Church Gift Acceptance Policy and Procedures Template

Prepared by Church Law & Tax using a combination of artificial intelligence and Church Law & Tax's human editors and advisor attorneys for review.

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A well-crafted gift acceptance policy protects both the generosity of donors and the stewardship responsibilities of church leaders.

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This template reflects general guidance as of the date of publication and may not account for developments occurring after that date.

How to Use This Template

Every church should customize this template before adoption.

Specifically, churches should:

- replace bracketed language with church-specific information;
- modify approval authorities to reflect the church's governance structure;
- review the policy with legal and tax advisors;
- ensure consistency with the church's bylaws and governing documents;
- educate church leaders responsible for implementing the policy; and
- review the policy periodically to reflect changes in ministry practices and applicable law.

Smaller churches may delegate many responsibilities to a pastor, treasurer, or finance committee. Larger churches may establish a dedicated gift acceptance committee or planned giving committee. Either approach can work, provided responsibilities are clearly defined and consistently followed.

Practice Tip

Resist the temptation to adopt a policy "off the shelf" without modification. A gift acceptance policy should reflect your church's governance structure, decision-making process, and ministry priorities—not simply mirror another organization's practices.

Church Gift Acceptance Policy and Procedures

Section 1

Purpose

The **[INSERT CHURCH NAME]** (“Church”) seeks to **[INSERT CHURCH MISSION STATEMENT]**.

The purpose of this Gift Acceptance Policy and Procedures ("Policy") is to advance the Church’s mission by providing consistent guidance for evaluating, accepting, administering, and, when appropriate, disposing of charitable gifts received by the Church.

This Policy is intended to:

- encourage generosity that advances the Church's mission;
- promote faithful stewardship of charitable resources;
- reduce legal, financial, tax, operational, and reputational risk;
- provide consistent decision-making standards;
- protect donor intent whenever practical and lawful;
- clarify governance responsibilities; and
- support compliance with applicable federal and state law.

Nothing in this Policy obligates the Church to accept any proposed gift.

Section 2

Guiding Principles

Every decision made under this Policy should reflect the Church's biblical commitment to faithful stewardship, integrity, transparency, and wise governance.

Accordingly, the following principles guide all gift acceptance decisions.

Mission First

Every accepted gift should advance the Church's mission, ministry, religious convictions, and tax-exempt purposes.

Financial value alone should never determine whether a gift is accepted.

Stewardship

Church leaders serve as stewards—not merely recipients—of charitable gifts.

Accordingly, the Church should carefully evaluate whether accepting a proposed gift is in the Church's best long-term interests.

Factors to consider include:

- anticipated ministry benefit;
- administrative burden;
- ongoing maintenance costs;
- legal obligations;
- insurance requirements;
- environmental concerns;
- reputational impact.

Integrity

Church representatives should conduct all gift discussions honestly, respectfully, and transparently.

Church personnel should not:

- provide legal advice;
- provide tax advice;
- provide investment advice;
- pressure donors regarding charitable gifts;
- receive personal commissions or compensation relating to donated property.

Donor Care

The Church values every donor regardless of the size or type of contribution.

Donors considering significant or complex gifts should be encouraged to consult independent legal, tax, financial, and estate planning professionals before proceeding.

Confidentiality

The Church will make reasonable efforts to safeguard confidential donor information while complying with applicable legal, accounting, auditing, and reporting obligations.

Practice Tip

Church leaders should distinguish between encouraging generosity and advising on charitable planning. Explaining the church's gift acceptance procedures is appropriate; recommending a specific tax strategy or estate plan generally is not.

Section 3

Definitions

For purposes of this Policy, the following terms have the meanings set forth below.

Board

The governing body of the Church, regardless of its title (such as Board of Elders, Board of Directors, Trustees, or Governing Board).

Designated Authority

The individual or committee authorized by the Board to administer this Policy.

Examples may include:

- Finance Committee
- Stewardship Committee
- Executive Pastor
- Business Administrator
- Treasurer
- Planned Giving Committee

Donor

Any individual, family, business, trust, estate, foundation, donor-advised fund, or other organization proposing or making a charitable contribution to the Church.

Gift

Any voluntary transfer of money, property, or other assets to the Church for charitable purposes.

Restricted Gift

A contribution accepted by the Church subject to donor-imposed restrictions regarding its use.

Due Diligence

The investigation undertaken by the Church before accepting certain gifts to identify legal, financial, tax, environmental, operational, insurance, or reputational considerations.

> **Legal Note**
>
> Some states have adopted statutory rules governing restricted charitable funds, including versions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Churches should consult qualified legal counsel regarding applicable state law before ever modifying donor restrictions.

Section 4

Governance and Authority

The Board bears ultimate responsibility for the acceptance, administration, and disposition of charitable gifts received by the Church.

The Board may delegate specified responsibilities to the Designated Authority while retaining oversight of significant gift acceptance decisions.

No pastor, employee, volunteer, ministry leader, committee, or other Church representative may commit the Church to accept a gift outside the authority granted by this Policy.

Authority to Decline Gifts

The Church reserves the unconditional right to decline any proposed gift if acceptance would:

- conflict with the Church's mission, religious beliefs, or tax-exempt purposes;
- violate applicable law;
- create unreasonable financial obligations;
- expose the Church to unacceptable legal or environmental risk;
- impose burdens inconsistent with faithful stewardship; or
- otherwise not serve the Church's best interests.

Acceptance of one gift shall not obligate the Church to accept future gifts of a similar nature.

