

FIRST BAPTIST CHURCH TEXARKANA GIFT ACCEPTANCE POLICY

INTRODUCTION

To protect the interests of First Baptist Church Texarkana (hereinafter referred to as the "Church") and the persons and entities who support its causes, these policies are designed to assure that all gifts to, or for the use of, charitable causes are structured to provide maximum benefit to all parties involved.

The Church shall execute no planned giving agreement without the advice of legal counsel. Prospective donors shall be strongly encouraged to seek their own legal and/or tax counsel in matters relating to their charitable gifts, taxes, and estate plans.

This policy's goal is to encourage giving to the Church without encumbering the Church with gifts that cost more than benefit the Church. The goal is also to avoid gifts that the donor restricts in a manner inconsistent with the goals of the Church. The Church has the right not to accept any gifts which do not comply with this policy.

To facilitate the receipt of gifts and bequests, the Church must be capable of responding quickly and in the affirmative where possible to all gifts offered by prospective donors. Unless stated otherwise, the Finance Committee intends these policies to apply to all gifts.

I. Gifts of:

A. Cash

1. The Church will accept gifts in the form of cash, checks, and online gifts regardless of amount, unless: (a) a question exists as to whether the donor has legal title to the asset; or (b) a question exists as to the legal capacity of the donor to transfer funds.

2. Donors shall make all checks payable to First Baptist Church Texarkana, and donors shall never make checks payable to an employee, director, agent, or volunteer for the credit of the Church.

B. Publicly Traded Securities

The Church shall accept publicly traded securities. The donor may anticipate that the Church may immediately sell such securities.

C. Closely-Held Securities

The Church may only accept closely-held securities upon written approval

by the Finance Committee. The Finance Committee will review these securities using the following criteria:

- a) There is a readily available market for their disposition.
- b) Accepting such securities will not create any potential liability to the Church.
- c) The closely held entity engages in no activities that would be inconsistent with Church objectives.
- d) The Church has identified whether the security will generate unrelated business income taxes ("UBIT").

D. Real Property

The Finance Committee must approve in writing all gifts of real estate in advance of accepting the gift.

1. The Church may require that a licensed appraiser issue an appraisal of the real estate before acceptance. The licensed appraiser shall not have any business or other relationship with the donor. The costs of the appraisal shall be borne by the donor.
2. The Church cannot accept any gift of real estate until the Committee determines that no environmental waste contaminates the property. The Church may require a Level I Environmental Survey. All costs related to the survey will be borne by the donor.
3. In general, residential real estate located within the state of Texas will be accepted, unless the Finance Committee determines for some reason that the property is not suitable for acceptance.
4. Special deliberation shall be given to the receipt of real estate encumbered by a mortgage, as the administration of such property may give rise to unrelated business income for the Church, as well as payments, taxes, and insurance that may burden the Church's finances.
5. The Finance Committee may choose to accept interests in oil, gas, or other minerals. Before accepting such interests, the Church shall engage legal counsel and other professional advice, where appropriate, to evaluate whether accepting the gift exposes the Church to environmental or other liabilities. The Church shall not retain or accept working interests.

E. Tangible Personal Property

1. Jewelry, artwork, collections, and other personal property shall not

be accepted unless the employee, agent or volunteer working on behalf of the Church shall have reason to believe the property has a value in excess of \$1,000. Such property can only be accepted on behalf of the Church by the Finance Committee, or such other person or persons authorized to do so by the Finance Committee.

2. No personal property shall be accepted by the Church unless there is reason to believe the property can be quickly sold. No personal property shall be accepted that obligates the Church to retain it in perpetuity. No perishable property, or property that will require special facilities or security to properly safeguard it will be accepted without prior written approval of the Finance Committee.

3. Notwithstanding the foregoing, if there is reason to believe the personal property has a value of \$1,000 or more, it may only be accepted after receipt and review by the Finance Committee or those empowered to act on its behalf, after an appraisal qualified under the terms of the Internal Revenue Code governing gifts of personal property.

F. Other Property

Other property of any description including mortgages, notes, copyrights, royalties, or easements, whether real or personal, shall only be accepted by further action of the Finance Committee or persons duly acting on its behalf.

G. Social Responsibility

In keeping with the mission and goals of the Church, the Church may refuse the donation of assets that are not compatible with the Church's social responsibilities or that conflict with the mission of the Church.

II. **Deferred Gifts**

A. Bequests

1. The Church shall actively encourage gifts through Wills and Living Trusts.

2. In the event of an inquiry by a prospective donor, representations as to the acceptability of a bequest to the Church shall be made under this Gift Acceptance Policy only.

3. The Church shall at all times retain the right to refuse a gift from an individual or an estate when it is not in the best interest of the Church to accept the gift.

