

**Liberty Corner Presbyterian Church  
Restricted Gift Policy  
Final Approved at October Finance Meeting**

The Finance Committee administers the restricted gift acceptances policy of Liberty Corner Presbyterian Church (LCPC). Gifts to the Endowment fund are administered by the Endowment Committee.

A restricted gift is any gift where the donor has designated that the gift be utilized by LCPC for a specific purpose. This policy does not apply to any donations made for a Capital Campaign for the purposes of facility expansion and/or modification. The Session administers policy for a Capital Campaign.

The Finance Manager is responsible for making sure that restricted gifts are properly acknowledged. All restricted gifts greater than \$500 will be acknowledged by letter, which shall include:

- Name of Donor
- Amount of cash contribution
- Description (but not value) of non-cash contributions
- Statement that no goods or services were provided by the organization, if that is the case
- Description and good faith estimate of the value of goods or services, if any, that organization provided in return for the contribution
- Statement that goods or services, if any, that the organization provided in return for the contribution consisted entirely of intangible religious benefits, if that was the case.

Restricted gifts equal to or less than \$500 are acknowledged by the Financial Secretary as part of the statement of giving provided to each individual.

**General**

Once a gift is made to LCPC, the gift becomes Church property and LCPC will not return any such gift to the donor unless required by law

Gifts designated for a specific individual or designated for the benefit of a specific individual are not tax deductible contributions and LCPC will not accept such gifts unless the donor is aware of the policy regarding such gifts.

Verbal designations of gifts are not acceptable. Designations must be in writing in an accompanying memorandum or note or else indicated on the check.

If, after three years, LCPC determines that the purpose of a gift can no longer be met, then LCPC has the discretion to reclassify any restricted gift to an unrestricted gift.

When the purpose of a gift is met, any funds left over from that gift are automatically classified as unrestricted.

Certain restricted gifts are designated by the individual for programs of LCPC. An example would be a general gift for Worship Arts. For this type of general restricted gift, any gift of \$1,000 or less will be allocated to that program in the calendar year such gift is received.

LCPC cannot offer any accounting, tax or legal advice concerning any gift. LCPC recommends that such professional advice be sought prior to making the gift to LCPC.

The Session, upon the advice of the Finance Committee, reserves the right to decline any gift that does not further the mission or goals of LCPC. Also, any gifts that would create an administrative burden, subject LCPC to adverse publicity, or cause LCPC to incur excessive expenses may be declined.

LCPC shall accept all gifts by check or cash. Checks shall be made payable to LCPC. In no event shall a check be made payable to an individual who represents LCPC in any capacity.

### **Special Situations**

LCPC will accept readily marketable securities, which are traded on a major stock exchange. For gift crediting and accounting purposes, the value of the gift of securities is the average of the high and low prices on the legal date of the gift. A gift of securities to LCPC will generally be liquidated immediately.

LCPC may accept non-publicly traded securities. Prior to acceptance, the Finance committee will explore methods and timing of liquidation of the securities through redemption or sale, by determining an estimate of fair market value, any restrictions on transfer, and whether and when an initial public offering might be anticipated. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

The Finance Committee must review and approve any gifts of real estate. The donor normally is responsible for obtaining and paying for an appraisal of the property. An independent and professional agent will perform the appraisal and provide LCPC with the necessary documentation to support the appraisal. LCPC reserves the right to require an environmental assessment of any potential real estate gift. The property must be transferred to LCPC prior to any formal offer or contract for purchase being made. The donor may be asked to pay for all or a portion of the maintenance costs, real estate taxes, insurance, real estate broker's commission and other costs of sale, and appraisal costs. For gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate; however, costs of maintenance, insurance, real estate taxes, broker's commission, and other expenses of sale may reduce this value.

The Finance Committee reviews all gifts of a *life insurance policy*. A life insurance policy as a gift is only accepted if LCPC is named as the owner and beneficiary of 100 percent 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. For Internal Revenue Service (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.

The Finance Committee reviews any gift of *tangible personal property*. A gift of jewelry, artwork, collections, equipment, vehicles and software shall be assessed for its value to LCPC, which may be realized either by being sold or by being used in connection with LCPC's exempt purpose. The valuation shall be the responsibility of the donor. Depending upon the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value. LCPC 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.