

LEGACY AND SPECIAL GIFTS POLICY

TRINITY EVANGELICAL LUTHERAN CHURCH

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TAX ID#: 25-0979382

I. OVERVIEW

A. PURPOSE

This policy governs the acceptance of gifts by Trinity Evangelical Lutheran Church, Latrobe, PA (hereafter Trinity Lutheran Church) and provides guidance to prospective donors and their advisors when making gifts to this congregation where all are invited to support our mission and ministry. The provisions of this policy apply to all gifts to Trinity Lutheran Church over and above regular giving, offering, or pledges, or specific campaign or initiative contributions. Gifts will be accepted when they support the mission, purpose, and procedures of Trinity Lutheran Church. Donors are encouraged to bless this congregation with gifts free of restrictions. All gifts will be considered based on the type of asset, gift transfer costs, donor restrictions, potential liabilities, mission, current needs, and other applicable factors. Trinity Lutheran Church shall accept only such gifts as are legal and consistent with the Trinity Lutheran Church Gift Policy, and applicable continuing resolutions, bylaws and constitution. While Trinity Lutheran Church does not provide tax advice, every effort will be made to assist donors in complying with the intents and purposes of the Internal Revenue Service (IRS) for allowing charitable tax benefits.

B. COMMITTEE GUIDELINES

The Special Gifts Committee (*The Committee*) is charged with the responsibility of reviewing gifts offered to the congregation and shall make decisions and/or form recommendations regarding gift acceptance and use according to this *Gift Policy Section V*. The Committee shall work in communication with the congregation's Finance Committee when determining gift acceptance and use recommendations. Gift acceptance and use decisions and recommendations will be forwarded to the Congregation Council for acknowledgment and/or approval in a timely fashion. Gift decisions made by the Congregation Council shall be reported to the congregation at a congregational meeting and presented to the congregation for final approval when required by the congregational constitution and bylaws.

1. Trinity Lutheran Church will accept unrestricted gifts and donor-restricted gifts for specified programs and purposes, provided that such gifts are consistent with the stated mission, vision, policies, and priorities of this congregation. Trinity Lutheran Church will not accept gifts that would result in losing its status as a US Internal Revenue Code Section 501(c)(3) nonprofit organization; are deemed by the Committee too difficult or too expensive to administer; or be a liability, in relation to the gift value; would result in unacceptable consequences; or are for purposes outside the mission of this congregation.
2. Trinity Lutheran Church, as a general rule, will convert all gifts to cash.

3. Records of gift acceptance or decline and of gift use shall be audited within this congregation's standard compliance review procedures.
4. The Committee shall complete a **Gift Worksheet** (see Exhibit A) to record the gift acceptance and use decisions.
5. The Committee shall offer appreciation for every donor's generosity, regardless of the decision to accept or decline the gift. Often that appreciation will begin with a verbal conversation with the donor or donor's estate but will be formalized through written notice sent by US Mail, or email with read receipt requested, and signed by a current pastor(s) and/or president of council or their designee.
6. Recognition of the donor should not be a condition of the gift. The decision to provide acknowledgment and recognition for the gift will be the decision of the Committee taking into consideration the desire of the donor and keeping with the standards and culture for the practice of appropriate gratitude for this congregation.
7. If there are questions or concerns regarding any gift including the offer, acceptance, or use thereof, whether defined in this policy or not, the donor and/or the Committee members are always encouraged to consult with the ELCA Foundation's Regional Gift Planner and Foundation staff or other related professional.

II. GIFT POLICIES

A. TYPES OF GIFTS CONSIDERED

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

1. **Potential Gifts.** A variety of gifts can be shared with this congregation and donors are encouraged to inform the Committee and/or this congregation's ELCA Foundation Regional Gift Planner of such gift plans whenever possible. Some gifts will be accepted outright, and other gifts will be reviewed on a case-by-case basis according to the constitution and bylaws of this congregation. The Committee may seek advice from attorneys, accountants, and other professionals in evaluating potential gifts. General categories of gifts include, but are not limited to:
 - a. **Cash.** Gifts of cash will be accepted and are welcomed.
 - i. A Qualified Charitable Contribution (QCD) is a giving vehicle that allows taxpayers over age 70½ to donate to charities directly from their IRA, which would allow a donor to avoid federal income tax on this distribution. Consult with a financial professional or this congregation's ELCA Foundation Regional Gift Planner for more information.
 - ii. Cash Gifts and Grants from private family foundations will be encouraged on a case-by-case basis.
 - iii. Gifts from Donor Advised Funds will be encouraged.