Professional Advisors

The Church may consult qualified professionals whenever appropriate, including:

- legal counsel;
- certified public accountants;
- tax advisors;
- appraisers;
- environmental consultants;
- engineers;
- insurance professionals;
- investment advisors; and
- other subject matter experts.

Professionals retained by the Church represent the interests of the Church and do not serve as advisors to donors.

> **Governance Insight**
>
> Complex gifts should never be evaluated by one individual acting alone. Requiring review by appropriate leaders—and outside professionals when necessary—helps ensure decisions reflect sound governance rather than individual preference.

Section 5

General Gift Acceptance Standards

Every proposed gift shall be evaluated individually.

The Church will consider the totality of the circumstances rather than relying solely on the estimated value of the gift.

When evaluating proposed gifts, the Church may consider the following factors.

Mission Alignment

Does accepting the gift advance the Church's mission?

Legal Compliance

Can the gift be accepted consistent with:

- federal law;
- state law;
- local ordinances;
- the Church's governing documents;
- this Policy?

Donor Ownership and Authority

Does the donor:

- have legal title to or ownership of the proposed gift?;
- have legal capacity and authority to make the gift?; and
- have the ability to transfer the gift free of undisclosed restrictions, claims, or obligations?

When ownership, authority, or legal capacity is uncertain, the Church should not accept the gift until the issue has been satisfactorily resolved.

Administrative Burden

Will accepting the gift require significant:

- staffing;
- maintenance;
- transportation;
- storage;
- insurance;
- compliance;
- management?

Financial Impact

Will the gift create:

- debt;
- ongoing expenses;
- contingent liabilities;
- unrelated business taxable income;
- contractual obligations?

Marketability

Can the gift reasonably be:

- used by the Church;
- sold;
- transferred;
- licensed; or
- otherwise converted into ministry value?

Risk

Does accepting the gift expose the Church to unreasonable:

- legal risk;
- environmental liability;
- operational burden;
- cybersecurity concerns;
- reputational harm?

Donor Restrictions

Are any proposed restrictions:

- lawful;
- practical;
- consistent with the Church's mission;
- capable of being fulfilled?

Practice Tip

> One of the most important questions a church can ask is not, "How much is this gift worth?" but rather, "What will this gift require of us over the next five years?" Valuable gifts sometimes carry costly obligations that are not immediately apparent.

Section 6

Donor Rights and Expectations

The Church is committed to honoring generosity with integrity, transparency, and faithful stewardship. Donors should have confidence that every charitable contribution will be administered consistently with the Church's mission, this Policy, and applicable law.

Likewise, donors should understand that charitable giving creates both opportunities and responsibilities for the Church. The following principles are intended to foster mutual understanding before a gift is made.

A. Independent Professional Advice

The Church encourages donors to obtain independent legal, tax, accounting, financial, and estate planning advice before making significant charitable contributions.

Church personnel should not provide individualized legal, tax, investment, or financial advice.

Nothing in this Policy prohibits Church leaders from explaining the Church's gift acceptance procedures or discussing the ministries supported by charitable giving.

B. Church Discretion

Every accepted gift becomes the property of the Church. Accordingly, the Church retains exclusive authority over:

- administration of donated assets;
- investment decisions;
- disposition of donated property;
- timing of asset liquidation;
- ministry expenditures.

Donors may recommend, but may not direct, how unrestricted gifts are used.

C. Restricted Gifts

The Church may accept gifts restricted to purposes that:

- further the Church's mission;
- are lawful;
- are practical to administer;
- are designated for a restricted fund already approved by the Board.

Examples include gifts designated for:

- missions;
- benevolence;
- scholarships;
- church planting;
- building improvements;
- capital campaigns;
- ministry programs.

Donors should direct restricted gifts to already-established Board-approved funds. The creation of a new restricted fund first requires full Board approval after ensuring it:

- furthers the Church's mission;
- is lawful;
- is practical to administer.

The Church reserves the right to decline restrictions that are inconsistent with its mission or create unreasonable administrative or legal burdens.

D. Duration and Termination of Restricted Funds

When establishing a new restricted fund, the Board should consider whether the fund should include provisions addressing its duration and the disposition of remaining funds if:

- the stated purpose is completed;
- the ministry or program is discontinued;
- the amount received exceeds the amount reasonably needed for the stated purpose; or
- the original purpose becomes impossible, impracticable, unlawful, or inconsistent with the Church's mission.

When appropriate, these provisions should be communicated to donors before contributions are accepted. Any modification or release of an existing donor restriction must be handled in accordance with applicable state law and Section 6.E of this Policy.

E. Changes to Restricted Gifts

If fulfilling a donor restriction later becomes:

- impossible;
- impracticable;
- unlawful; or
- inconsistent with the Church's mission,

the Board shall consult qualified legal counsel before modifying or releasing the restriction.

Whenever reasonably possible, the Church should communicate with the donor—or the donor's legal representative—before pursuing modification of a restriction.

Legal Note

State law may establish procedures for modifying or releasing restrictions on charitable gifts. Churches should consult qualified legal counsel before redirecting restricted funds, even when the original purpose can no longer be fulfilled.

F. Unapproved or Inadvertently Accepted Restrictions

If the Church receives a contribution containing a donor restriction that was not approved in accordance with this Policy, the Church should not use the contribution for another purpose without first determining its legal obligations.

The Designated Authority should promptly review the circumstances and, when appropriate, consult qualified legal counsel. Depending upon the circumstances and applicable law, appropriate action may include:

- honoring the restriction if the Church determines it can properly do so;

- seeking the donor's consent to remove or modify the restriction; or

- returning the contribution to the donor.

