



GIFT ACCEPTANCE POLICY

Adopted: December 15, 2015

INTRODUCTION

PENINSULA COMMUNITY CHAPEL (hereinafter referred to as "PCC") is a qualified charitable organization exempt from federal income taxes under IRC Sec 501(c) (3) and relies solely upon charitable giving to fund its projects, ministries and programs. Contributions to the church are deductible for federal income tax purposes under the rules and regulations established under the current provisions of the Internal Revenue Code.

GENERAL STATEMENT OF GOALS:

It is the goal of the leadership of PCC to promote financial stewardship and to:

- A. Encourage support with a variety of giving opportunities / options;
- B. Establish the annual local ministry budget as the top priority of each year's fundraising goal;
- C. Encourage tithes and unrestricted giving toward the budget;
- D. Establish separate designated funds for missions, building, and other specialized needs which are outside the annual local ministry budget but are part of the ministry and mission of the church;
- E. Encourage designated support of these funds through 'above and beyond' gifts;
- F. Encourage giving to PCC without encumbering PCC with gifts that cost more than benefit PCC;
- G. Avoid gifts that the donor restricts in a manner inconsistent with the goals of PCC.

To protect the interests of PCC 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.

LEGAL COUNSEL

PENINSULA COMMUNITY CHAPEL shall execute no planned giving agreements without the advice of legal counsel. For purposes of this policy, the term "agreement" is defined as the agreed upon terms for giving that is outside the course of normal cash or tangible property donations for approved projects / ministries / programs.. Prospective donors will be strongly encouraged to seek their own legal and/or tax counsel in matters relating to their charitable gifts, taxes, and estate plans.

NOTICE TO DONORS-Designated Gifts

PCC respects the donor's decision to give as led by the Lord. The policies contained in this document are meant to provide guidance to the donor and the church body as well as comply with federal and state tax laws. PCC reserves the right to refuse contributions that are 1) not related to the primary purposes of the church, 2) not in the best interest of the church, 3) are too difficult or too expensive to administer in relation to their value, or 4) those that may jeopardize PCC's tax exempt status. To be deductible, the church must have discretion and control over the contribution without any obligation to benefit a designated individual.

All donations are subject to the Gift Acceptance Policy. PCC may accept designated gifts if they are specified for an approved project, ministry or program administered by the church. Gifts designated by the donor to projects/ministries/programs that are not approved or administered by the church will be treated as suggestions by the Board of Directors. If the Board determines that the church cannot provide the designated project / ministry / program or administer the funds, PCC will 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.

PCC will not accept gifts designated to a specific individual except in the case of missionaries where the designated funds are turned over to the missionary's sending agency for administration and distribution. All designated gifts must comply with the Bylaws provision of Article XXIII Section I. *"Designated Contributions. The church may accept any designated*

contributions, grant, bequest, or devise consistent with its general tax exempted purposes, as set forth in the Articles of Incorporation. As so limited, donor designated contributions shall be accepted for special funds, purposes, or uses as approved by the Board, and such designations generally will be honored. However, the church reserves all rights, title, and interest in and to and control of such contributions, as well as full discretion as to the ultimate expenditure or distribution thereof in connection with any funds (including designated contributions) to assure that such funds shall be used to carry out the church's tax exempt purposes."

UNDESIGNATED GIFTS

Undesignated gifts are those gifts given without stipulation by the donor. These gifts comprise the majority of the church's total receipts and are placed in the church's general account. They are relied upon to fund the budgeted ministries and programs of the church.

GIFT POLICIES

To facilitate the receipts of gifts and bequests, PCC must be capable of responding quickly and in the affirmative where possible to all gifts offered by prospective donors. Unless stated otherwise, the Board of Directors intends that these policies apply to all gifts.