- b. **Beneficiary Designations.** Gifts of assets that transfer through beneficiary designation will be accepted. Types of beneficiary designation assets include, but are not limited to:
- i. Bank and credit union accounts (commonly called a Payable on Death or POD)
 - ii. Bank accounts and investments of qualified or non-qualified status, including, but not limited to, annuities, mutual funds, and securities (commonly called a Transfer on Death or TOD)
 - iii. Charitable Gift Annuities
 - iv. Charitable Remainder Trusts
 - v. Charitable Lead Trusts
 - vi. Distribution Agreements
 - vii. Donor Advised Funds
 - viii. Endowments
 - ix. Life insurance policies
 - x. Profit-sharing plans

NOTE: Sample beneficiary designation language... "Trinity Lutheran Church, a nonprofit organization located at 331 Weldon St, Latrobe, PA 15650, Federal Tax ID #25-0979382, for general use and purpose."

- c. **Marketable Securities.** Gifts of marketable securities will be accepted when transferred electronically to a congregation-owned brokerage account; or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached; or transferred through the ELCA Foundation. All marketable securities will be sold promptly upon receipt unless otherwise directed. In some cases, marketable securities may be restricted by applicable securities laws, the terms of the proposed gift, or other stipulations. Types of publicly and non-publicly traded marketable securities include, but are not limited to:
- i. Bonds
 - ii. Master Limited Partnerships (MLP)
 - iii. Mutual Funds
 - iv. Real Estate Investment Trusts (REIT)
 - v. Stocks
 - vi. Unit Investment Trusts (UIT)

NOTE: Sample language when securities are transferred through the ELCA Foundation... "For Benefit Of: Trinity Lutheran Church, a nonprofit organization located at 331 Weldon St, Latrobe, PA 15650, Federal Tax ID #25-0979382."

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

NOTE: Sample life insurance transfer of ownership language... "I transfer sole ownership of life insurance contract (contract #) to: Trinity Lutheran Church, a nonprofit organization located at 331 Weldon St, Latrobe, PA 15650, Federal Tax ID #25-0979382."

- e. **Bequests.** Gifts in the form of a bequest will be considered on a case-by-case basis. Types of bequests include, but are not limited to:
- i. Charitable Lead Trusts (CLT) or Charitable Remainder Trusts (CRT)

- ii. Irrevocable Life Insurance Trusts (ILIT)
- iii. Living or Revocable Trusts
- iv. Testamentary Trusts or 'trust under will'
- v. Wills

NOTE: Sample bequest language... "I hereby give, devise and bequeath ten percent (10 %) of my total estate, to Trinity Lutheran Church, a nonprofit organization located at 331 Weldon St, Latrobe, PA 15650, Federal Tax ID #25-0979382, for general use and purpose."

- f. **Real Estate.** Gifts of real estate will be considered on a case-by-case basis. The donor shall be required to present an appraisal to Trinity Lutheran Church no more than 60 days prior to the real estate transfer (Ref. IRS Publication 561, under "Qualified Appraisal"). Prior to acceptance of any gift of real estate, this congregation may require an initial environmental review. In the event that the environmental review warrants additional investigation, this congregation may retain a qualified firm to conduct a comprehensive environmental audit. The donor shall be responsible for the costs of the appraisal and/or any environmental studies required as a result of the environmental review and/or audit. The congregation council may choose to reimburse the costs of appraisals after the donation is complete. Types of real estate include, but are not limited to:

- i. Agricultural
- ii. Commercial
- iii. Residential
- iv. Undeveloped real estate

- g. **Remainder Interests in Property.** Gifts of a remainder interest in a personal residence, farm/ranch, or vacation property (excluding time share interests) will be considered on a case-by-case basis and shall be subject to the real estate provisions in this *Gift Policy Section II.A.1.f*. The donor or other occupants may continue to occupy the real property for the duration of their stated life or lives. Upon termination of the life interest, Trinity Lutheran Church may use the property or reduce it to cash. Where this congregation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or life tenant(s). Remainder interests/retained life estates may be created by the following:

- i. Beneficiary Deeds
- ii. Enhanced Life Estate Deeds (aka Lady Bird deeds)
- iii. Life Estate Deeds
- iv. Transfer on Death Deeds
- v. Wills or Revocable Living Trusts

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

- h. **Closely held business interests.** Gifts of closely held business interests will be considered on a case-by-case basis and shall be subject to the real estate provisions in this *Gift Policy Section II.A.1.f*. Types of closely held business interests include, but are not limited to:

