

GIFT ACCEPTANCE POLICY

For Calvary By The Sea Lutheran Church

November 27, 2002

Approved by 2004 Congregational meeting

1. Statement of Policy
 - 1.1 It is the policy of the Calvary By The Sea Lutheran Church (CBSLC) to assure that all gifts to, or for the use of, CBSLC are structured to provide maximum benefit to both parties.
2. Purpose of gift acceptance policies
 - 2.1 The purpose of these objectives and guidelines is as follows.
 - 2.1.1 To encourage funding CBSLC without encumbering the organization with gifts which may prove to generate more cost than benefits, or which are restricted in a manner which is not in keeping with the goals of CBSLC.
 - 2.1.2 To optimize funding from individuals and other entities, CBSLC must be capable of responding quickly.
 - 2.1.3 To provide the Council with a clear and mutual understanding of the objectives and policies regarding gifted assets.
3. Responsibilities of the Council
 - 3.1 The specific responsibilities of the Council are to:
 - 3.1.1 Develop sound and consistent gift policy guidelines.
 - 3.1.2 To accept gifts in accordance with Section 5 herein.
 - 3.1.3 Maintain flexibility when gifts are offered by donors since some gift situations can be complex, and decisions only made after careful consideration of interrelated factors.
 - 3.1.4 Review the gift policy guidelines from time to time, but at least once a year, and revising them to reflect modifications and revisions which may develop from time to time.
4. Responsibilities of the Budget and Stewardship Committee
 - 4.1 Adherence to Gift Policy, Objectives, and Guidelines
 - 4.1.1 The Budget and Stewardship Committee is expected to respect and observe the specific limitations, guidelines, attitudes, and philosophies stated herein and as expressed in any written amendments or instructions.
 - 4.1.2 To assist the Council, the Budget and Stewardship Committee of CBSLC will be responsible for the disposition of all gifts in accordance with the policies, objectives and guidelines stated herein. Investment of all gifts or

proceeds thereof shall be in accordance with the Council's Investment Policy.

- 4.2 Communication
 - 4.2.1 The Budget and Stewardship Committee will keep the Council informed on a timely basis of major changes in gift matters affecting the Council's gift policies and philosophy.
 - 4.2.2 Whenever the Budget and Stewardship Committee believes that any particular guideline should be altered or deleted, it will be their responsibility to initiate written communications with the Council expressing their views and recommendations.
- 4.3 Reporting
 - 4.3.1 The Council will receive timely notices of any gifts, transaction activity as well as notice of recommended disposition of said gift in accordance with the policies and objectives stated herein.
 - 4.3.2 Any information required to assist the Council in conducting their own evaluation of the receipt and disposition of any gift will be provided at the next scheduled Council meeting.
- 5. General Gifting Guidelines
 - 5.1 Cash
 - 5.1.1 Gifts in the form of cash and checks shall be accepted regardless of amount unless, as in the case of all gifts, there is a questions as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds as a gift to CBSLC.
 - 5.1.2 All checks must be made payable to and delivered to CBSLC and shall in no event be made payable to an employee, agent or volunteer for the credit of CBSLC.
 - 5.2 Publicly Traded Securities
 - 5.2.1 Securities which are traded on the New York, American Stock Exchanges or NASD shall be accepted by CBSLC. It may be anticipated that such securities will be immediately sold by CBSLC. In no event shall an employee or volunteer working on behalf of CBSLC commit to a donor that a particular security will be held by CBSLC unless authorized to do so by an officer of the Council of CBSLC.
 - 5.2.2 The Council may sell donated securities through the donor's broker as long as such sale will incur only standard costs for CBSLC.
 - 5.3 Limited Partnership Interests