The Church should document the resolution of any unapproved or inadvertently accepted restriction.

Practice Tip

> Churches should consider including language in fundraising materials and giving platforms explaining how donor designations are handled. For example: "The Church welcomes gifts designated for Board-approved ministries and funds. All contributions are subject to the Church's Gift Acceptance Policy. The Church retains appropriate discretion and control over contributed funds consistent with applicable law and any donor restriction accepted by the Church." Have qualified legal or tax counsel review this language before use, particularly when fundraising for specific projects or restricted purposes.

G. Gifts for Individuals

The Church will not accept charitable gifts intended merely to pass through the Church for the personal benefit of a specifically identified individual.

Gifts supporting benevolence ministries remain subject to the Church's exclusive discretion regarding eligibility, distribution, and amount and are handled in accordance with the Church’s Benevolence Policy.

This provision does not prohibit contributions that identify or recommend support for a missionary, ministry worker, or similar charitable activity when the Church retains full administrative control and discretion over the contributed funds and ensures that they are used in furtherance of the Church’s tax-exempt purposes.

H. Irrevocable Gifts

Completed gifts generally are irrevocable.

Except where required by law or specifically approved by the Board under extraordinary circumstances, the Church will not refund gifts.

I. Donor Recognition

The Church may recognize donors publicly unless anonymity has been requested.

Recognition opportunities—including plaques, naming opportunities, memorials, and similar acknowledgments—remain subject to Board approval.

Unless expressly documented in a written agreement approved by the Board, donor recognition does not create a perpetual contractual obligation.

J. Privacy

The Church will make reasonable efforts to safeguard confidential donor information while complying with applicable legal, financial, auditing, and reporting obligations.

Practice Tip

Many difficult conversations can be avoided simply by discussing proposed restrictions before a gift is made. Encourage donors considering significant restricted gifts to meet with church leadership early in the planning process.

Section 7

Gifts Routinely Accepted

Many charitable contributions present little legal or administrative risk and may ordinarily be accepted by the Designated Authority without additional Board approval.

The Designated Authority will establish internal procedures identifying who may receive and process these routine gifts.

A. Cash Contributions

The Church ordinarily accepts:

- cash;
- checks;
- cashier's checks;
- money orders;
- ACH transfers;
- wire transfers;
- online giving;
- credit and debit card transactions;
- text-to-give contributions;
- approved mobile payment platforms.

B. Contributions to Existing Restricted Funds

Contributions designated for existing Board-approved funds ordinarily may be accepted provided:

- the designation matches an approved fund;
- no additional restrictions are imposed; and
- acceptance otherwise complies with this Policy.

C. Publicly Traded Securities

The Church ordinarily may accept publicly traded securities that can readily be transferred and liquidated.

Unless otherwise approved by the Board, publicly traded securities generally should be sold promptly after receipt to reduce investment risk.

D. Routine Estate Designations

The Church ordinarily may accept designation as beneficiary of:

- wills;
- revocable living trusts;
- retirement accounts;
- life insurance policies;
- payable-on-death accounts;
- transfer-on-death accounts.

Because these gifts remain revocable during the donor's lifetime, they generally require no immediate Board action.

E. Donor-Advised Fund Grants

The Church may receive grants from donor-advised funds administered by sponsoring organizations.

Such grants shall be administered consistently with this Policy.

F. Donated Services

The Church may accept donated professional or other services when useful to its ministry. The Church will not issue a charitable contribution acknowledgment assigning a value to donated services because the value of professional services is not deductible as a charitable contribution.

Donors should consult qualified tax advisors regarding whether unreimbursed expenses incurred while providing services may qualify for a charitable deduction.

> **Governance Insight**
>
> Routine gifts should still be processed consistently. Even straightforward contributions benefit from clear procedures for receipting, documentation, internal controls, and financial oversight.

Section 8

Cash Contributions

Cash gifts remain the most common form of charitable giving and ordinarily present the least administrative complexity.

Nevertheless, they should be administered in a manner consistent with the Church’s Internal Controls Policy and related practices and procedures.

A. Forms of Cash Contributions

Cash contributions may include:

- currency;
- personal checks;
- electronic funds transfers;
- online giving;
- debit and credit card contributions;
- mobile payment applications approved by the Church.

Restricted cash gifts are subject to the provisions outlined in Section 6 and Section 7 of this Policy.

B. Church Control

Upon acceptance, cash contributions become the property of the Church.

To preserve the charitable nature of every contribution, the Church retains exclusive authority over administration and expenditure of donated funds.

The Church will not serve as:

- an agent for private individuals;
- an escrow holder;
- a conduit for private transactions.

C. Anonymous Contributions

Anonymous contributions may be accepted when lawful and appropriate.

However, if circumstances surrounding an anonymous contribution raise concerns regarding:

- fraud;
- money laundering;
- illegal activity;
- reputational risk;

then the Church may require additional review before accepting the contribution.

D. Contribution Receipts

The Church shall provide contemporaneous written acknowledgments for gifts valued at $250 or more.

Acknowledgments generally include:

- donor name;
- contribution date;
- dollar amount;
- a statement indicating whether the Church provided any goods or services in exchange for the contribution; and

- if goods or services other than intangible religious benefits were provided, a description and good-faith estimate of their value.

E. Contribution Date

The Church will record contributions in the tax year in which they are considered delivered under applicable federal tax rules. The Church will not backdate contribution records or acknowledgments at a donor's request. Year-end contributions received by mail, electronic transfer, or other means will be recorded according to applicable delivery and substantiation rules.

Governance Insight

A consistent receipting process not only assists donors but also strengthens the Church's financial accountability and internal controls.