- i. Limited Liability type organizations (LLC, LLP, etc.)
- ii. Partnerships

- iii. S-Corporations or shares
 - iv. C-Corporations or shares
 - v. Business options/warrants
- i. **Oil, Gas, and Mineral Interests and Royalties.** Gifts of oil, gas, or mineral interests and/or royalties will be considered on a case-by-case basis and shall be subject to the real estate provisions in this *Gift Policy Section II.A.1.f.*
NOTE: A working interest shall not be accepted.
- j. **Agricultural Commodities.** Gifts of commodities from cash basis farmers (excluding crop share landlords), including gifts of grain (e.g. soybeans, corn, wheat, et al.), will be considered on a case-by-case basis and shall be subject to the real estate provisions in this *Gift Policy Section II.A.1.f.*, provided the gift is from unsold crop inventory with no sale commitment made prior to the gift. The donor must give up “dominion and control” of the commodity and cannot sell the grain and order the proceeds to be sent to Trinity Lutheran Church. This congregation assumes risk after the transfer including storage, transportation, and marketing costs as well as price risk. The transaction must be well documented to show Trinity Lutheran Church as the owner (i.e., the commodity is delivered and a warehouse receipt is executed to the congregation, or a notarized letter of transfer for crops stored on the farm).
- k. **Intellectual Property.** Gifts of intellectual property will be considered on a case-by-case basis. The donor and this congregation are encouraged to consult with an estate attorney/legal counsel before offering and/or accepting this gift. Types of intellectual property include, but are not limited to:
- i. Copyrights
 - ii. Patents
 - iii. Trademarks
- l. **Tangible Personal Property.** Gifts of tangible personal property will be considered on a case-by-case basis. The Committee may refer to IRS Publication 561 for guidelines in the valuation of different kinds of personal property. [IRS.gov/pub/irs-prior/p561--2024.pdf](https://www.irs.gov/pub/irs-prior/p561--2024.pdf)
- m. **In-Kind Donations.** Gifts of in-kind goods or services given by a business or business owner, or a donor willing to pay for such goods or services on behalf of Trinity Lutheran Church, will be considered on a case-by-case basis. In-kind donations will be acknowledged in writing by this congregation, but as per Internal Revenue Service (IRS) Guidelines, will not be valued by, nor provided a receipt for charitable contribution by this congregation. It is the donor’s responsibility to complete and file IRS Form 8283 for any and each noncash contribution more than \$500. (Ref. IRS Publication 561 *“Determining the Value of Donated Property”*)

2. Gift Review Criteria

- Does the gift further the mission or help fulfill the purpose of this congregation?
- Is the gift easy to convert to cash, readily marketable, or are there restrictions on the use, display, or sale of the gift?

- Are there covenants, conditions, restrictions, reservations, easements, encumbrance, or other limitations associated with the gift?
- Are there any carrying costs (e.g. insurance, property or other taxes, mortgages, or notes), or maintenance expenses that outweigh the benefit of the gift?
- Does the environmental review or audit reflect that the property warrants additional investigation or otherwise requires remediation?
- Does the property have liabilities or other considerations that make receipt of the gift inappropriate?
- Any other criteria determined to be applicable by the Committee.

B. GIFT VALUATION

For gifts of real estate and personal property valued at more than \$5,000, acquiring an independent assessment or appraisal shall be the responsibility of the donor or donor's estate. Appraisal of all non-cash gifts must take place within 60 days (Ref. IRS Publication 561 *"Determining the Value of Donated Property"* under "Qualified Appraisal").

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

III. USE OF GIFTS

A. UNRESTRICTED GIFTS

An unrestricted gift is given without any stipulation for its use and is accepted to support the mission and ministry of Trinity Lutheran Church.

This congregation shall offer an outside gift of ten percent (10%) of the total unrestricted gift, often referred to as a tithe. The tithe will be shared with the Southwestern Pennsylvania Synod of the ELCA.

This *Gift Policy* defines two categories of unrestricted gifts and offers related protocols for each in an effort to honor the time and expertise held by the Committee:

Unrestricted gifts with an original value of less than twenty-five thousand dollars (\$25,000) shall be added into the Trinity Undesignated Endowment.

Unrestricted gifts with an original value equal to or greater than twenty-five thousand dollars (\$25,000) shall be added into the Trinity Undesignated Endowment as an individually named fund.

B. RESTRICTED GIFTS AND GUIDELINES

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

NOTE: Once a gift is accepted, donors may not direct the way a gift is invested or utilized beyond the stipulated restriction(s). In accordance with the Internal Revenue Service, donors cannot claim tax favor or retain control over gifts to charity.

