

St. Mark’s Orthodox Church
GIFT ACCEPTANCE AND DESIGNATED FUND
POLICIES

I. GIFT ACCEPTANCE POLICY

a. PURPOSE

The purpose of this Gift Acceptance Policy is to describe the type of gifts that can be accepted and the manner in which they can be accepted. The Parish Council (hereinafter referred to as “The Council”) receives and distributes gifts received under the Gift Acceptance Policy of St. Mark’s Orthodox Church.

b. INTRODUCTION

To protect the interests of St. Mark’s Orthodox Church (hereinafter referred to as “The Church”) and the persons and other entities who support its programs, these policies are designed to ensure that all gifts to The Church, or for the use of The Church, are structured to provide maximum benefit to both parties.

This policy focuses on both current and deferred gifts, with special emphasis on various types of deferred gifts and gifts of non-cash property. The goal is to encourage funding of The Church without encumbering The Church with gifts which may prove to generate more cost than benefit, or which are restricted in a manner that is not in keeping with the goals of The Church.

To optimize funding from individuals and other entities, The Church must be capable of responding quickly, and in the affirmative where possible, to all gifts offered by prospective donors. Except where stated otherwise, these policies are intended as guidelines only. Flexibility must be maintained since some gift situations can be complex and decisions only made after careful consideration of several interrelated factors. Therefore, these policies may in some instances require that the merits of a particular gift be considered by and a final decision be made by The Council.

The Council reserves the right to decline or otherwise refuse any gift offered to The Church, with or without cause. Reasons for which a gift may be declined include (but are not limited to) the following:

1. The Council does not believe it is in the best interest of The Church to abide by the restrictions placed on the gift by the donor.
2. The costs to maintain the gift or to meet the restrictions placed on the gift by the donor are excessive for The Church.
3. The gift is inappropriate or unrelated to the tax-exempt purposes of The Church.
4. The gift is designated to benefit or to be channeled to a specific individual.

c. DEFINITIONS

- i. Undesignated Gifts mean those gifts contributed to The Church not specifically designated by the donor to be used for a specific purpose or within a specific period of time.
- ii. Restricted or Designated Gifts mean those “restricted or designated gifts” that are donations that come with conditions attached, are permanently restricted to that purpose, and cannot be used for any other purpose or expense.

d. GIFT ACCEPTANCE TERMS AND CONDITIONS

All Restricted or Designated Gift acceptance will be acknowledged by written confirmation of the gift and of any terms and conditions of the gift acceptance. All information concerning donors and prospective donors, including their names, names of beneficiaries, the amount and type of the gift, aspects relating to their estates, etc., shall be kept strictly confidential except when donors permit the release of such information.

i. OUTRIGHT GIFTS

1. CASH

- a. Gifts in the form of cash and checks shall be accepted in any amount.
- b. All checks must be payable to “**St. Mark’s Orthodox Church**” and in no event shall they be made payable to an employee, agent, individual or volunteer for credit to The Church.

2. PUBLICLY TRADED SECURITIES

- a. Securities that are traded on the exchanges shall be accepted by The Church. Shares will be liquidated upon receipt.

3. CLOSELY HELD SECURITIES

- a. Non-publicly traded securities may be accepted upon approval by The Council. The Council shall make the decision to keep or sell the security.

4. REAL PROPERTY

- a. Prior to any donation to The Church, the donor and/or the executor/executrix of the estate shall liquidate any Real Property, turn it into cash and then donate the proceeds from said sale to The Church.

5. TANGIBLE PERSONAL PROPERTY

- a. Prior to any donation to The Church, the donor and/or the executor/executrix of the estate shall liquidate any Tangible Personal Property, turn it into cash and then donate the proceeds from said sale to The Church.

6. OTHER PROPERTY

- a. Prior to any donation to The Church, the donor and/or the executor/executrix of the estate shall liquidate any Other Property, turn it into cash and then donate the proceeds from said sale to The Church.

ii. **PLANNED (DEFERRED) GIFTS**

1. BEQUESTS

- a. Gifts through wills (bequests) shall be actively encouraged by The Church.
- b. Upon inquiry by a prospective donor, all representations as to the future acceptability of various properties to be left to The Church in a will or other deferred gift shall be made in accordance with the terms and provisions of Paragraph i (1-6) Outright Gifts of the Gift Acceptance Policy.
- c. Gifts of property that are not acceptable from estates shall be rejected by The Council and that decision shall be communicated to the legal representatives of the estate.

2. REVOCABLE LIVING TRUSTS AND CHARITABLE TRUSTS

- a. The Council will select a fiduciary to represent The Church.
- b. The fees for management of a Revocable Living Trust will not be paid by The Church.
- c. Revocable Living Trusts and Charitable Remainder Trusts and all other deferred gifts shall be encouraged as a method of making gifts to The Church while retaining income which may be needed by the donor for personal purposes.
- d. No representations as to the way trust assets will be managed or invested shall be made by any employee or other persons acting on behalf of The Church.