Section 9

Gifts Requiring Additional Review

Certain gifts present greater legal, financial, tax, operational, environmental, or reputational considerations.

These gifts must be reviewed by the Designated Authority in consultation with legal and tax counsel and, when appropriate, approved by the Board before acceptance.

Examples include, but are not limited to:

- real estate;
- tangible personal property requiring storage or maintenance;
- closely held business interests;
- partnership interests;
- limited liability company interests;
- cryptocurrency;
- digital assets;
- intellectual property;
- royalty interests;
- mineral interests;

- conservation easements;
- gifts subject to donor-imposed restrictions not previously approved;
- property subject to mortgages, liens, leases, or other encumbrances;
- gifts that may generate unrelated business taxable income;
- gifts requiring ongoing financial support from the Church;
- naming rights agreements;
- gifts involving unusual reputational concerns.

Depending upon the nature of the proposed gift, the Church may require:

- independent appraisals;
- environmental assessments;
- title work;
- insurance reviews;
- legal opinions;
- accounting analysis;
- cybersecurity review;
- other professional evaluations.

Practice Tip

Complex gifts should be reviewed before ownership transfers—not afterward. Once the Church accepts legal title to an asset, it may also assume legal responsibilities that are expensive or difficult to reverse.

Section 10

Securities, Business Interests, Cryptocurrency, and Digital Assets

Modern charitable giving increasingly involves financial assets other than cash.

Although these gifts often provide significant tax advantages for donors, they also require thoughtful evaluation by the Church.

A. Publicly Traded Securities

The Church ordinarily may accept:

- publicly traded stocks;
- bonds;
- mutual funds;
- exchange-traded funds.

Prior to acceptance, the Designated Authority must verify the securities can be liquidated immediately upon receipt. Unless otherwise approved by the Board, these assets generally should be sold promptly after receipt.

The Church ordinarily will not retain donated securities solely because they were donated.

B. Closely Held Business Interests

The Church may consider gifts involving:

- privately held corporations;
- privately held stock;
- limited liability companies;
- partnerships;
- family limited partnerships;
- professional corporations.

Before accepting such a gift, the Designated Authority must evaluate the following with legal and tax counsel:

- ownership restrictions;
- shareholder agreements;
- buy-sell agreements;
- capital call obligations;
- marketability;
- anticipated debts and liabilities;
- management responsibilities;
- unrelated business taxable income;
- exit strategies.

Findings and recommendations should be presented to the Board. Board approval is required. Upon Board approval, the Designated Authority must engage legal and tax counsel to assist with drafting terms for the transfer of ownership to the Church.

C. Partnership and LLC Interests

Because partnership and LLC interests may expose the Church to ongoing obligations or unexpected tax consequences, these gifts require enhanced due diligence and review by the Designated Authority with legal and tax counsel. Board approval is required before acceptance. Upon Board approval, the Designated Authority must engage legal and tax counsel to assist with drafting terms for the transfer of ownership to the Church.

Unless specifically approved by the Board, the Church generally will not accept ownership interests requiring active management responsibilities.

D. Cryptocurrency and Digital Assets

The Church may accept gifts of cryptocurrency as noncash property in a manner consistent with federal and state law.

Prior to acceptance, the Church may evaluate:

- transfer procedures;
- custody arrangements;
- cybersecurity safeguards;
- valuation;
- liquidity;
- applicable regulatory considerations.

The Church will receipt gifts of cryptocurrency in the same manner as other noncash property in accordance with federal law. The receipt must not include any dollar value.

Unless otherwise approved by the Board, cryptocurrency ordinarily should be liquidated promptly after receipt.

E. Digital Collectibles and NFTs

Because non-fungible tokens (NFTs) and similar digital collectibles often involve uncertain valuation, limited liquidity, evolving legal standards, and intellectual property considerations, these gifts require review and Board approval before acceptance. The Church will receipt gifts of digital collectibles and NFTs in the same manner as other noncash property in accordance with federal law.

F. Qualified Charitable Distributions

The Church may receive Qualified Charitable Distributions (QCDs) made directly from an eligible donor's individual retirement account (IRA) to the Church.

The Church will identify and record QCDs separately from the donor's other charitable contributions and will provide a qualifying contemporaneous written acknowledgment when required by federal tax law.

Church personnel should not advise donors regarding eligibility, applicable annual limits, or the tax treatment of QCDs. Donors should consult qualified tax advisors regarding these matters.

Section 11

Tangible Personal Property

Churches frequently receive offers of donated personal property that can support ministry, reduce expenses, or generate financial resources. Other gifts, however, may require significant storage, maintenance, transportation, insurance, or administrative oversight that outweighs their potential benefits.

Accordingly, each proposed gift of tangible personal property should be evaluated individually by the Designated Authority and accepted only when it represents faithful stewardship and advances the Church's mission.

A. General Policy

The Church may accept gifts of tangible personal property that further its ministry and can be responsibly managed.

Examples include:

- automobiles;
- boats;
- aircraft;
- furniture;
- office equipment;
- musical instruments;
- audio, video, and technology equipment;

- artwork;
- jewelry;
- books and library collections;
- inventory;
- tools and machinery;
- livestock;
- precious metals;
- collectibles; and
- other personal property.

Acceptance should be based upon the property's usefulness, anticipated costs, legal considerations, resale potential, and overall benefit to the Church.