- I. Gifts of:
 - a. Cash
 - i. PCC will accept gifts in the form of cash and checks 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.
 - ii. Checks must be made payable to PENINSULA COMMUNITY CHAPEL or PCC; checks made payable to an individual employee, director, agent, or volunteer for the credit of PCC will be returned to the donor requesting the check to be made payable to PENINSULA COMMUNITY CHAPEL or PCC in accordance with this policy.
 - iii. Gifts by credit card must provide the card type (e.g. Visa, MasterCard, Discover, etc.), card number, expiration date, and name of the card holder as it appears on the credit card.
 - b. Publicly Traded Securities
 - i. PCC may accept publicly traded securities.
 - ii. Publicly traded securities will be transferred to either the church's brokerage firm (if one is hired) or physically delivered to the Board with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. The donor may anticipate that PCC may immediately sell such securities within 120 days.
 - c. Closely-Held Securities
 - i. PCC may only accept closely held securities upon written approval of the Board and consultation with legal counsel. The Board of Directors will review these securities using the following criteria:
 1. There is a readily available market for their disposition.
 2. Accepting such securities will not create any potential liability to PCC.
 3. The closely held entity engages in no activities that would be inconsistent with PCC'S objectives.
 - d. Real Property
 - i. The Board of Directors in consultation with legal counsel must approve in writing all gifts of real estate in advance of accepting the gift. Approval requires the Board to conduct sufficient due diligence on all offers of real estate including, but not limited to:
 1. The Board of Directors cannot accept any gift of real estate until the Board determines that no environmental waste contaminates the property. Thus, PCC will require a Level I Environmental Survey from a qualified environmental firm. All costs related to the survey will be borne by the donor.
 2. PCC may require that a licensed appraiser issue an appraisal of the real estate before acceptance. The licensed appraiser will not have any business or other relationship with the donor. The costs of the appraisal will be borne by the donor.

3. In general, residential real estate located within the state of Virginia will be accepted, unless the Board of Directors will determine for some reason that the property is not suitable for acceptance.
 4. Special deliberation will be given to the receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for PCC, as well as payments, taxes and insurance that may burden PCC's finances.
- e. Tangible Personal Property
- i. Jewelry, artwork, collections, and other personal property will not be accepted unless the employee, agent or volunteer working on behalf of PCC will have reason to believe the property has a value in excess of \$1,000 or can be easily sold. Such property can only be accepted on behalf of PCC by the Board of Directors or such other person or persons authorized to do so by the Board of Directors.
 - ii. No personal property will be accepted by PCC unless there is reason to believe the property can be quickly sold or be substantially used to further PCC tax exempt purposes. No personal property will be accepted that obligates PCC to retain it in perpetuity. No perishable property or property which will require special facilities or security to properly safeguard it will be accepted without prior written approval of the Board of Directors.
 - iii. Notwithstanding the forgoing, if there is reason to believe personal property has a value of \$1,000 or more, it may only be accepted after receipt and review by the Board of Directors 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.
 - iv. PCC will generally not accept donations of motor vehicles in accordance with this policy but, if accepted by the Board, proper IRS documentation rules for the sale or charitable donation of any motor vehicles.
- f. Other Property
- i. Other property of any description including mortgages, notes, copyrights, royalties, easements, whether real or personal, will only be accepted by further action of the Board of Directors or persons duly acting on its behalf.
- g. Donor Advised Funds
- i. At present, PCC is not set up to receive and administer donor advised funds.

II. Deferred Gifts

- a. Bequests
- i. PCC will actively encourage gifts through Wills and Living Trusts.
 - ii. In the event of inquiry by a prospective donor, representations as to the acceptability of a bequest to PCC will be made in accordance with this Gift Acceptance Policy only.
 - iii. PCC will at all times retain the right to refuse a gift from an individual or from an estate when it is not in the best interest of PCC to accept the gift.
 - iv. When PCC is the recipient of a gift from a will or trust, the Board of Directors will review the restrictions upon the gift and determine if it is in the best interests of PCC to accept the gift.
 - v. PCC will not accept a gift that might result in conflict within PCC or confusion as to the utilization of the gift or that might create an undue financial burden upon PCC.
 - vi. When PCC receives an unrestricted estate gift, the Board of Directors, in consultation with PCC's Director of Administration, will determine its highest and best use at the time.
 - vii. If PCC has created an Endowment Fund and the unrestricted funds are not needed for the ordinary and everyday expenses of PCC, priority for unrestricted gifts will be as an addition to PCC's Endowment Fund.
- b. Life Estate Gifts
- i. Donors will generally not be encouraged to make gifts of a remainder interest in real property in which the donor retains a life estate.
 - ii. 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 Board of Directors when the asset involved appears to be a minor portion of the donor's wealth, and the Board of Directors are satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.

c. Gifts of Life Insurance

- i. PCC will encourage donors to name PCC as a beneficiary of all or a portion of a person's life insurance policies.
- ii. PCC 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 assure PCC has an insurable interest under applicable state law.
- iii. No insurance products may be endorsed for use in funding gifts to PCC. In no event will lists of PCC's donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors or PCC. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject PCC to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

III. Designated Gifts Establishing Designated Accounts

a. The Board of Directors, with input from PCC's Director of Administration, will determine what designated accounts may be established.

