

## **GIFT ACCEPTANCE POLICY**

The Iowa District East of The Lutheran Church-Missouri Synod, a not-for-profit corporation organized under the laws of the State of Iowa encourages the solicitation and acceptance of gifts to the Iowa District East (hereinafter referred to as the District) for purposes that will help the District to further and fulfill its mission.

The following policies and guidelines govern the acceptance of gifts by the District and provide guidance to prospective donors and their advisors when making gifts to the District.

### **1. AUTHORITY**

All decisions on the acceptance or refusal of a gift shall be made in accord with the Board of Directors policy. In summary, the District will not accept gifts that:

- i. Run counter to the District's Scriptural beliefs, values, and policies.
- ii. Do not further the District's mission.
- iii. Could jeopardize the District's 501(c)(3) non-profit status with the IRS.

### **2. USE OF LEGAL COUNSEL**

- a. Prospective donors are encouraged to seek the assistance of their own legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

### **3. TYPES OF GIFTS**

- a. The District will generally accept the following types of gifts without review.
  - i. Cash (US currency only) and cash equivalents including checks, money orders and credit cards to established funds and accounts. Checks should be made payable to the Iowa District East.
  - ii. Marketable Securities
    1. All marketable securities shall normally be sold as soon as practical following receipt, unless otherwise directed by the Board of Directors.
  - iii. Bequests and Beneficiary Designations under Trusts, Insurance Policies, and Retirement Plans.
- b. Other (non-traditional) gifts, including but not limited to the following, will be reviewed prior to acceptance.
  - i. Tangible Personal Property, Donated Collections, or Real Estate
    1. Whether the property furthers the mission of the District.
    2. The marketability of the property.
    3. The restrictions on the use, display, or sale of the property.
    4. Carrying costs and possible liability (including environmental and other liabilities) for the property.
  - ii. Ownership of a Life Insurance Policy
  - iii. Charitable Gift Annuities
  - iv. Cryptocurrency
  - v. Remainder Interest in Property
  - vi. Commodities

### **4. GENERAL GUIDELINES**

- a. The District reserves the right to accept or decline a donor's charitable contribution.
- b. To accept a donation, a gift must advance the mission of the District and its ministries, and support prioritized (i.e., budgeted) expenditures as approved by the Board of Directors. Or

gifts that could expand operations beyond the current budgeted priorities, if the gifts are reviewed and advance the district's mission.

- c. Gifts that encumber the District to secure additional donations beyond a reasonable amount and within a reasonable timeframe to complete projects or activities may be declined.
- d. It will be the responsibility of the donor to secure an appraisal (where required for tax purposes).
- e. Criteria which must be satisfied to accept a donation as a deductible charitable gift include:
  - i. The donation must meet IRS criteria for deductibility according to established law, and
  - ii. The donation must advance the mission and strategic objectives of the District, and
  - iii. The donation must be administered by the District (i.e., donor relinquishes control), and
  - iv. The donation must fund:
    - 1. Planned expenditures approved by the Board of Directors through the annual operating budget, or
    - 2. Expenditures approved by the President or Board of Directors as part of capital or special projects outside the annual operating budget.

## 5. RESTRICTIONS ON GIFTS

- a. The District will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate Scripture and the District's Articles of Incorporation or Bylaws, gifts that are too difficult or expensive to administer, would result in any unacceptable consequences, or gifts that are for purposes outside the mission of the District.
- b. The District will regularly accept restricted gifts for the following programs and purposes, but not necessarily for specific beneficiaries within these listed programs:
  - i. Donations to the following programs may be spent in addition to budgeted funds. If the combination of donated funds and budgeted funds exceeds the need of the program, restricted funds will be spent first.
    - 1. Scholarships
    - 2. Camp Io-Dis-E-Ca (see pass-through donations below)
    - 3. New School Starts
    - 4. Disaster Relief
  - ii. Donations to the following programs offset the cost of paying salaries, expenses, and subsidies and will be released from restriction as budgeted funds are spent:
    - 1. Deaf Ministry
    - 2. Campus Ministries
    - 3. New Mission Starts (Proclaiming Christ Jesus)
    - 4. University of Iowa Chaplaincy
  - iii. The District will also regularly accept restricted gifts for the following named endowments held by the District:
    - 1. University of Iowa Chaplaincy Endowment
    - 2. Camp Io-Dis-E-Ca Endowment
    - 3. New Mission Fund Endowment
    - 4. Scholarship Endowment

## 5. St. Paul's Chapel Endowment

### 6. PASS-THROUGH DONATIONS

- a. Some donations are "pass-through" dollars from one Lutheran Church-Missouri Synod (LCMS) entity to another, such as a partnership.
- b. If the District agrees to facilitate a pass-through donation, it will not be treated as a charitable donation to the District.
- c. The District will not serve as a pass-through for non-LCMS entities except for Hearts for Jesus or those approved by the District President.

### 7. REFUNDS

- a. The District retains the right to refund or decline the refund of donations.
- b. Donations will never be refunded after the funds have been expended.

### 8. GRANTS

- a. The District may, from time to time, receive grants either directly or through other entities of The Lutheran Church—Missouri Synod. For purposes of this policy, private, nongovernmental grants shall be treated as restricted gifts and subject to the same requirements for acceptance as donations. A grant, like a gift, is charitable in nature; it is bestowed voluntarily and without expectation of any tangible compensation.
- b. The District will comply with any specific requirements imposed by the granting body, including reporting, accounting, or programmatic obligations.
- c. Grants that impose obligations inconsistent with the District's mission, values, or capacity to comply will be declined.
- d. Application for non-LCMS grants will be evaluated on a case by case basis and will require approval of the IDE Board of Directors.
- e. The District will not serve as a fiscal sponsor, fiscal agent, or pass-through for any other entities regarding grants unless approved by the IDE Board of Directors.

### 9. OTHER

- a. The District will not accept a gift unless the donor is responsible for (1) the fees of independent legal counsel retained by the donor for completing the gift; (2) appraisal fees; (3) environmental audits and title binders (in the case of real property); and (4) all other third-party fees associated with the transfer of the gift to the District.
- b. The District shall provide written acknowledgement of all gifts made to the District and comply with the current IRS requirements in acknowledgement of the gifts.