
ENDOWMENT AND GIFT ACCEPTANCE POLICY

Approved March 2022

Preamble:

The Diocesan Council of The Episcopal Diocese of Oklahoma (the Diocese) seeks to support the mission and ministry of the Diocese in the State of Oklahoma for decades to come. We seek to be good stewards of the gifts God has entrusted to us and to foster good stewardship among the members of our Diocese.

Jesus praised the widow for giving a mite, not because of the bounty of her gift but because she had entirely dedicated her life to serving God. Every individual Christian is called to discern how God would have them spend their money, just as God calls us to discern how we would spend our life.

Planned Giving that supports the ministry of the Diocese has the potential to impact people's lives from one generation to the next. We seek to outline policies, procedures, and a culture of generosity that has the potential to change the Kingdom of God for years to come.

Included in this Document

- 1) Gift Acceptance Policy
- 2) Endowment Policy

Gift Acceptance Policy Statement

This policy will establish procedures which shall be followed by the Diocese in accepting contributions to the Diocese, either designated or undesignated. This policy is for use by the Diocese's Diocesan Council (Council), outside advisors who may assist in the gift planning process, and to prospective donors who may wish to make a gift to the Diocese. These procedures are set forth as guidelines as it is realized that certain types of gifts might require a different approach, but they are intended to be followed closely. Donors are encouraged to obtain their own legal, tax and financial advice before completing a gift.

Role of Diocesan Council

The Bishop and the Council will have the authority to make the final decision regarding the Diocese's acceptance of any offered gift.

Gift Acceptance Guidelines

Cash

- 1) Any gift in the form of cash or check shall be readily accepted, regardless of amount.
- 2) Checks shall be made payable to the Episcopal Diocese of Oklahoma. In no event shall a check be made payable to an employee, an agent, volunteer for the credit of the Diocese.

Publicly Traded Securities

- 1) Publicly traded securities, such as those traded on a stock exchange, shall be accepted when duly endorsed to facilitate transfer of the certificate to the Diocese. It shall be the announced policy of the Diocese that any securities received shall be sold by the Diocese as soon as possible after receipt. Only the Council shall have the authority to enter into a stipulation that any security received by the Diocese will not be sold as soon as possible.
- 2) For gift crediting and accounting purposes, the value of the gift of securities is the average of the high and low prices on the date of the gift.

Closely Held Securities

- 1) Non-publicly traded securities shall only be accepted upon the approval of the Council.
- 2) Prior to acceptance, the Council will explore methods and timing of liquidation of the securities through redemption or sale. The Council will try to determine:
 - a. An estimate of fair market value
 - b. Any restrictions on transfer
 - c. Whether and when an initial public offering might be accepted.
- 3) No Commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

Real Estate

- 1) Any gift of real estate must be reviewed by the Council, as well as, the approval of the Council of the Diocese.
- 2) The donor normally is responsible for obtaining and paying for an appraisal of the property. The appraisal will be performed by an independent and professional agent.
- 3) The appraisal must be based upon a personal visitation and internal inspection of the property by the appraiser. Also, whenever possible, it must show documented valuation of comparable properties located in the same area.
- 4) The formal appraisal should contain photographs of the property, the tax map number, the assessed value, the current asking price, a legal description of the property, the zoning status, and complete information regarding all mortgages, liens, litigation or title disputes.
- 5) The Council requires an environmental assessment of any potential real estate gift.
- 6) The property must be transferred to the Diocese prior to any formal offer or contract for purchase being made.
- 7) The donor may be asked to pay for all or a portion of the following:
 - a. Maintenance costs
 - b. Real estate taxes
 - c. Insurance
 - d. Real estate broker's commission and other costs of sale
 - e. Appraisal costs
 - f. Environmental assessment
- 8) For gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate; however, this value may be reduced by costs of maintenance, insurance, real estate taxes, broker's commission, and other expenses of sale.

Life Insurance

- 1) The Council will accept a life insurance policy as a gift only if the Diocese is named as the owner and beneficiary of 100% of the policy.
- 2) If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the policy's replacement cost.
- 3) If the policy is partially paid-up, the value for gift crediting and accounting purposes is the policy's cash surrender value. (Note: For 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.)

Tangible Personal Property

- 1) Any gift of tangible personal property shall be referred to the Council prior to acceptance.
- 2) A gift of jewelry, artwork, collections, equipment, and software shall be assessed for its value to the Diocese which may be realized either by being sold or by being used in connection with the congregation's exempt purpose.
- 3) Depending upon the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value.
- 4) The Diocese 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.