B. Evaluation Criteria

Before accepting tangible personal property, the Designated Authority should consider:

- whether the property can be used in ministry;
- estimated fair market value;
- anticipated resale value;
- physical condition;
- remaining useful life;
- transportation requirements;
- storage requirements;
- whether the property is perishable or subject to rapid deterioration;
- whether specialized facilities, environmental controls, or security are required;
- insurance needs;
- maintenance obligations;
- repair costs;
- security concerns;
- environmental or safety issues;
- expected carrying costs.

Whenever appropriate, the Designated Authority should obtain professional evaluations regarding condition or value.

Practice Tip

Ask one practical question before accepting any noncash property: *"If someone offered us this item at no cost—but we had to store, insure, maintain, and eventually dispose of it—would we still want it?"* The answer often reveals whether acceptance represents wise stewardship.

C. Ownership Documentation

The Designated Authority should receive documentation sufficient to establish the donor's ownership and authority to transfer the property.

Depending upon the nature of the gift, required documentation may include:

- certificates of title;
- bills of sale;
- assignment agreements;
- registration documents;
- deeds of gift;
- notarized transfer documents; or
- other evidence of ownership.

For unique or valuable property lacking formal title documentation, the Church may require a written “deed of gift” or similar transfer instrument.

D. Transportation and Delivery

Unless otherwise approved, donors remain responsible for expenses associated with:

- transportation;
- packing;
- shipping;
- loading;
- unloading;
- installation; and
- specialized handling.

Where extraordinary transportation or installation costs are anticipated, the Designated Authority may request that the donor provide an additional contribution to offset those expenses.

E. Insurance

Upon acceptance of significant tangible personal property, the Designated Authority should determine whether additional insurance coverage is necessary.

Considerations may include:

- transit coverage;
- replacement value;
- theft;
- damage;
- public display;
- specialized storage.

If additional insurance is necessary before ownership transfers, the Designated Authority and donor should clarify responsibilities before completing the gift.

F. Disposition

Unless otherwise agreed in writing, the Church retains sole authority to:

- retain;
- use;
- display;
- loan;
- lease;
- donate;
- recycle;
- sell; or
- otherwise dispose of donated property.

Donors should understand that the Church generally cannot guarantee perpetual ownership or use of donated property.

> **Governance Insight**
>
> Donated property should not become a "museum of generosity." A church honors a donor's generosity by using a gift in the manner that best advances ministry—not necessarily by retaining it indefinitely.

G. Contribution Acknowledgments

The Church shall provide written acknowledgments for tangible personal property as required by applicable federal tax law.

Acknowledgments generally should include:

- the Church's name;
- the date of the gift;
- a description (but not valuation) of the noncash property received, providing enough details to identify the gift with specificity;
- a statement indicating whether the Church provided any goods or services in exchange for the contribution; and
- if goods or services other than intangible religious benefits were provided, a description and good-faith estimate of their value.

The Church does not determine or certify the fair market value of donated personal property.

Determining value is the responsibility of the donor.

> **Legal Note**
>
> Special federal substantiation and reporting requirements may apply to donations of motor vehicles, boats, and airplanes. Before issuing an acknowledgment or disposing of such property, the Church should review current IRS requirements and consult a qualified tax professional when appropriate.

Section 12

Intangible Personal Property

Certain gifts involve valuable legal rights rather than physical property.

These gifts may provide significant ministry opportunities but frequently require specialized legal and tax review before acceptance.

A. General Policy

The Church may accept gifts of intangible property when ownership can be clearly transferred and acceptance advances the Church's mission.

Examples include:

- copyrights;
- trademarks;
- patents;
- trade secrets;
- royalty interests;
- software;
- websites;
- domain names;
- publication rights;
- digital media libraries;
- proprietary databases;
- licenses.

B. Evaluation Factors

Before accepting intangible property, the Designated Authority should evaluate:

- ownership;
- transferability;
- licensing restrictions;
- remaining useful life;
- anticipated income;
- administrative obligations;
- technological compatibility;
- cybersecurity implications;
- litigation risks;
- ongoing maintenance.

C. Intellectual Property

Before acceptance, the Designated Authority should consider:

- whether ownership can legally be assigned;

- whether registrations remain current;
- existing licensing agreements;
- royalty obligations;
- infringement claims;
- contractual restrictions;
- ongoing costs for ownership.

The Designated Authority will consult with legal and tax counsel before accepting gifts involving any intellectual property.

The Church ordinarily will not accept intellectual property requiring ongoing legal, tax, or financial obligations that substantially outweigh anticipated ministry benefits.

D. Royalties

The Church may accept royalty interests after the Designated Authority evaluates:

- anticipated income;
- payment history;
- reporting requirements;
- administrative costs;
- tax consequences;
- expected duration.

The Designated Authority will consult with legal and tax counsel before accepting gifts involving royalties.

E. Digital Ministry Assets

The Church may accept ownership of digital ministry assets such as:

- websites;
- mobile applications;
- online learning platforms;
- podcasts;
- video libraries;
- social media accounts;
- software platforms.

Acceptance should include transfer of all administrative credentials necessary to control the asset, including:

- usernames;
- passwords;
- hosting credentials;
- domain registrations;
- source files;
- administrative access.

The Designated Authority will consult with legal and tax counsel before accepting gifts involving digital ministry assets.

F. Artificial Intelligence Assets

As artificial intelligence (AI) becomes increasingly integrated into ministry, churches may receive gifts involving:

- AI-generated content;
- machine learning models;
- prompt libraries;
- training datasets;
- AI software;
- automated ministry tools.

Before acceptance, the Church should evaluate:

- ownership rights;
- licensing restrictions;
- copyright considerations;
- privacy implications;
- cybersecurity risks;
- contractual limitations.