3. LIFE ESTATE GIFTS

- a. The Council may accept such gifts if there has been a full disclosure of the possible ramifications of the transaction to the donor.
- b. In instances where a life estate in a personal residence

has been retained by a donor, the donor will continue to be responsible for maintenance expenses and the payment of taxes and insurance.

4. LIFE INSURANCE POLICIES

- a. The Church will encourage donors to name The Church as beneficiary of life insurance policies that they have purchased.
- b. The Church will not accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy may be made only when The Church has an insurable interest and is following all Local, State and Federal statutes.
- c. No insurance products will be endorsed for use in funding gifts to The Church.
- d. In no event shall lists of Church donors' names be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or The Church.

5. GIFT ANNUITIES

- a. Upon approval of The Council, The Church may be named as beneficiary in Charitable Gift Annuities purchased by a donor.

iii. PAYMENT OF FEES RELATED TO GIFTS TO THE Church

1. FINDER'S FEES OR COMMISSIONS

- a. No fees shall be paid to anyone as consideration for directing a gift to The Church.

2. PROFESSIONAL FEES

- a. In general, the donor, and not The Church, shall pay any fees associated with the gift.
- b. No fees shall be paid by The Church to anyone as compensation for any sale of any products to the donor, except for gifts of publicly traded securities.

iv. RESTRICTIONS

- 1. Any restriction on the use of any gift must be approved by The Council prior to acceptance of the gift.

v. GIFT USE

- 1. The use of undesignated gifts to The Church, other than those gifts intended for undesignated use within the operating budget of The Church, shall be determined by The Council.

2. The Church may maintain a "wish" list of projects and items that can be supported or purchased with undesignated gifts.

II. DESIGNATED FUND POLICY

a. PURPOSE

St. Mark's Orthodox Church hereinafter referred as "The Church" is a qualified charitable organization exempt from federal income taxes under IRS Sec 501(c)(3). Contributions to The Church are deductible for federal income tax purposes under the rules and regulations established under the current provisions of the Internal Revenue Code.

To provide transparency and to protect the interests of The Church and the Parish Council of St. Mark's Orthodox Church, hereinafter "The Council" and the persons and other entities who support its programs, this policy is designed to ensure that all Designated or Restricted Gifts to The Church, or for the use of The Church, are structured to provide maximum benefit to both parties and in keeping with the tax laws of the Commonwealth of Pennsylvania and the Internal Revenue Service, ("IRS").

b. INTRODUCTION

On an ongoing basis The Church receives charitable contributions. For the most part, donors make contributions to The Church without designating how the funds should be spent. Occasionally, members of the Church and guests will make donations to The Church with a designation for the gift, commonly referred to as a "Designated" or "Restricted" Gift or into an existing Designated or Restricted Fund. It is the intent of the Church to aid its members and donors in accomplishing their stewardship, charitable and religious goals whenever possible when the gift is in the best interest of The Church and/or aligns with the mission of The Church as established by The Council and in collaboration with the parish priest. There are 2 (two) types of designated funds:

1. Church Created Designated Funds

Church Created Designated Funds are created at the direction of The Council to specifically solicit funds for a specific purpose or ministry.

2. Donor Created Designated Funds

Donor Created Designated Funds are created by the donor to provide funds for a specific purpose or ministry.

Generally speaking, The Church may not accept any gift that is designated for a specific purpose, or person, or period of time. However, from time to time The Church, through The Council, may choose to accept designated or restricted gifts or may solicit donations for a particular purpose or designated purpose.

c. THE POLICY

No Designated Gift shall be accepted by The Church without consultation with the parish priest and prior approval by a quorum of The Council. The spending of funds is confined to The Council approved programs, missions, ministries and projects.

Each contribution directed toward a Council approved program, project or ministry will be used as restricted with the understanding that The Council has the privilege of changing the use of the gift(s) or funds in the event that the designated purpose has already been achieved, is not a viable ministry of the church or no longer fits within the scope of the mission of the Church or cannot be completed for any reason as determined by The Council.

In the event that there are excess funds after the project or intended purpose are complete or should the project or intended purpose be cancelled or no longer viable, as set for above, The Council shall either 1.) deposit the funds in the General Operating Account and said funds shall be used for other ministry purposes or 2.) leave the funds in the Designated Fund Account for future use.