- i. Any donor to PCC may request in writing to the Board of Directors the establishment of a designated account. The requested account must meet a need not anticipated or included in the annual local ministry budget or other designated account.
- ii. Once an account is established, PCC may accept funds into that account in accordance with the Gift Acceptance Policy.
- iii. Expenditures from accounts may not exceed the amount available in the account.
- iv. The Board of Directors will determine the length of time the account will exist. When that time has passed, the Board of Directors may either extend the time period for expiration of the account or transfer any remaining funds to the general fund.

b. Disbursing Designated Funds

- i. Designated funds may only be spent for the purpose for which they are designated until that purpose is fulfilled or expires. If funds remain after the purpose is fulfilled or expires, the Board of Directors reserve the right to transfer any remaining funds to the general fund or to a similar purposed program/ministry/project.
- ii. If, at any time, PCC accepts custody of designated accounts which have not been approved and established by the Board of Directors, and PCC does not intend to use the designated funds for the purpose designated, PCC will 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 – PCC will include in fund raising, solicitation materials and donor receipts the following statement:

- i. "All donations are subject to the guidelines and procedures outlined Peninsula Community Chapel Gift Acceptance Policy. Copies of the policy are available in the Chapel Financial Office or online at www.pencomchap.com."
- ii. For designated gifts it should read: *All donations to PCC are completed gifts which will be used, directly or indirectly, to advance the charitable and religious purposes of PCC and will only be received and expended for ministry projects previously budgeted and approved by the Board, with the donor designated preference among the various ministry projects being honored wherever possible*".

IV. Finders Fees and Commissions

- a. No finders fee or commission will be paid to anyone as consideration for directing a gift to PCC.

DONATION OF PERSONAL SERVICES

The church relies heavily on volunteers to fulfill its ministry. However, donations of this type will not be reflected on the individual's record of giving. Unreimbursed out of pocket expenses, including travel and transportation expenses, incurred on behalf of services donated may be deductible on the individual's tax return with proper documentation.

RECEIPT OF BENEFIT BY DONOR

Any benefit or premium received by a donor in exchange for a contribution reduces the amount of the deduction of the contribution. In the event of such a contribution where a benefit was received, the church will inform the donor of the estimated value of goods or services received by the donor. If the amount of the contribution exceeds the value of the benefit received, the donor may deduct the amount over the value of the benefit as a charitable contribution.

SUBSTANTIATION OF GIFTS

The church will provide annually to donors a record of cash contributions received in accordance with rules and regulations required by the IRS. Non-cash gifts will be acknowledged by letter which will provide a brief description of the item(s) donated in compliance with IRS rules and regulations. PCC is not responsible for appraisals and will not determine the fair market value of non-cash gifts. The estimated fair market value of non-cash gifts will not be reflected in the acknowledgement letter or the donor's record of giving. It is the donor's responsibility to determine the fair market value of the non-cash gift.

When a donor receives goods or services of value approximate to the amount transferred, there is no gift. If the payment to the church exceeds the approximate amount of goods or services provided to the donor, the difference qualifies as a charitable gift. The church will inform the donor of the amount of the contribution that is deductible for federal income tax purposes (only single payments of more than \$75 qualify for substantiation).

YEAR OF CONTRIBUTION

All gifts of any kind must be received in the church office or postmarked by December 31 in order to be included on the donor's record of giving. A statement of giving will be provided at least annually to all donors in accordance with IRS regulations on substantiation of charitable giving.

CONCLUSION

Notwithstanding the foregoing, it is the policy of PENINSULA COMMUNITY CHAPEL to accept all gifts conditionally. Designated gifts will be handled in accordance with the policies and procedures set forth above, and as far as reasonable for the purposes for which they were designated; nevertheless, PENINSULA COMMUNITY CHAPEL retains the right to remove the restrictions on a gift when it is in the best interests of the church to do so.