The Designated Authority will consult with legal and tax counsel before accepting gifts involving artificial intelligence assets.

Legal Note

Ownership of digital assets is often governed by license agreements rather than traditional property law. Churches should review all applicable contractual terms with legal counsel before accepting significant digital assets or intellectual property.

G. Contribution Acknowledgments

The Church shall provide written acknowledgments for intangible personal property as required by applicable federal tax law.

Acknowledgments generally should include:

- the Church's name;
- the date of the gift;
- a description (but not valuation) of the intangible personal property received, providing enough details to identify the gift with specificity;
- a statement indicating whether the Church provided any goods or services in exchange for the contribution; and
- if goods or services other than intangible religious benefits were provided, a description and good-faith estimate of their value.

The Church does not determine or certify the fair market value of intangible personal property.

Determining value is the responsibility of the donor.

Section 13

Real Property

Gifts of real estate (also known as “real property”) often represent some of the most valuable contributions a church receives.

They may also present the greatest potential legal, environmental, financial, and operational risks.

For that reason, every proposed gift of real property must receive careful review before acceptance.

A. General Policy

The Church may accept gifts of:

- residential property;
- commercial buildings;
- undeveloped land;
- agricultural property;
- timber interests;
- mineral interests;
- condominiums;
- conservation interests; and
- other real property.

Every proposed gift of real estate requires consultation with legal and tax counsel and Board approval before acceptance.

B. Due Diligence

Before accepting real property, the Designated Authority may require one or more of the following:

- independent appraisal;
- title commitment or title search;
- survey;
- zoning review;
- environmental assessment;
- structural inspection;
- flood hazard review;
- insurance review;
- review of leases;
- review of easements;
- review of restrictive covenants;
- review of mortgages or liens.

Unless otherwise approved, donors generally should bear the costs associated with these investigations.

C. Environmental Assessment

Environmental liability can significantly exceed the value of donated real property.

A Phase I Environmental Site Assessment or other environmental review is required before acceptance.

Property presenting unacceptable environmental risks should not be accepted.

Practice Tip

Environmental concerns are not limited to factories or gas stations. Agricultural land, former dry-cleaning sites, older church properties, and even vacant lots may present environmental issues that warrant professional review.

D. Insurance

Before acceptance, the Designated Authority should determine:

- when insurance coverage transfers;
- whether additional insurance is necessary;
- whether specialized coverage should be obtained before closing.

E. Title Insurance

The Designated Authority may require title insurance in a form acceptable to the Board.

F. Form of Ownership

After consulting legal and tax counsel, the Board may determine that accepting real property through a wholly owned single-member limited liability company or another affiliated entity better protects the Church's interests. Legal and tax counsel should be used to form any entity before accepting real property.

G. Existing Occupancy

If property is occupied, the Designated Authority should evaluate with legal and tax counsel:

- existing leases;
- tenant rights;
- rent obligations;
- security deposits;
- maintenance responsibilities;
- assignment requirements.

H. Partial Interests

The Church ordinarily will not accept partial ownership interests in real property unless the Board determines that acceptance clearly serves the Church's mission and legal counsel recommends acceptance.

I. Mineral and Royalty Interests

The Church may consider gifts of royalty interests in oil, gas, minerals, timber, or similar natural resources only after review by the Designated Authority in consultation with qualified legal and tax counsel and, when appropriate, environmental professionals.

Before acceptance, the Church should evaluate:

- the nature and extent of the interest;
- title and ownership;
- existing leases or agreements;
- anticipated income;
- tax consequences;
- environmental exposure;
- ongoing obligations; and
- potential liabilities.

The Church ordinarily will not accept a working interest in an oil, gas, or mineral property because such an interest may impose operational responsibilities, expenses, and liabilities upon the Church.

Acceptance of any mineral or royalty interest requires Board approval.

J. Carrying Costs

Before acceptance, the Designated Authority should evaluate anticipated:

- insurance;
- utilities;
- maintenance;
- property taxes (if applicable);
- association fees;
- repairs;
- security;
- management expenses.

Where appropriate, the Church may request an additional contribution from the donor to offset anticipated carrying costs until the property is sold or placed into ministry use.

K. Disposition

Unless otherwise agreed in writing, the Church retains sole discretion regarding whether donated real property will be:

- retained;
- improved;
- leased;
- exchanged;
- sold; or
- otherwise disposed of.

Governance Insight

Some of the most expensive gifts a church can receive are those it feels obligated to keep. The Board's responsibility is to steward property in a way that best advances ministry—not necessarily to preserve every donated asset indefinitely.

L. Contribution Acknowledgments

The Church shall provide written acknowledgments for real property as required by applicable federal tax law.

Acknowledgments generally should include:

- the Church's name;
- the date of the gift;
- a description (but not valuation) of the real property received, providing enough details to identify the gift with specificity;
- a statement indicating whether the Church provided any goods or services in exchange for the contribution; and

- if goods or services other than intangible religious benefits were provided, a description and good-faith estimate of their value.

The Church does not determine or certify the fair market value of donated real property.

Determining value is the responsibility of the donor.

Section 14

Planned Gifts and Estate Gifts

Planned gifts frequently allow donors to make transformational contributions while accomplishing important estate planning objectives.

The Church welcomes these gifts while recognizing that they often involve complex legal and tax considerations.

To reduce the risk of planned gifts and estate gifts being invalidated, the Church will:

- Ensure donors obtain independent legal and tax advice when drafting wills or trusts;
- Avoid situations where the Church appears to coerce or influence decisions;
- Document all communications with donors to demonstrate transparency.

