOTE: Sample bequest language... "I hereby give, devise and bequeath ten percent (10%) of my total estate, to Agnus Dei L.C., a nonprofit organization located at 10511 Peacock Hill Ave NW, Gig Harbor, WA 98332, Federal Tax ID #91-1236110, for general use and purpose."*

6. **Real Estate.** Gifts of real estate will be considered on a case-by-case basis. The donor shall be required to present an appraisal to ADLC no more than 60 days prior to the real estate transfer (Ref. IRS Publication 561, under "Qualified Appraisal"). Prior to acceptance of any gift of real estate, ADLC may require an initial environmental review. In the event that the environmental review warrants additional investigation, ADLC may retain a qualified firm to conduct a comprehensive environmental audit. The donor shall be responsible for the costs of the appraisal and/or any environmental studies required as a result of the environmental review and/or audit. Types of real estate include, but are not limited to:

- a) Agricultural
- b) Commercial
- c) Residential
- d) Undeveloped real estate

7. **Remainder Interests in Property.** Gifts of a remainder interest in a personal residence, farm/ranch, or vacation property (excluding time share interests) will be considered on a case-by-case basis and shall be subject to the real estate provisions in this Policy Section IV (6). The donor or other occupants may continue to occupy the real property for the duration of their stated life or lives. Upon termination of the life interest, ADLC may use the property or reduce it to cash. Where ADLC receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or life tenant(s). Types of remainder interests include, but are not limited to:

- a) Beneficiary Deeds
- b) Enhanced Life Estate Deeds (aka Lady Bird deeds)
- c) Life Estate Deeds
- d) Transfer on Death Deeds

*NOTE: Availability and types of remainder interests in property are defined by current state law.*

8. **Closely held business interests.** Gifts of closely held business interests will be considered on a case-by-case basis and shall be subject to the real estate provisions in this Policy Section IV(6). Types of closely held business interests include, but are not limited to:
  - a) Limited Liability type organizations (LLC, LLP, etc.)
  - b) Partnerships
  - c) S-Corporations or shares
  - d) C-Corporations or shares
  - e) Business options/warrants
9. **Oil, Gas, and Mineral Interests and Royalties.** Gifts of oil, gas, or mineral interests and/or royalties will be considered on a case-by-case basis and shall be subject to the real estate provisions in this Policy Section IV (6).  
NOTE: A working interest shall not be accepted.
10. **Agricultural Commodities.** Gifts of commodities from cash basis farmers (excluding crop share landlords), including gifts of grain (e.g. soybeans, corn, wheat, et al.), will be considered on a case-by-case basis and shall be subject to the real estate provisions in this Policy Section IV (6), provided the gift is from unsold crop inventory with no sale commitment made prior to the gift. The donor must give up “dominion and control” of the commodity and cannot sell the grain and order the proceeds to be sent to ADLC. ADLC assumes risk after the transfer to include storage, transportation, and marketing costs as well as price risk. The transaction must be well documented to show ADLC as the owner (i.e., commodity is delivered and a warehouse receipt is executed to the Church, or a notarized letter of transfer for crops stored on the farm).
11. **Intellectual Property.** Gifts of intellectual property will be considered on a case-by-case basis. The donor and this Church are encouraged to consult with an estate attorney/legal counsel before offering and/or accepting this gift. Types of intellectual property include, but are not limited to:
  - a) Copyrights
  - b) Patents
  - c) Trademarks
12. **Tangible Personal Property.** Gifts of tangible personal property will be considered on a case-by-case basis.

13. **In-Kind Donations.** Gifts of in-kind goods or services given by a business or business owner, or a donor willing to pay for such goods or services on behalf of ADLC, will be considered on a case-by-case basis. In-Kind donations will be acknowledged in writing by ADLC, but as per Internal Revenue Service (IRS) Guidelines, will not be valued by, nor provided a receipt for charitable contribution by ADLC.

**B. Gift Review Criteria**

1. Does the gift further the mission or help fulfill the purpose of ADLC? (See appendix A for the Mission, Vision and Values of ADLC)
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 the 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 Council.

**V. GIFT VALUATION**

**Gift Valuation.** For gifts of real estate and personal property, the donor is responsible for obtaining an appraisal. If the donor intends to claim the gift as a tax deduction, it must be appraised within sixty (60) days of the presentation of the gift. In the absence of an appraisal provided by the donor, ADLC will assign a value to the gift based on current information.

NOTE: The ELCA Foundation can be a resource to help determine the necessary appraisal information.

**VI. MEMORIAL AND HONORARY GIFTS**

Memorial and honorary gifts include gifts given in memory or honor of loved ones, friends, or others and may be unrestricted or restricted.

**Memorial – Threshold.** Memorial and honorary gifts of more than \$3,000 shall be subject to the guidelines for gift acceptance, appreciation, and valuation as defined in *Gift Policy Section III*. The gift use guidelines defined in Gift Policy Section V shall apply to all unrestricted memorial or honorary gifts with a value of \$3,000 or more.

Unrestricted memorial and honorary gifts with a value of less than \$3,000 shall support a specific project or purpose identified by the Council that furthers the mission and values of ADLC.

NOTE: Notification shall be provided to the individual, family or the individual's estate listing the donors who contributed a memorial or honorary gift. A quarterly report of the total memorial gifts received, and their status will be made to the Council.

## VII. GIFT POLICY REVIEW

This policy shall be reviewed every three (3) years by the Council at the Council's regularly-scheduled March meeting. The next review will be conducted in the year two thousand and twenty-eight (2028). Should the policy not have been reviewed during the three years following the most recent prior review, that prior review will be deemed to be valid.

## VIII. RESOURCES

The **ELCA Foundation**, through Regional Gift Planners and support staff, offer gift planning services at no charge to ADLC and its donors. Visit [giftplanning@elca.org](mailto:giftplanning@elca.org) or call **773-380-2774** to connect with the ELCA Foundation Regional Gift Planner that supports this Church. Current Gift Planner – Josh Kerney [josh.kerney@elca.org](mailto:josh.kerney@elca.org) 530-520-0142

Donors are also encouraged to consult with their personal tax advisor, estate attorney and/or financial advisor for specific tax, legal, and investment information. ADLC does not provide any tax, legal, or investment advice.

Date Adopted:	3/18/2025	Council Officer Certifying Adoption:	Gary Gemar, Council President
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Date Reviewed:	3/18/2025	Reviewed by:	ADLC Council
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