4. When the Church is the recipient of a gift from a will or trust, the Finance Committee shall review the restrictions upon the gift and determine if it is in the best interests of the Church to accept the gift.

5. The Church will not accept a gift that might result in conflict within the Church or confusion as to the utilization of the gift or that might create an undue financial burden upon the Church.

6. When the Church receives an unrestricted estate gift, the Finance Committee, in consultation with members of Senior Staff, shall determine its highest and best use at the time.

7. If the Church has created an Endowment Fund and the unrestricted funds are not needed for the ordinary and everyday expenses of the Church, priority for unrestricted gifts may be as an addition to the Church's Endowment Fund.

B. Life Estate Gifts

1. Donors shall generally not be encouraged to make gifts of a remainder interest in real property in which the donor retains a life estate.

2. This policy is based upon the possibility that the donor may need to sell the home in the future and find that the value of the life estate is a small portion of the value of the property. Such gifts may be accepted by the Finance Committee when the asset involved appears to be a minor portion of the donor's wealth, and the Finance Committee is satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.

C. Gifts of Life Insurance

1. The Church will encourage donors to name the Church as a beneficiary of all or a portion of a person's life insurance policies.

2. The Church will not, however, as a matter of course agree to accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy will be made after researching relevant state laws to ensure the Church has an insurable interest under applicable state law.

3. No insurance products may be endorsed for use in funding gifts to the Church. In no event shall lists of the Church's donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors or the Church. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and

may subject the Church to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

D. Retirement Plan Beneficiary Designations. The Church welcomes the opportunity to be named as a beneficiary of a donor's retirement plan. Such designation shall be considered a revocable gift and not recorded as revenue until the designation becomes irrevocable, typically at the death of the donor.

E. Trusts. The Church welcomes the opportunity to be named as a beneficiary of donors' trusts, such as charitable remainder trusts (CRTs), charitable lead trusts (CLTs), and revocable trust arrangements. However, the Church will not serve as a trustee of any trust and instead encourages donors to use a professional fiduciary.

F. Charitable Gift Annuities. The Church does not offer charitable gift annuities.

III. Designated Gifts and Designated Accounts

A. Establishing Designated Funds. No donor may establish a designated or restricted gift except as outlined in this section. Except for Finance Committee-approved endowment funds, if the designated or restricted gift has not been disbursed within five years, the Finance Committee may redirect the distribution to another designated fund or the general fund. The Finance Committee may adopt, amend, or remove any policies and requirements for administration and disbursement of endowment funds at any time.

1. The Finance Committee, with input from the Business Administrator, will determine what designated accounts may be established.

2. Any donor to the Church may request in writing to the Finance Committee the establishment of a designated account. Once an account is established, the Church may accept funds into that account, subject to the terms of this Section III.

3. The Finance Committee, in its sole discretion, will determine the length of time the account shall exist. When that time has passed, the Finance Committee may either extend the time for expiration of the account or transfer any remaining funds to the general fund.

B. Disbursing Designated Funds

1. Designated funds may only be spent for the purpose for which they are designated.

2. If, at any time, the Church accepts custody of designated accounts that have not been approved and established by the Finance Committee,

and the Church does not intend to use the designated funds for the purpose designated, the Church shall return the monies to the donor or contact the donor for permission to transfer the funds to another fund or another charity chosen by the donor.

C. Notice to Donors. The Church shall include in fundraising, solicitation materials, and donor receipts the following statement:

“All donations are subject to the Gift Acceptance Policy. First Baptist Church Texarkana will treat the donor’s designations as suggestions unless the Finance Committee has approved the designations before receiving the gift. Copies of the policy are available in the Business Office.”

IV. Miscellaneous

A. Church employees and volunteers shall not provide legal, accounting, tax, or financial advice to donors or prospective donors.

B. No finder’s fee or commission shall be paid to anyone as consideration for directing a gift to the Church.

C. The Church may seek the advice of legal counsel when considering certain gifts. The donor may be asked to share the costs of such advice, at the discretion of the Finance Committee or Business Administrator. Generally, legal counsel will be sought in connection with gifts involving:

- a) Closely-held stock, particularly when the stock is subject to restrictions or buy-sell agreements;
- b) Gifts involving contracts that bind the Church, such as bargain sales or real property with a mortgage attached;
- c) Gifts of patents, intangibles, and intellectual property;
- d) Transactions with potential conflicts of interest; and
- e) Other instances at the discretion of the Finance Committee or the Business Administrator, except that the Church shall always seek the advice of legal counsel when accepting a gift outside the parameters of these Gift Acceptance Policies.

D. It is the responsibility of the donor to secure an appraisal of a gift to the Church when an appraisal is necessary.

This policy was adopted by a resolution of the Finance Committee of the Church on the 22nd day of May, 2024.



Melinda J Wommack,
Business Administrator

05/22/2024

Date