

**Northwest Washington Synod
of the Evangelical Lutheran Church in America
GIFT POLICY**

As approved by the Synod Council, September 21, 2024

I. PURPOSE

This policy governs the acceptance of gifts to the Northwest Washington Synod of the ELCA (NWWA Synod). The Policy provides guidance to prospective donors and their advisors when making gifts to this Synod, where all are invited to support our mission and ministry. The provisions of this policy apply to all gifts to NWWA Synod over and above regular giving, offering, or pledges, or specific campaign or initiative contributions.

Gifts will be accepted when they support the mission, purpose, and procedures of the NWWA Synod. Donors are encouraged to bless this Synod with gifts free of restrictions. All gifts will be considered based on the type of asset, gift transfer costs, donor restrictions, potential liabilities, mission, current needs, and other applicable factors. The NWWA Synod shall accept only such gifts as are legal and consistent with the NWWA Synod Gift Policy, and applicable Bylaws and Constitution. While the NWWA Synod does not provide tax advice, we encourage donors to consult their own tax advisors.

II. COMMITTEE GUIDELINES

The Synod Council Executive Committee is charged with the responsibility of reviewing gifts offered to the Synod and shall make decisions and/or form recommendations regarding gift acceptance and use according to this Policy (Section V.). Gift acceptance and use decisions and recommendations will be forwarded to the Executive Committee for acknowledgment and/or approval in a timely fashion. Gift decisions shall be duly noted in confidential minutes.

- A. The NWWA Synod will accept unrestricted gifts and donor-restricted gifts for specified programs and purposes, provided that such gifts are consistent with the mission, vision, policies and priorities of this Synod. The NWWA Synod will not accept gifts that would result in losing its status as a US Internal Revenue Code Section 501(c)(3) nonprofit organization; are deemed by Executive Committee too difficult or too expensive to administer; or be a liability, in relation to the gift value; would result in unacceptable consequences; or are for purposes outside the mission of this Synod.
- B. Restricted Funds given with the intent to create a new designated fund must be a minimum of \$25,000.
- C. The NWWA Synod, as a general rule, will convert all gifts to cash.
- D. Records of gift acceptance or decline and of gift use shall be audited within this Synod's standard audit procedures.
- E. The Executive Committee shall complete a ***Gift Worksheet*** (see Exhibit A) to record the gift acceptance and use decisions for any gifts greater than \$5,000.

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- F. The Executive Committee shall offer appreciation for every donor's generosity, regardless of the decision to accept or decline the gift. For gifts over \$5,000, that appreciation will often begin with a verbal conversation with the donor or donor's estate but will be formalized through written notice sent by US Mail, or email with read receipt requested, and signed by the current Bishop and Synod Council Vice-President, or their designee.
- G. Recognition of the donor should not be a condition of the gift. The decision to provide acknowledgment and recognition for the gift will be the decision of the Executive Committee taking into consideration the desire of the donor and keeping with the standards and culture for the practice of appropriate gratitude.
- H. If there are questions or concerns regarding any gift including the offer, acceptance, or use thereof, whether defined in this policy or not, the donor and/or the Executive Committee are always encouraged to consult with the ELCA Foundation's Regional Gift Planner and Foundation staff or other related professional.

III. TYPES OF GIFTS CONSIDERED

The following examples are intended to facilitate donation and acceptance of gifts offered, albeit not intended to represent an exclusive list of potential gifts nor review criteria.

- A. **Potential Gifts.** A variety of gifts can be shared with this Synod, and donors are encouraged to inform the Executive Committee and/or this Synod's ELCA Foundation Regional Gift Planner of such gift plans whenever possible. Some gifts will be accepted outright, and other gifts will be reviewed on a case-by-case basis. The Executive Committee may seek advice from attorneys, accountants, Regional Gift Planner and other professionals in evaluating potential gifts. General categories of gifts include, but are not limited to:
 - a. **Cash.** Gifts of cash will be accepted and are welcomed. We encourage a broad designation of funds so that we might use the funds in a way that is beneficial and timely for the mission of the Synod.
 - b. **Beneficiary Designations.** Gifts of assets that transfer through beneficiary designation will be accepted. Types of beneficiary designation assets include, but are not limited to:
 - i. Bank and credit union accounts
 - ii. Bank accounts and investments of qualified or non-qualified status, including, but not limited to, annuities, mutual funds, and securities
 - iii. Charitable Gift Annuities
 - iv. Charitable Remainder Trusts
 - v. Charitable Lead Trusts
 - vi. Distribution Agreements
 - vii. Donor Advised Funds

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- viii. Endowments
- ix. Life insurance policies
- x. Brokerage accounts
- xi. Retirement accounts

*NOTE: Sample beneficiary designation language... “NWWA SYNOD, a nonprofit organization located at **address**, Federal Tax ID #**TaxID**, for general use and purpose.”*

