

*Approved by the Vestry  
April 16, 2024*

**ST. JOHN'S EPISCOPAL CHURCH  
Gift Acceptance Policy**

**Section 1. Purpose**

This Gift Acceptance Policy (“Policy”) provides guidelines to representatives of St. John’s Episcopal Church, Ellicott City, Maryland (“St. John’s” or “church”) who may be involved in the acceptance of gifts, to outside advisors who may assist in the gift planning process, and to prospective donors who may wish to make gifts to St. John’s. This Policy supersedes the Memorial Gift Policy adopted by the St. John’s Vestry (“Vestry”) on June 16, 2020.

**Section 2. Gift Review Committee**

The Vestry shall appoint a special committee known as the Gift Review Committee. A member of the Gift Review Committee shall recuse himself/herself from participating in the decision about a proposed gift in the case of a conflict of interest. The members of the Gift Review Committee may serve terms of three years and the terms may be staggered. A member of the Gift Review Committee may be reappointed for a second term of three years. The Vestry may appoint the Chair of the Gift Review Committee.

The Gift Review Committee is responsible for reviewing all gifts other than unrestricted gifts of cash and publicly-traded securities and making recommendations to the Vestry on whether to accept or decline a gift. The Vestry reserves the right to decline any gift that does not meet the guidelines in the Policy.

**Section 3. Acceptance of Gifts**

Before recommending to the Vestry that a gift be accepted, the Gift Review Committee shall ensure that the gift is consistent with the mission and goals of St. John’s and the constitution and canons of the Episcopal Church and the Diocese of Maryland.

As necessary, the Gift Review Committee shall seek guidance from the senior development officer or other appropriate staff member(s) of the Episcopal Diocese of Maryland before accepting a gift that includes restrictions on how it is to be used.

#### **Section 4. St. John's Funds to Which Gifts May Be Directed**

St. John's will distribute both current and deferred monetary gifts (including proceeds from the sale of securities) that have been accepted by the Vestry to one or more of the St. John's funds identified in this section. These funds currently include two endowment funds, two Vestry-designated reserve accounts, and the St. John's operating fund. The Vestry may decide to establish one or more additional endowment funds (subject to the minimum amount requirement in Section 8 below) or reserve accounts in the future.

An endowment fund consists of funds gifted by one or more donors who have stipulated that the principal is to be held in perpetuity. Generally, endowment funds limit withdrawals to income earned on the principal. However, the document establishing an endowment fund may permit withdrawal of the principal under specified circumstances.

A Vestry-designated reserve account is a long-term, invested (for growth and income) fund established by the Vestry that places few or no restrictions on the expenditure of the principal. However, the intent underlying the creation of a Vestry-designated reserve account is to preserve as much of the principal as possible for the future spending needs or projects of the church.

At the time of the adoption of this Policy, St. John's maintains the following four invested funds to which gifts, including bequests, may be directed:

- 1) The Perpetual Endowment Fund (endowment);
- 2) The George Kingsley Endowed Scholarship Fund (endowment);
- 3) The Vestry Fund (also known as the St. John's Fund) for general operating expenses and to maintain the reserve required by the Debt Covenant (reserve account); and
- 4) The Matthew 25 Fund for the funding of new outreach projects (reserve account).

St. John's is in the process of establishing a third Vestry-designated reserve account, the Buildings and Grounds Fund, for funding the operation, maintenance, and improvement of the buildings and grounds owned by St. John's. It is anticipated that donations to any future St. John's capital campaign would be deposited in this fund. The Vestry may decide to establish additional Vestry-designated reserve accounts in the future.

St. John's uses an outside investment management company (currently, 1919 Investment Counsel) to manage its endowment funds and Vestry-designated reserve accounts.

St. John's operating fund, which is held in the church's checking account and does not produce income, is used to pay for the current operating expenses of the church. If a donor requests that their gift be used for a specific purpose (e.g., outreach), but does not direct that the gift be deposited in one of the invested funds, the gift will be kept in the St. John's operating fund in a restricted account and used only for expenditures related to that purpose.

## **Section 5. Types of Gifts**

### *Cash*

St. John's accepts gifts paid in currency, by check, via electronic transfer, and from credit card transactions.

The Gift Review Committee shall review any gift of cash to which the donor has attached conditions to ensure the conditions meet the guidelines set forth in Section 3 above.

### *Publicly Traded Securities*

St. John's accepts gifts of publicly traded securities that are freely traded on the market, including but not limited to stocks, bonds, and mutual funds. For gift crediting and accounting purposes, the value of the gift of securities is the average of the high and low prices on the date of the gift.

The Gift Review Committee shall review any gift of publicly-traded securities to which the donor has attached conditions to ensure the conditions meet the guidelines set forth in Section 3 above.

### *Securities That Are Not Publicly Traded*

St. John's does not accept gifts of securities that are not publicly traded.

### *Cryptocurrency*

Due to the risks and complexities associated with cryptocurrency, St. John's does not accept cryptocurrency donations.