Deferred Gifts

- 1) The Diocese encourages deferred gifts in its favor through any of a variety of vehicles:
 - a. Charitable gift annuity (or deferred gift annuity)
 - b. Pooled income fund
 - c. Charitable remainder trust
 - d. Charitable lead trust
 - e. Bequest
 - f. Retained life estate
- 2) The Diocese (or its agent) shall not act as an executor (personal representative) for a donor's estate.

- 3) The Diocese (or its agent) shall not act as trustee of a charitable remainder trust.
- 4) When appropriate, The Diocese may invite prospective donors to consider the gift vehicles offered by The Episcopal Church Foundation (specifically, Charitable Remainder Trusts, Charitable Gift Annuities and the Pooled Income Fund). Gift illustrations or form documents are provided at no cost.
- 5) For any planned gift related documents, materials, illustrations, letters or other correspondence, the following disclaimer should be included:

We strongly urge that you consult with your attorney, financial and/or tax advisor to review and approve this information provided you without charge or obligation. This information in no way constitutes advice. We will gladly work with your independent advisors to assist in any way.
- 6) All information obtained from or about donors/prospects shall be held in the strictest confidence by the Diocese, its staff and volunteers. Neither the name, the amount, nor the conditions of any gift shall be published without the express written or oral approval of the donor and/or beneficiary.
- 7) The Diocese will seek qualified professional counsel in the exploration and execution of all planned gift agreements. The congregation recognizes the right of fair and just remuneration for professional services.
- 8) The Bishop and the Council reserves the right to decline any gift that does not further the mission or goals of the Diocese. Also, any gifts that would create an administrative burden or cause the Diocese to incur excessive expenses may be declined.

Endowment & Designated Gift Policy

The purpose of The Episcopal Diocese of Oklahoma Common Investment Fund (“Fund”) is to support the mission of The Episcopal Diocese of Oklahoma (the Diocese) by providing a reliable source of funds for current and future use (intergenerational equity). The earnings from the Fund’s investments will support priorities as determined by the Bishop and the Diocesan Council (Council).

1. Bequest Policy

A bequest includes any type of gift in which assets of any kind are transferred upon the death of the donor.

It is the policy of the Diocese that bequests to become part of the General Endowment Fund, a quasi-endowment established by the Council. The Council may make an exception to this policy if no other financial resources of the Diocese are available or expected to become available in time to meet an urgent need. If a donor makes a gift to the Diocese for a specific purpose, the Council

will ensure that the funds are used as intended, either through current expenditure or by placing the funds in a sub-fund of the General Endowment Fund that is restricted to that purpose.

2. Donor-Restricted Fund Policy

The Council may establish a new and separate fund within the Fund for a gift of \$100,000 or more. The Council must approve the acceptance of the gift for its intended purpose, or it must reject the gift. If accepted, the new assets are combined with other Fund assets for investment purposes but are tracked and spent separately as intended by the donor under any further guidelines required by law or approved by the Council. Each quarter, income and any realized or unrealized gains or losses are allocated to each fund within the Fund based on relative market values at the end of the prior quarter.

The inception date of the new fund shall be the last day of the quarter in which the gift was received. The initial value of the new fund shall be the actual value of cash received or the market value on the date the fund is established of any other type of asset received.

Types of Gifts

Any gift made to The Diocese may be designated in one of the following ways:

- A. Non-Endowed – Non-endowed gifts are subject to the Endowment’s Spending Rule Policy and investing policies, but provide flexibility by making the principal available.
- B. Endowed – If a donor elects to make an endowed gift, the principle of the gift is preserved to provide a permanent source of income. For endowed gifts, only the earnings (as defined by the Spending Rule Policy) will be spent – allowing the gift to support the Diocese long after it is given.
- C. Restricted – Donors may choose to designate a purpose for their gifts; this may be accomplished by creating a fund in one’s name for a particular area or program (subject to \$100,000 minimum).
- D. Non-Restricted - Gifts to the Endowment with no specific restrictions as to their purpose provide flexibility and require less administrative costs. These funds may be endowed or non-endowed.

Establishing an Individual Fund

A separate fund may be established within the Episcopal Diocese of Oklahoma, for gifts in the amount of \$100,000 or more, and a purpose may be designated. These assets are merged with the other assets of the Endowment for investment purposes, but the identity and designated purpose of each fund is preserved individually.

The fund is established effective the last day of the quarter in which the gift is received. The value is determined either by the actual value, if received in cash, or the market value of the assets determined on the date the fund is established.

The Council may agree to establish an individual fund with a lesser amount than \$25,000, with the assurance of the donor(s) that the fund will be added to over time and that the \$100,000 minimum level will be reached within a five-year period. Funds will be tracked, but until the minimum level is reached and a designated fund is established, no earnings will be available for expenditure. The portion of the earnings attributed to that fund will be accrued and become part of the corpus to more readily move the fund to the \$100,000 minimum level.