- c. **Marketable Securities.** Gifts of marketable securities will be accepted when transferred electronically to a Synod-owned brokerage account; or delivered physically with the transferor’s endorsement or signed stock power (with appropriate signature guarantees) attached; or transferred through the ELCA Foundation. All marketable securities may be sold upon receipt unless otherwise directed. In some cases, marketable securities may be restricted by applicable securities laws, the terms of the proposed gift, or other stipulations. Types of publicly and non-publicly traded marketable securities include, but are not limited to:

- i. Bonds
- ii. Master Limited Partnerships (MLP)
- iii. Mutual Funds
- iv. Real Estate Investment Trusts (REIT)
- v. Stocks
- vi. Exchange-traded funds
- vii. Unit investment trusts

*NOTE: Sample language when securities are transferred through the ELCA Foundation... “For Benefit Of: NWWA Synod, a nonprofit organization located at **address**, Federal Tax ID #**TaxID**.”*

- d. **Life Insurance.** Gifts of life insurance will be accepted when the NWWA Synod is designated as the sole owner of the insurance policy and an agreement is reached regarding the responsibility for payment of current and future premiums due. If the premium payments are not paid, the Synod, as policy owner, reserves the right to surrender the policy in exchange for the cash value to avoid loan balance accruals.

*NOTE: Sample life insurance transfer of ownership language... “I transfer sole ownership of life insurance contract (**contract #**) to: NWWA Synod, a nonprofit organization located at **address**, Federal Tax ID #**TaxID**.”*

- e. **Bequests.** Gifts in the form of a bequest will be considered on a case-by-case basis. Types of bequests include, but are not limited to:

- i. Charitable Lead Trusts (CLT) or Charitable Remainder Trusts (CRT)
- ii. Irrevocable Life Insurance Trusts (ILIT)
- iii. Living or Revocable Trusts
- iv. Testamentary Trusts or ‘trust under will’
- v. Wills

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*NOTE: Sample bequest language... "I hereby give, devise, and bequeath ten percent (10%) of my total estate, to the NWWA Synod., a nonprofit organization located at **address**, Federal Tax ID #**TaxID**, for general use and purpose."*

- f. **Real Estate.** Gifts of real estate will be considered on a case-by-case basis. The donor shall be required to present an appraisal to NWWA Synod no more than 60 days prior to the real estate transfer (Ref. IRS Publication 561, under "Qualified Appraisal"). Prior to acceptance of any gift of real estate, this Synod may require an initial environmental review. In the event that the environmental review warrants additional investigation, this Synod may retain a qualified firm to conduct a comprehensive environmental audit. The donor shall be responsible for the costs of the appraisal and/or any environmental studies required as a result of the environmental review and/or audit. Types of real estate include, but are not limited to:
- i. Agricultural
 - ii. Commercial
 - iii. Residential
 - iv. Undeveloped real estate

- g. **Remainder Interests in Property.** Gifts of a remainder interest in a personal residence, farm/ranch, or vacation property (excluding time share interests) will be considered on a case-by-case basis and shall be subject to the real estate provisions in this Policy (Section III.f). The donor or other occupants may continue to occupy the real property for the duration of their stated life or lives. Upon termination of the life interest, the NWWA Synod may use the property or reduce it to cash. Where this Synod receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or life tenant(s). Types of remainder interests include, but are not limited to:
- i. Beneficiary Deeds
 - ii. Life Estate Deeds
 - iii. Transfer on Death Deeds

NOTE: Availability and types of remainder interests in property are defined by current state law.

- h. **Oil, Gas, and Mineral Interests and Royalties.** Gifts of oil, gas, or mineral interests and/or royalties will be considered on a case-by-case basis and shall be subject to the real estate provisions in this Policy (Section III.f).
- NOTE: A working interest shall not be accepted.*

- i. **Intellectual Property.** Gifts of intellectual property will be considered on a case-by-case basis. The donor and this Synod are encouraged to consult with an estate attorney/legal counsel before offering and/or accepting this gift. Types of intellectual property include, but are not limited to:
- i. Copyrights

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- ii. Patents
- iii. Trademarks

- j. **Tangible Personal Property.** Gifts of tangible personal property will be considered on a case-by-case basis.

- k. **In-Kind Donations.** Gifts of in-kind goods or services given by a business or business owner, or a donor willing to pay for such goods or services on behalf of the NWWA Synod, will be considered on a case-by-case basis. In-kind donations will be acknowledged in writing by this Synod, but as per Internal Revenue Service (IRS) Guidelines, will not be valued by, nor provided a receipt for charitable contribution by this Synod.

B. Gift Review Criteria

- Does the gift further the mission or help fulfill the purpose of this Church? (Refer to the Mission, Vision, and Values of NWWA Synod)
- Is the gift easy to convert to cash, readily marketable, or are there restrictions on the use, display, or sale of the gift?
- Are there covenants, conditions, restrictions, reservations, easements, encumbrance, or other limitations associated with the gift?
- Are there any carrying costs (e.g., insurance, property or other taxes, mortgages, or notes), or maintenance expenses that outweigh the benefit of the gift?
- Does the environmental review or audit reflect that the property warrants additional investigation or otherwise requires remediation?
- Does the property have liabilities or other considerations that make receipt of the gift inappropriate?
- Any other criteria determined to be applicable by the Executive Committee.