### *Real Estate*

When the church is considering whether to accept a gift of real estate, the Gift Review Committee shall ensure the following actions take place:

- 1) The donor conducts an initial environmental review of the property to identify any potential environmental problems;
- 2) If the initial environmental review reveals a problem, the church retains a qualified inspection firm to conduct an environmental audit;
- 3) The church obtains an independent appraisal; and
- 4) When appropriate, the church obtains a title binder.

The donor shall be responsible for paying for the costs of the environmental review, the environmental audit, the independent appraisal, and the title binder.

In addition to the gift acceptance conditions set forth in Section 3 above, in determining whether to recommend acceptance of a gift of real estate, the Gift Review Committee shall evaluate the proposed gift in light of the following criteria:

- 1) Any carrying costs associated with the property, including property taxes, insurance, mortgages, notes, or other costs;
- 2) The marketability of the property;
- 3) Any tax consequences to the church that may result from the sale or lease of the property;
- 4) Any encumbrances, leases, restrictions, reservations, easements, or other limitations associated with the property;
- 5) Any concerns the environmental audit revealed; and
- 6) Whether the property is useful for the church.

### *Time Shares*

St. John's does not accept gifts of time shares.

### *Tangible Personal Property*

Tangible personal property includes, among other things, automobiles, benches, statues, garden ornaments, equipment, plantings, musical instruments, gold bars, and liturgical items. Often, church members make gifts of tangible personal property in memory or in honor of a loved one.

In addition to the gift acceptance guidelines set forth in Section 3 above, in determining whether to recommend acceptance of a gift of tangible personal property, the Gift Review Committee shall, in consultation with the Buildings and Grounds Committee, evaluate a proposed gift in light of the following criteria:

- 1) The purpose of the gift and how it will be used;
- 2) Whether the church needs the gift;
- 3) How and where the donation will be constructed or installed;
- 4) The ongoing maintenance costs of the gift; and
- 5) Whether the gift is temporary or permanent.

### *Life Insurance Policies*

St. John's will accept a gift of a life insurance policy only if St. John's is named as the owner and beneficiary of 100% of the policy. If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the policy's replacement cost. If the policy is partially paid-up, the value for gift crediting and accounting purposes is the policy's cash surrender value.

### *Deferred Gifts*

St. John's encourages deferred gifts such as bequests. For purposes of this Policy, a bequest is defined as any type of gift in which the assets are transferred upon the death of the donor, including but not limited to, a gift made pursuant to a will or an IRA beneficiary designation.

St. John's or its agent shall not act as an executor or personal representative for a donor's estate or a trustee of a charitable remainder trust.

Planned gift-related documents will be provided to donors free of charge. In all planned gift-related documents, the following disclaimer shall be included:

This information in no way constitutes legal or financial advice. You should consult with your attorney and/or financial advisor to ensure your charitable gifts are appropriate for your own tax and financial situation.

St. John's will seek qualified professional counsel in the exploration and execution of all planned gift agreements with donors.

## **Section 6. Disposition of Gifts, Including Bequests**

### *Unrestricted gifts*

St. John's welcomes unrestricted gifts. At the discretion of the Vestry, unrestricted gifts will be distributed to the operating fund or the St. John's/Vestry Fund or split between the two accounts as appropriate to meet the church's needs.

### *Restricted gifts*

In a restricted gift, the donor identifies a specific purpose for which their gift is to be used (e.g., buildings and grounds maintenance) or a particular fund to which they would like their gift directed (e.g., the Perpetual Endowment Fund). Before creating a restricted gift, the donor or their financial planner or other advisor should contact the Rector and Gift Review Committee for guidance. Donors may create restrictions on gifts through written instructions in a letter to the St. John's business office, as well as in wills, endowment agreements, and other formal documents.

Gifts, including bequests, may be directed to the St. John's operating fund, the St. John's Perpetual Endowment Fund, the George Kingsley Scholarship Endowment Fund, the St. John's Vestry Fund, the Matthew 25 Fund, and any additional endowment funds and Vestry-designated reserve accounts that St. John's may establish in the future. Subject to the minimum gift amount specified in Section 8 below, the Vestry may agree to create a new endowment fund at the request of a donor. Donors may split their gifts among one or more St. John's funds.

The Gift Review Committee shall review all restricted gifts to ensure the donor's conditions are consistent with the guidelines in this Policy and make recommendations to the Vestry.

If the Vestry decides to accept a restricted gift, the Vestry has the ultimate responsibility for determining that the funds are used in accordance with the donor's wishes.

### **Section 7. Procedure for Handling Gifts of Cash and Securities**

The procedure for handling gifts of cash and securities begins with the St. John's business office. The business office will initiate the process with the St. John's external investment manager to sell all gifts of securities upon receipt. The business office will ensure that all cash, including proceeds from the sale of securities, is immediately deposited and held in the St. John's bank account pending a decision regarding the final disposition of the gift.

### **Section 8. Creation of New Endowment Fund by Donor**

Upon the recommendation of the Gift Review Committee, the Vestry may establish a new endowment fund requested by a donor if the gift is at least \$250,000.

### **Section 9. Protection of Donor Confidentiality**

A donor may choose to remain anonymous. All information obtained from or about a donor or prospective donor shall be held in confidence by the church and shall not be made public without the approval of the donor or the donor's representative.