A. Types of Planned Gifts

The Church may accept:

- bequests;
- revocable trust distributions;
- retirement account beneficiary designations;
- life insurance beneficiary designations;
- charitable remainder trust interests;
- charitable lead trust interests;
- payable-on-death accounts;
- transfer-on-death accounts; and
- other Board-approved planned gifts.

B. Revocable Gifts

Revocable beneficiary designations generally will not be recorded as completed charitable gifts until they become irrevocable.

C. Retained Life Estates

A donor may propose transferring a residence, farm, or other real property to the Church while retaining the right to use or occupy the property for life.

Because retained life estates can create significant legal, financial, tax, maintenance, and donor-relations issues, the Church will not accept such arrangements without Board approval following consultation with qualified legal and tax counsel.

Before acceptance, the Church should consider:

- the donor's age and circumstances;
- the nature and value of the property;
- mortgages, liens, or other encumbrances;
- responsibility for taxes, insurance, repairs, and maintenance;
- environmental risks;
- the consequences if the donor later wishes or needs to sell the property;
- the Church's anticipated costs and obligations; and

- the expected long-term benefit to the Church.

Any retained life estate must be documented through a written agreement clearly allocating responsibilities between the donor and the Church.

D. Fiduciary Appointments

The Church ordinarily will not agree to serve as a donor's:

- trustee;
- executor;
- personal representative;
- investment manager; or
- general partner.

Donors should instead be encouraged to appoint an appropriate independent individual or professional fiduciary.

Any exception requires Board approval following consultation with qualified legal counsel.

E. Life Insurance

The Church welcomes designation as a beneficiary of life insurance policies. The Church may also consider accepting ownership of an existing life insurance policy. Before accepting ownership, the Designated Authority shall evaluate:

- future premium obligations;
- cash surrender value;
- anticipated administrative costs;
- any outstanding policy loans;
- restrictions or obligations associated with the policy; and
- the anticipated long-term benefit to the Church.

Board approval is required before the Church accepts ownership of a life insurance policy.

The Church ordinarily will not participate in arrangements in which contributions are solicited for the purpose of purchasing new life insurance on a donor for the benefit of the Church without first obtaining qualified legal and tax advice, including review of applicable insurable-interest and insurance laws.

The Church does not endorse particular insurance products, insurance companies, agents, or arrangements as charitable giving strategies. The Church will not provide donor lists or confidential donor information to insurance professionals for the purpose of marketing insurance products.

F. Charitable Trust Interests

The Church may consider accepting a beneficial interest in a charitable remainder trust, charitable lead trust, or other charitable trust arrangement. Before acceptance, the Designated Authority should evaluate:

- the nature and anticipated value of the Church's interest;
- the expected timing of distributions;
- the types of assets held or expected to be contributed;
- administrative and reporting obligations;
- anticipated fees and expenses; and
- any legal, tax, or financial obligations imposed upon the Church.

The Church ordinarily will not serve as trustee. Donors should be encouraged to use an appropriate independent individual or professional fiduciary. Board approval is required before the Church accepts an interest in a charitable trust that imposes material obligations upon the Church.

G. Charitable Gift Annuities

[CHOOSE ONE OF THE FOLLOWING OPTIONS BEFORE ADOPTING THIS POLICY.]

Option 1 - Church Does Not Offer Charitable Gift Annuities

The Church does not issue or offer charitable gift annuities. Donors interested in charitable gift annuity arrangements may be encouraged to consult their independent professional advisors regarding other qualified charitable organizations that offer such arrangements.

Option 2 - Church Offers Charitable Gift Annuities

The Church may offer charitable gift annuities only through a program specifically approved by the Board and operated in compliance with applicable federal and state law. Before establishing or offering a charitable gift annuity program, the Church shall obtain qualified legal and tax advice regarding registration, reserve, disclosure, investment, reporting, and other requirements that may apply.

Church representatives shall not enter into a charitable gift annuity agreement outside a Board-approved program.

Legal Note

Charitable gift annuities can be subject to state-specific regulatory requirements. A church should not offer them merely by adding language to its gift acceptance policy. Qualified legal and tax counsel should review the proposed program before it is established.

Planned gifts often begin with a simple conversation. Church leaders need not become estate planning experts, but they should know when to encourage a donor to consult qualified professional advisors.

Section 15

Gifts the Church Will Normally Decline

Although every proposed gift should be evaluated individually, the Church ordinarily will decline gifts that:

- conflict with the Church's mission;
- jeopardize the Church's tax-exempt status;
- create excessive legal liability;
- impose unreasonable financial obligations;
- unnecessarily burden administrative resources;
- involve unlawful activity;
- present unacceptable environmental risks;
- lack clear ownership;
- require the Church to surrender governance authority;
- create reputational harm.

Governance Insight

Saying "no" to an unsuitable gift is not rejecting generosity—it is protecting the church's ability to steward every gift wisely. A consistently applied policy helps church leaders decline gifts graciously, objectively, and without appearing arbitrary.

Section 16

Due Diligence Procedures

Faithful stewardship requires more than evaluating the generosity of a proposed gift. It also requires understanding the legal, financial, operational, and reputational responsibilities that may accompany accepting it.

Accordingly, the Church shall conduct an appropriate level of due diligence before accepting gifts that present material risk or complexity.

The scope of due diligence should be proportional to the nature of the proposed gift.

A. Purpose of Due Diligence

The purpose of due diligence is to assist the Church in determining whether accepting a proposed gift:

- advances the Church's mission;
- complies with applicable law;
- aligns with this Policy;
- represents responsible stewardship; and
- avoids unnecessary legal or financial risk.