IV. GIFT VALUATION

Gift Valuation. Gifts of real estate and personal property, acquiring an independent assessment or appraisal shall be the responsibility of the donor or donor's estate. This may be facilitated by the Executive Committee to determine the comprehensive evaluation and impact of the gift. Appraisal of all non-cash gifts must take place within 60 days (Ref. IRS Publication 561 under "Qualified Appraisal").

NOTE: The ELCA Foundation can be a resource to help determine the necessary appraisal information.

V. USE OF UNRESTRICTED GIFTS—

Unrestricted Gifts from congregations or individuals shall be placed in the general fund.

VI. USE OF RESTRICTED GIFTS AND GUIDELINES

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A restricted gift is given with specific stipulations for its use and is accepted to support the mission and ministry of this Synod through the donor's defined restrictions. Gifts with specific donor-defined restrictions will be considered on a case-by-case basis with the understanding that the funds are to be used as requested by the donor.

NOTE: Donors may not direct the way a gift is invested or utilized by the Synod. In accordance with the Internal Revenue Service, donors cannot claim tax favor or retain control over gifts to charity.

- A. Donors should be aware that programs offered by this Synod may be discontinued, modified, or incorporated into other programs, therefore a donor who makes a restricted gift, whether in the form of a current gift or through an estate plan, is required to complete the **Restriction and Release Form** (see Exhibit B). The Executive Committee shall make the *Restriction and Release Form* readily available in the office and through the website of the Synod.
- B. Restricted gifts established prior to the approval of this policy or received without the accompaniment of a *Restriction and Release Form* shall be reviewed by the Executive Committee to determine if the gift shall be accepted. This Synod may also consult legal counsel and this state's Attorney General to determine the requirements to lift a donor restriction if necessary.

VII. MEMORIAL AND HONORARY GIFTS

Memorial and honorary gifts include gifts given in memory or honor of loved ones, friends, or others and may be unrestricted or restricted.

Memorial – Gift Policy. Memorial and honorary gifts are subject to the same guidelines for gift acceptance, appreciation, valuation, and use as defined in this Policy (Sections III, IV, V and VI).

NOTE: Notification shall be provided to the individual, family, or the individual's estate, listing the donors who contributed a memorial or honorary gift.

VIII. GIFT POLICY REVIEW

This policy shall be reviewed every three (3) years by the Synod Council.

IX. RESOURCES

The ELCA Foundation, through Regional Gift Planners and support staff, offer gift planning services at no charge to this Synod and its donors. Visit **www.elcafoundation.org** or call **800-638-3522** to connect with the ELCA Foundation Regional Gift Planner that supports this Synod.

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NOTE: Donors are also encouraged to consult with their personal tax advisor, estate attorney and/or financial advisor for specific tax, legal, and investment information. NWWA Synod does not provide any tax, legal, or investment advice.

EXHIBIT A
GIFT WORKSHEET

NORTHWEST WASHINGTON SYNOD
5519 Phinney Ave N
Seattle, WA 98103
PHONE: (206) 783- 9292, EMAIL: office@lutheransnw.org
WEBSITE: www.lutheransnw.org

(Required for Gifts ≥ \$5,000)

Date: _____

Donor Name: _____

Gift Amount/
Value: \$ _____

Gift Description _____

Gift Use: Unrestricted Restricted - Fill out the Restriction Release Form

Gift Status: Rejected Reason for Rejection: _____

Accepted Donor Contacted By: _____

Date: _____

FOR OFFICE USE ONLY:

Thank You Letter Sent Rejection Letter Sent

Executive Committee Approval: _____ Date: _____

Gift Distribution Completed By: _____ Date: _____

EXHIBIT B
RESTRICTION AND RELEASE FORM

NORTHWEST WASHINGTON SYNOD
5519 Phinney Ave N
Seattle, WA 98103
PHONE: (206) 783- 9292, EMAIL: office@lutheransw.org
WEBSITE: www.lutheransw.org

Donor Name(s): _____
Date: _____ **Amount:** _____

To Create an Yes
Endowment: No

Donor Restriction:

If Creating an Endowment, Distribution Guidelines:

- | | |
|---|---|
| <input type="checkbox"/> Long-Term Investment | <input type="checkbox"/> Standard Distribution Rate* (Currently: 1% per Quarter) |
| <input type="checkbox"/> Permanent Endowment | <input type="checkbox"/> Donor Defined Distribution Rate: _____ % |
| | <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Annually |
| | <input type="checkbox"/> As Needed |

* The Standard Distribution Rate is defined annually by the ELCA Foundation in order to maintain fund perpetuity.

Donor Release:

In the event that a restricted gift to Northwest Washington Synod of the ELCA, Seattle, Washington, or part thereof, is unable to be used due to lack of program, need, or funding, as determined by the Synod Council, the gift will become unrestricted.

I/We understand and agree to the terms and conditions defined in Northwest Washington Synod Gift Policy and represented in this release form.

Donor Signature: _____ **Date:** _____

Donor Signature: _____ **Date:** _____