1. Donors should be aware that programs offered by this congregation may be discontinued, renamed, modified, or incorporated into other programs, therefore a donor who makes a restricted gift, whether in the form of a current gift or through an estate plan, is strongly encouraged to complete the **Restriction and Release Form** (see Exhibit B). The Committee shall make the *Restriction and Release Form* readily available in the office and through the website of this congregation.
2. Restricted gifts established prior to the approval of this policy or received without the accompaniment of a *Restriction and Release Form* shall be reviewed by the Committee, the Council, and potentially this congregation to determine if the gift shall be accepted. This congregation may also consult legal counsel and this state's Attorney General to determine the requirements to lift a donor restriction if necessary.
3. Donor Restricted Gifts to the Trinity Undesignated, Ministry, Outreach, and Capital Improvement Endowment Funds: Donors are welcome to make donations directly to established congregational endowment funds. Gifts of \$25,000 or greater may be considered as an individually named fund. The family name will be recognized annually in the Mission Endowment Funds Report.
4. Donors wishing to establish a multi-charity named endowment may also be encouraged to contact the ELCA Regional Gift Planner.

These steps apply to all restricted gifts except for named endowments unless there is a time-limitation on the endowment.

Step 1: The congregation shall apply the full proceeds of the gift to the restriction defined by the donor.

Step 2: In the rare event the gift is unable to be used as intended by the donor due to a lack of funding, need, or program; the congregation council shall initiate a review period of at least twelve (12) months; and in alignment with the restriction release requirements of this congregation and this state, the gift may become unrestricted and the balance of the gift (including any accumulated interest) may be utilized as an unrestricted gift as described in the *Gift Policy Section V.A.*

IV. ENDOWMENTS

Procedures governing the administration and use of the Mission Endowment Fund are contained in the bylaws, Section VI, Duties of Congregation Committees (B13.11.05.) and Section VII, Special Gifts to this Congregation (B5.05.01. and B5.05.02.).

An annual summary of Trinity's Mission Endowment Fund is contained in Trinity's Annual Report. More information about the individual funds is in "Background Information for Mission Endowment

Funds” and “Background Information for Educational Opportunities Funds” documents on the Trinity website’s Special Gifts page.

V. MEMORIAL, HONORARY, AND DISCRETIONARY GIFTS

Memorial and honorary gifts include gifts given in memory or honor of loved ones, friends, or others and may be unrestricted or restricted. A donor may, at any time, make unrestricted monetary gifts to the Memorial Fund. A donor may suggest a memorial purchase from the Memorial Fund list in memory or in honor of a loved one or a special event.

Individuals receiving memorial or discretionary funds will forward them immediately to the Financial Secretary including if known: the name and address of the contributor, the amount of the contribution, and the name of the person or persons to be honored.

The Special Gifts Committee will work with the pastor(s) and the family member(s) to ensure that the family’s desires for meaningful use(s) of the contributions are met. Memorial or honorary gifts without restrictions or recommended directions will be placed into the Memorial Fund.

A. Memorial Fund

The Memorial Fund shall consist of all undesignated and unrestricted memorial or honorary gifts to the congregation. The Special Gifts Committee will compile a list of memorial items needed for the work of the church. Recommendations for items to be added to the list may be submitted to the Committee. The list shall be approved by the Congregation Council on a periodic basis and kept in the church office for reference.

When undesignated memorial gifts are received, the family of the person or persons being remembered will have the opportunity to choose between three options:

1. The funds may go into the Memorial Fund or Discretionary Fund.
2. A memorial item may be suggested for purchase from the Memorial Fund List.
3. Funds may accrue toward the purchase of a larger item.

When adequate funds are received for a memorial item on the Memorial Fund list, the Special Gifts Committee will initiate the purchase of the item. After the purchase is made, the Treasurer will inform the Congregation Council and the Special Gifts Committee of the balance in the Memorial Fund.

B. Discretionary Fund

A Pastoral Committee comprised of a lay staff member designated by the Congregation Council and all pastors currently serving the Congregation will oversee the use of discretionary funds.

The pastor(s), standing committees of the Congregation Council, and members of this congregation may submit recommendations to any member of the Pastoral Committee for use of discretionary funds. There are no limitations other than prudence with respect to the use of the Discretionary Fund.

A donor may, at any time, make a monetary gift to the Discretionary Fund. When adequate funds are available for a discretionary item, a Pastor should make a request for funds via a "Green Sheet" request for funds. All requests for the use of discretionary funds require two signatures on the Green Sheet: the lay staff member of the Pastoral Committee and a called or interim Pastor. The use of discretionary funds does not require a Pastoral Committee vote.

C. Support

The Financial Secretary will send an acknowledgement to the contributor and a notification to the individual, family, or estate that a memorial or honorary gift has been received.