Due diligence should never be viewed as questioning a donor's generosity. Rather, it reflects the Church's responsibility to steward all charitable gifts wisely.

B. Responsibility

The Designated Authority shall coordinate due diligence for gifts requiring additional review.

Depending on the nature of the gift, the Designated Authority may recommend that the Board obtain assistance from qualified professionals before making a final acceptance decision.

C. Due Diligence May Include

Depending upon the proposed gift, the Church may request or obtain:

Legal Review

- ownership verification;
- transfer documents;
- contract review;
- litigation history;
- regulatory compliance;
- title review.

Financial Review

- estimated carrying costs;
- anticipated maintenance expenses;
- projected liquidation costs;
- tax implications;
- marketability.

Operational Review

- staffing requirements;
- storage needs;
- transportation;
- insurance;
- security;
- maintenance.

Environmental Review

- environmental assessments;
- hazardous materials review;
- flood risk;
- agricultural use;
- wetlands;
- underground storage tanks.

Technology Review

For digital assets, software, websites, or AI-related property:

- cybersecurity;
- administrator credentials;
- licensing;
- data privacy;
- intellectual property ownership.

D. Donor Cooperation

The Church may request documentation reasonably necessary to evaluate a proposed gift.

Examples include:

- appraisals;
- environmental reports;
- title documents;
- financial statements;
- partnership agreements;
- operating agreements;
- trust documents;
- insurance information.

Failure to provide requested information may result in the Church declining the gift.

E. Costs

Unless otherwise approved by the Board, donors generally are responsible for costs associated with information requested to evaluate a proposed gift.

These costs may include:

- appraisals;
- environmental studies;
- surveys;
- inspections;
- title reports;
- engineering reports.

F. Final Determination

Completion of due diligence does not obligate the Church to accept any proposed gift.

The Board retains ultimate oversight of the Church's gift acceptance program and final acceptance authority for gifts requiring Board approval under this Policy.

Governance Insight

Due diligence is not about finding reasons to reject generosity. It is about ensuring that every accepted gift strengthens the Church's ministry rather than creating avoidable burdens for future leaders.

Section 17

IRS Reporting, Acknowledgments, and Recordkeeping

The Church is committed to complying with all applicable tax laws governing charitable contributions.

Proper documentation and reporting benefits both the Church and its donors while promoting financial accountability and transparency.

A. Contribution Acknowledgments

The Church shall provide written acknowledgments for charitable contributions as required by applicable federal tax law.

Acknowledgments generally should include:

- the Church's name;
- the date of the gift;
- a description (but not valuation) of any noncash property received, providing enough details to identify the gift with specificity;
- the amount of any cash contributions of $250 or more received;

- a statement indicating whether the Church provided any goods or services in exchange for the contribution; and

- if goods or services other than intangible religious benefits were provided, a description and good-faith estimate of their value.

B. Valuation

The Church does not determine or certify the fair market value of donated property.

Determining value is the responsibility of the donor.

C. Qualified Appraisals

When federal tax law requires a qualified appraisal, donors remain responsible for obtaining one.

Church personnel should not recommend a particular appraiser.

D. IRS Forms

The Church shall complete and/or file applicable IRS forms when required by law.

Examples include:

- Providing the Designated Authority’s signature for Part V of Section B of a donor’s Form 8283 to acknowledge receipt of property that the donor values at $5,000 or more (excluding securities valued on an exchange). The Church should also receive a copy for record-keeping and potential future filing requirements;
- Submitting Form 8282 (Donee Information Return) if donated property valued by the donor in excess of $5,000 is disposed of by the Church within three years of the date of contribution.

Completion of an IRS form does not constitute the Church's endorsement of a donor's valuation.

E. Disposal of Donated Property

The Church shall submit a Form 8282 to the IRS whenever it disposes of certain donated property valued by the donor in excess of $5,000 within three years of the date of contribution.

F. Record Retention

The Church shall maintain records sufficient to document:

- acceptance decisions;
- Board approvals;
- gift agreements;
- donor correspondence;
- receipts;
- acknowledgments;
- transfer documents;
- disposition of donated property.

Records should be retained in accordance with the Church's document retention policy.

G. Confidentiality

Donor information shall be maintained confidentially except as necessary to:

- administer the gift;
- comply with applicable law;
- complete financial audits;
- fulfill reporting obligations.

> **Legal Note**
>
> Tax laws governing charitable contributions change periodically. Churches should periodically review receipting procedures and IRS reporting requirements with qualified tax professionals to ensure continued compliance.

Section 18

Policy Administration

A. Administration

The Board delegates day-to-day administration of this Policy to the Designated Authority, subject to Board oversight.

The Designated Authority shall establish procedures consistent with this Policy for:

- receiving gifts;
- evaluating gifts;
- documenting decisions;
- maintaining records;
- coordinating professional review when appropriate.

B. Exceptions

The Board may approve exceptions to this Policy when doing so:

- advances the Church's mission;
- represents faithful stewardship;
- complies with applicable law; and
- is documented in Board minutes.

C. Annual Review

The Board should review this Policy at least annually.

The review should consider:

- changes in federal or state law;
- new charitable giving methods;
- technological developments;
- ministry experience;
- governance best practices.

Revisions should be approved by the Board.

D. Conflicts of Interest

Individuals participating in gift acceptance decisions shall comply with the Church's Conflict of Interest Policy.

Anyone with a personal or financial interest in a proposed gift should disclose the conflict and refrain from participating in the decision.

E. Effective Date

This Policy becomes effective upon adoption by the Board and supersedes any prior gift acceptance policies adopted by the Church.