- 5.3.1 The Council will consider accepting limited partnership interests.
- 5.3.2 The Council's acceptance of limited partnership interests shall be determined on a case-by-case consideration of the partnership by the Council.
- 5.4 Closely Held Securities
 - 5.4.1 Non-publicly traded securities may only be accepted after approval of the Council considering the recommendation of the Budget and Stewardship Committee.
 - 5.4.2 Such securities may be subsequently disposed of only with the approval of the Council.
- 5.5 Real Property
 - 5.5.1 No gift of real estate shall be accepted without prior approval of the Council considering the recommendation of the Budget and Stewardship Committee.
 - 5.5.2 No gift of real estate shall be accepted without the Council first receiving a preliminary title report and market analysis of the property value being appraised by a party approved by the Council who shall have no business or other relationship to the donor.
 - 5.5.3 The Council may request a Level I or greater environmental assessment prior to the acceptance of any gift of real property.
 - 5.5.4 Real estate shall not be accepted to fund a charitable gift annuity without seeking an opinion as to the permissibility of this action under the laws of the state or states involved and approval by the Council.
 - 5.5.5 Special attention shall be given to the receipt of real estate encumbered by a mortgage, and/or owned by other parties.
- 5.6 Tangible Personal Property
 - 5.6.1 The Council may accept tangible personal property such as jewelry, artwork, collections, and other personal property.
 - 5.6.2 No perishable property or property which will require special facilities or security to properly safeguard will be accepted without prior approval of the Council.
 - 5.6.3 Such property shall only be accepted by the Council.
 - 5.6.4 No personal property shall be accepted by the Council unless there is reason to believe the property can be quickly disposed of.
- 5.7 Bequests
 - 5.7.1 Gifts through wills and trusts (bequests) shall be actively encouraged by CBSLC.

- 5.7.2 In the event of inquiry by a prospective legator, representations as to the future of acceptability of property proposed to be left to CBSLC in a will or other deferred gift shall only be made in accordance with the terms and provisions of this document.
- 5.7.3 Gifts from the estates of deceased donors consisting of property which is not acceptable shall be rejected only by action of the Council. A duly authorized Council member shall expeditiously communicate the decision of the Council to the legal representatives of the estate.
- 5.8 Charitable Remainder Trusts
 - 5.8.1 Charitable remainder trusts and all other deferred gifts shall be actively encouraged as a method of making gifts to CBSLC while retaining income which may be needed by the donor for any number of personal purposes.
 - 5.8.2 In general, CBSLC will not serve as trustee of a charitable remainder trust.
 - 5.8.3 The Budget and Stewardship Committee will identify and recommend to the Council for approval a number of corporate fiduciaries nationwide in which it has confidence. The Council will communicate its recommendation to the donor.
 - 5.8.4 In general, CBSLC does not pay for the donor's fees or expenses to create or manage a charitable remainder trust. However, payment of fees and expenses may be reviewed on a case-by-case basis by the Council.
- 5.9 Other Property
 - 5.9.1 Other property of any description including mortgages, notes, copyrights, royalties, easements, whether real or personal, pooled income funds, charitable gift annuities, life estate gifts, gifts of life insurance, shall only be accepted by action of the Council on a case by case basis.
- 5.10 Special attention shall be given to the receipt of any gift which may give rise to unrelated business income.
- 5.11 Only the person authorized by the Council may represent to a donor that property will or will not be held by CBSLC for a requisite period of time or for purposes related to its tax-exempt status.

6. Payment of Fees Related to Gifts to CBSLC

- 6.1 Finder's Fees or Commissions

- 6.1.1 In general, CBSLC will pay no fee to any person as consideration for directing a gift to CBSLC.
- 6.2 Professional Fees
 - 6.2.1 In general, CBSLC will pay no fees for professional services rendered in connection with the completion of a gift to CBSLC without prior approval of the Council. Such fees will be paid only following discussion with and written approval of the donor.
 - 6.2.2 Fees shall be reasonable, and directly related to the completion of a gift. They shall be limited to appraisal fees by persons who are competent and qualified to appraise the property involved and who have no conflict of interest, legal fees for the preparation of documents, accounting fees incident to the transaction and fees of "fee for service" financial planners.
 - 6.2.3 In case of legal, accounting and other professional fees, an attempt shall be made by the Council to ascertain the reasonableness of these fees prior to payment. A written hourly breakdown of items should be presented if billing for such services is on an hourly basis. In cases which appear excessive, the summary of fees shall be submitted to the Council for review and approval prior to payment.
 - 6.2.4 In situations where advisors retained by the Council prepare documents or render advice in any form to CBSLC and/or a donor to CBSLC, it shall be disclosed to the donor that the professional involved is in the employ of CBSLC and is not acting on behalf of the donor and that any documents or other advice rendered in the course of the relationship between CBSLC and the donor should be reviewed by counsel for the donor prior to completion of the gift.

7. Restrictions

- 7.1 No restrictions on how gifts may be used by CBSLC will be honored without prior approval of the Council in the case of current gifts or subsequent approval by the Council in the case of gifts received by will or other gift which is effective at death which has not been previously approved by the Council.
- 7.2 Any exceptions to this Gift Acceptance Policy are subject to approval by the Council on a case-by-case basis.