The Financial Secretary will record the amount received in honor of each person or persons and maintain such records. A list of donor names may be shared with the individual, family, or estate. The Special Gifts Committee will be regularly updated by the Financial Secretary regarding gifts to the Congregation and their intended uses.

Memorial envelopes will be made available at the church and may be made available near the guest register at the funeral home if requested by the family.

Memorial purchase information shall be shared in the congregation through various appropriate means such as: bulletin insets, congregation newsletters, and annual reports.

No plaque or memorial designation will be placed on the memorial item.

All memorials will be listed in the Book of Memorials, which shall be maintained by the church office.

VI. GIFT POLICY REVIEW AND SPECIAL GIFT APPROVALS

This policy should be reviewed at least every three (3) years by the Committee and the Congregation council at the meeting. The initial review will commence in the year two thousand and twenty-five (2025).

An **Expenditure Approval Traveler Form** (see Exhibit C) shall be used for the approval of Special Gift Requests.

VII. RESOURCES

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

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

EXHIBIT A—GIFT WORKSHEET

Date: _____ Donor Name(s): _____

Gift

Amount: \$ _____

Gift Type:

Gift Use: ☐ Restricted ☐ Unrestricted Donor Restriction: _____

☐ Restriction Release Form _____

Gift Status: ☐ Rejected Reason for Rejection: _____

☐ Accepted Donor Contact By: _____

Date: _____

1.	TITHE: Southwestern PA Synod, ELCA (10 %)	\$
2.	ENDOWMENT: Trinity Mission Endowment Fund	\$
3.	OTHER	\$
4.		\$
5.		\$
6.		\$
7.		\$
8.		\$
9.		\$
10.		\$
TOTAL:		\$

☐ Thank You Letter Sent

☐ Decline Letter Sent

Special Gifts Approval: _____ Date: _____

Receipt by Council: _____ Date: _____

Gift Distribution Completed By: _____ Date: _____

EXHIBIT B—RESTRICTION AND RELEASE FORM

Undesignated and unrestricted gifts offer the best opportunities for Trinity Evangelical Lutheran Church of Latrobe, PA (hereafter Trinity Lutheran Church) to direct your gift to where it is most needed to impact our mission. We have adopted a gift policy that explains how such gifts will be used by Trinity Lutheran Church. We are happy to share this information with you.

Donor Name(s): _____

Donor Address: _____

Date: _____ **Amount:** _____

Is this a gift to the/an endowment? ☐ Yes ☐ No

Donor Restriction:

Donor Release:

In the event a restricted gift to Trinity Lutheran Church or part thereof, is unable to be used due to lack of program, need, or funding, as determined by the congregation council, the gift will become unrestricted after a minimum of twelve (12) months beyond the restriction(s) useful life, to assure the restriction is no longer applicable. The gift or contribution along with any remainder, unused portion, accumulated interest, or growth will be managed according to the unrestricted gift guidelines in this congregation's Gift Policy.

I/We understand and agree to the terms and conditions defined in the Trinity Lutheran Church Legacy and Special Gifts Policy and represented in this release form.

Donor Signature: _____ **Date:** _____

Donor Signature: _____ **Date:** _____

Restriction Acceptance:

On behalf of Trinity Lutheran Church, this congregation accepts the restriction offered by the Donor(s) and agrees to honor that request as defined by this congregation's Gift Policy and as represented by this release form.

Representative Name & Title: _____

Representative Signature: _____ **Date:** _____

EXHIBIT C—SPECIAL GIFTS REQUEST
EXPENDITURE APPROVAL TRAVELER FORM

Requestor: _____

Date: _____

Purpose / Description: _____

Amount: \$ _____

Endowment Fund (if known): _____

(Trinity Undesignated; Ministry; Outreach; Capital Improvement; Educational Opportunities for Christian Advancement; or Memorial Fund)

Any other background information that would be useful for the committee _____

Note: Request must be received on or before the following dates to be considered in a timely manner at the Special Gifts Committee's quarterly meetings: March 1 / June 1 / September 1 / December 1

PROCESS AND APPROVALS:

- 1) Identified Funding Source(s) by Special Gifts Committee: _____

- 2) Special Gifts Committee Review: _____ Date: _____
- 3) Standing Committee Review: _____ Date: _____
- 4) Finance Committee Recommended Expenditure Date (for cash flow consideration): _____
- 5) Finance Committee Review: _____ Date: _____
- 6) Executive Committee Review: _____ Date: _____
- 7) Council Approval: _____ Date: _____
- 8) Treasurer Receipt of Completed Form: _____ Date: _____

After Congregation Council approval, a green sheet is to be completely filled out before submitting it and this form to the Financial Secretary.