1. CHURCH CREATED DESIGNATED FUNDS

- a. All Church Created Designated Funds shall be approved by The Council in consultation with the parish priest prior to the creation, solicitation or appeal of gifts.
- b. A written description of the Designated Fund shall be written in a manner as to clarify the purpose of the fund, the use of the fund within its restrictions and shall clearly state compliance with the Designated Fund Policy and include the language of the Designated Fund Policy within.
- c. The fund must be advertised and promoted for the same purpose as contained in the written description of the fund, and all advertisements, pamphlets, brochures, letters, bulletins, and posters shall contain the language of the Designated Fund Policy.
- d. An account within The Church financial accounting system shall be dedicated to tracking all designated gifts for each particular fund.
- e. Any donations made to a Designated Fund shall be confirmed in a written statement, such as the annual donation statement, to the donor. The statement shall include the Church's Designated Fund Policy.

2. DONOR CREATED DESIGNATED FUNDS

- a. All Donor Created Designated Funds shall be approved by The Council in consultation with the parish priest prior to the acceptance of any check or cash donation to ensure that the donation is in the best interest of The Church and that it fits within the mission of The Church.
 - b. Funds gifted in this category shall be accompanied with written instructions so that The Council and the parish priest may fully understand the nature and purpose of the gift being considered.
 - c. Should The Council determine that the Donor Created Designated gift is not acceptable as restricted or is not in the best interest of The Church or compatible with the mission of The Church, the donor should be contacted and encouraged to redirect the gift to an existing fund. If that is not possible, the gift shall be returned along with a letter to the donor detailing the refusal. (*See attached sample letter of Declining a Donor Created Fund.*)
 - d. In the event that the Donor Created Gift is accepted, and prior to depositing the funds, the donor must be apprised of the Dedicated Fund policy and agree to the policy. (*See attached sample letter of Accepting a Donor Created Fund.*)
 - e. To receive additional gifts, the fund must be advertised and promoted for the same purpose as contained in the written description of the fund and shall contain the Dedicated Restricted Fund policy.
 - f. In the event that a donor designated gift is placed in the collection plate or is sent to The Church without prior Council approval, those individuals of The Church responsible for opening the mail or sorting out the collection plate shall flag the donation and either give it to the parish priest or any member of Council. Under this scenario, the check or money shall not be deposited into any account until The Council in consultation with the parish priest discuss the gift at the next scheduled Parish Council meeting or during a special council meeting and determine if it is an accepted donation.
3. The Church will only accept and pass funds to Council approved individuals and/or organizations and ministries that hold nonprofit status. One example is The Church's collection of funds on behalf of the

Orthodox Christian Prison Ministry (“OCPM”) and then the payment of those funds to the OCPM.

4. This Designated Fund Policy may not be retroactive but shall commence on the date approved by The Council.
5. The Council shall instruct the Church’s Website Content Administrator to publish the Church’s Dedicated Restricted Fund Policy on The Church’s website.

d. ST. MARK’S EXISTING COUNCIL APPROVED DESIGNATED FUNDS

The following is a list of active existing approved designated funds where the title provides a description of each.

1. Baptism Supplies
2. Bells
3. Church Chairs
4. Church School
5. Cupola Fund
6. Food Pantry
7. Parish Development/Building Fund
8. Rectory
9. Capital Reserve
10. Church Store
11. Prison Ministry
12. Alter Server Vestments
13. New Icons
14. Property Tax Escrow
15. Miscellaneous Dedicated Donations
16. AAC Meetings Accrual
17. Church Picnic Accrual
18. Church Renovation
19. Refugee & Disaster Relief
20. Technology Improvements
21. Woods Service Secret Santa Project
22. Parish Education
23. Burnt Offerings
24. St. Mark’s Grants
25. Diocese of Alaska
26. Jubilee

SAMPLE LETTER REJECTING DESIGNATED OR RESTRICTED GIFT

DATE

Dear Sir/Madame

St. Mark's Orthodox Church thanks you for your contribution of \$ _____ (spell out dollar amount) that you have designated for a restricted purpose of _____. Unfortunately, that purpose is not a part of St. Mark's mission and we cannot accept it.

Enclosed please find your check.

Respectfully,

NAME

Treasurer of St. Mark's Orthodox Church (Any Executive Council Member's Name and position)

SAMPLE LETTER ACCEPTING DESIGNATED OR RESTRICTED GIFT BUT ADDING PROVISIO OF EXCESS FUNDS LANGUAGE.

Date

Dear ,

Saint Mark's Orthodox Church thanks you for your donation of \$_____ (amount in words) and we recognize that you have designated this gift to be used for a restricted purpose. Please understand that we are willing to accept your gift because it fits within the Mission of St. Mark's. However, if we accept your gift, please understand that should the _____ fund exceed the cost of the project, St. Mark's Church Council reserves the right to follow its Designated Fund Policy and either deposit the remainder of the money into the church's general operating fund for other ministry purposes or leave it in the designated fund for future use.

Should this term be unacceptable to you, please notify the Church and we will return your check.

Respectfully,

NAME

Treasurer of St. Mark's Orthodox Church (or Any Executive Council Member's Name and position)