The Trustees of the Episcopal Diocese of North Carolina

Gift Acceptance Policy

Background and Purpose

Canon 10 of the Diocese of North Carolina provides that the Trustees of the Diocese are to hold title to all real property and tangible personal property of the Diocese, except where otherwise provided, or with respect to property the title to which is vested in a parish or corporation,. This Gift Acceptance Policy is to provide guidelines to the Trustees of the Diocese of North Carolina and to other representatives of the Diocese 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 the Diocese. This policy is intended only as a guide and allows for some flexibility on a case-by-case basis. The gift review process outlined here, however, is intended to be followed closely.

Gift Review Committee

The Bishop may appoint a subcommittee of the Trustees be known as the Gift Review Committee. Any questions which may arise in the review and acceptance of gifts to the Diocese will be referred to the Gift Review Committee, which will be comprised of representative Trustees, together with the Diocesan Chancellor, the Diocesan Treasurer and the Canon for Administration, who shall serve as members of the committee ex officio.

Cash

1. All gifts by check shall be accepted by the Diocese regardless of amount.
2. Checks shall be made payable to the Diocese of North Carolina. In no event shall a check be made payable to an individual who represents the Diocese or the church in any capacity.

Publicly Traded Securities

Readily marketable securities, such as those traded on a stock exchange, can be accepted by the Diocese. A gift of securities to the Diocese normally would be liquidated immediately.

Closely Held Securities

1. Non-publicly traded securities may be accepted after consultation with the Gift Review Committee.
2. Prior to acceptance, the Gift Review Committee will explore methods and timing of liquidation of the securities through redemption or sale. The Gift Review Committee will try to determine:

a) an estimate of fair market value
b) any restrictions on transfer
c) whether and when an initial public offering might be anticipated

3. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

Real Estate
1. Any gift of real estate must be reviewed by the Gift Review Committee.
2. The donor normally is responsible for obtaining and paying for an appraisal of the property. The appraisal will be performed by an independent and professional agent holding an appropriate appraisal license issued by the state in which the real estate is located.
3. The appraisal must be based upon a personal visitation and internal inspection of the property by the appraiser. Also, whenever possible, it must show documented valuation of comparable properties located in the same area.
4. The formal appraisal should contain photographs of the property, the tax map number, the assessed value, the current asking price, a legal description of the property, the zoning status, and complete information regarding all mortgages, liens, litigation, or title disputes.
5. The Diocese reserves the right to require an environmental assessment of any potential real estate gift.
6. The property must be transferred to the Diocese prior to any formal offer or contract for purchase being made.
7. The donor may be asked to pay for all or a portion of the following:
a. maintenance costs
b. real estate taxes
c. insurance
d. real estate broker's commission and other costs of sale
e. appraisal costs
8. For gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate; however, this value may be reduced by costs of maintenance, insurance, real estate taxes, broker's commission, and other expenses of sale.

Life Insurance
1. A gift of a life insurance policy must be referred to the Gift Review Committee.
2. The Diocese / Trustees will accept a life insurance policy as a gift only if the Diocese is named as the owner and beneficiary of 100 percent of the policy.
3. If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the policy's replacement cost.
4. If the policy is partially paid up, the value for gift crediting and accounting purposes is the policy's cash surrender value. (Note: For IRS purposes, the donor's charitable income tax deduction is equal to the interpolated terminal reserve, which is an amount slightly in excess of the cash surrender value.)

Tangible Personal Property
1. Any gift of tangible personal property shall be referred to the Gift Review Committee prior to acceptance.
2. A gift of jewelry, artwork, collections, equipment, and software shall be assessed for its value to the Diocese, which may be realized either by being sold or by being

used in connection with the Diocese's exempt purpose.
3. Depending upon the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value.
4. The Diocese shall adhere to all IRS requirements relating to disposing of gifts of tangible personal property and will provide appropriate forms to the donor and IRS.

Deferred Gifts

1. The Diocese encourages deferred gifts in its favor through any of a variety of vehicles:
a. charitable gift annuity (or deferred gift annuity)
b. pooled income fund
c. charitable remainder trust
d. charitable lead trust
e. bequest
f. retained life estate
2. The Diocese (or its agent) shall not act as an executor (personal representative) for a donor's estate. A member of the Diocesan staff serving as personal representative for a member of a parish, mission or institution within the Diocese does so in a personal capacity, and not as an agent of the Diocese.
3. The Diocese (or its agent) shall not act as trustee of a charitable remainder trust.
4. When appropriate, the Diocese may invite prospective donors to consider the gift vehicles offered by the Episcopal Church Foundation (specifically, charitable remainder trusts, charitable gift annuities, and the pooled income fund) as well as its investment services.
5. When donors are provided planned gift illustrations or form documents, these will be provided free of charge. For any planned-gift-related documents, materials, illustrations, letters, or other correspondence, the following disclaimer should be included:

We strongly urge that you consult with your attorney, financial and/or tax advisor to review and approve this information provided you without charge or obligation. This information in no way constitutes advice . We will gladly work with your independent advisors to assist in any way.

6. All information obtained from or about donors/prospects shall be held in the strictest confidence by the Diocese, its staff and volunteers. The name, amount, or conditions of any gift shall not be published without the express written or oral approval of the donor and/or beneficiary.
7. The Diocese will seek qualified professional counsel in the exploration and execution of all planned gift agreements. The Diocese recognizes the right of fair and just remuneration for professional services.
8. The Trustees, upon the advice of the Gift Review Committee, reserves the right to decline any gift that does not further the mission or goals of the Diocese. Also, any gifts that would create an administrative burden or cause the Diocese to incur excessive expenses may be declined.

FOR FURTHER INFORMATION REGARDING ACCEPTANCE OF GIFTS BY THE DIOCESE OF NORTH CAROLINA, PLEASE CONTACT:

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