

Giving Policy for Ebenezer Lutheran Church

Ebenezer Lutheran Church (ELC) is a not-for-profit organization under 501(c)(3) of the Internal Revenue Code. We are included in a group tax exemption ruling issued by the Internal Revenue Service to the Evangelical Lutheran Church in America. This allows all qualifying contributions to ELC to be tax-deductible. To ensure compliance with requirements imposed by the IRS, please see a Tax Professional.

1. Contributions given by cash or check to the General Fund

Every year, the congregation adopts a spending plan for the upcoming year. The plan consists of items each ministry team feels they need to carry out their mission. Contributions given to the spending plan (General Fund) are not designated for any specific purpose, but to support the needs of the church. These are tax-deductible donations.

2. Legacy gifts, Undesignated gifts

Definitions:

- A legacy gift is a gift received from a donor/member's estate thru a will, trust, beneficiary designation from retirement accounts, life insurance policies, etc. These gifts are usually deferred, that is, not given right away but planned for the future and triggered by an event. The trigger event is usually the donor's death. A legacy gift may be designated or undesignated.
- Undesignated gifts are gifts made by donors without a designated purpose and without limitations on how the gift is to be used.

The use of undesignated gifts will be determined/decided at the discretion of the Congregation's Council.

3. Gifts of Goods, Collectibles, Real Estate Property, Other Property

Goods

Every year, we have members who wish to donate goods (supplies, food for disciple camp, etc.). These gifts are also tax-deductible. At the end of the year, the accountant will provide a thank you letter with a description of the goods, date goods were received, and certain language indicating that no goods or services were provided in exchange for this contribution. A copy of any receipts or invoices received will also be attached to the letter. The donor must let the accountant know goods were donated, either by receipt or invoice, even if they do not wish to receive credit. This will help the church keep an adequate record of expenses.

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Collectibles and/or tangible personal property

Donors may wish to donate collectibles (art, books, coins, vintage/classic vehicles, etc.) and/or tangible personal property (jewels, vehicles, libraries, etc.). In each case, except in the case of vehicles, an independent appraisal (paid by donor and/or estate) will be required to consider the gift. In the case of non-vintage/classic vehicles, the vehicle should be less than five (5) years old and in good condition for it to be considered. The decision to accept (or reject) the gift(s) after the independent appraisal is received will rest with the Congregation's Council.

Real estate property

Donors may wish to donate real estate property (residential, commercial, life-estate). In each case, an independent appraisal and inspection of said property will be required (paid by the donor and/or estate) to consider the gift. The decision to accept (or reject) the gift(s) after the independent appraisal and inspection is received will rest with the Congregation's Council.

Other property

Other property such as mineral rights, royalties, notes/mortgages, copyrights, patents, trademarks, oil and gas interests, shall be considered on a case-by-case basis by the Congregation's Council. The Council may seek professional advice when considering such property. The decision to accept or reject the gift(s) will rest with the Council.

4. Securities

Publicly traded securities – stocks, bonds, mutual funds, options/warrants, other securities traded in public exchanges

Gifts of securities are also tax-deductible. The accountant will provide a letter stating the name of the security, the date given, and the number of shares given. The security will be valued at the average of the high and low on the date of the gift. This amount may differ from the actual amount the church receives due to market fluctuation. ELC will liquidate the security as soon as possible.

Non-publicly traded securities

- i. REITS
- ii. MLPs
- iii. Closely held business interests
 1. Partnership units
 2. Limited liability companies
 3. S-Corp shares
 4. C-Corp shares
 5. Options/warrants

Non-publicly traded securities will be evaluated on a case-by-case basis. The Council may seek expert advice when considering these gifts. Final authority to accept or reject the gift rests with the Council.

5. Volunteer Work

ELC requires many volunteers to carry out the mission of the church. Unfortunately, the Internal Revenue Service does not allow a tax-deduction for people's time or service. The donor may keep a travel log as round-trip mileage is tax-deductible. Mileage is deductible at a per mile rate approved annually by the IRS.

6. Designated Contributions

These are contributions the donor designates for a specific purpose (Living Stones of Help, Organ, etc.). Contributions may not be designated for a specific person to be tax-deductible. Donor may suggest as to who should receive the money, but the decision must be made by the team responsible for those funds. Ex. Seminary Fund, Scholarship Fund.

7. Designated Contributions to Approved Funds

From time to time, council may approve other funds to support certain ministries. These funds will be publicized to the congregation. Each designated contribution toward an approved project will be used for the designation. When the need for the project has been met or cannot be completed for any reason determined by council, the remaining funds will be used where most needed as determined by council. Any fund that has no activity (no money received, no money disbursed) for one year will be eliminated. As the end of the calendar year approaches, a memo will be included in the send out of the November Financial Statement reminding everyone (Executive Committee, Council members and all Team Leaders) to review this policy and take any action on designated funds in their area of responsibility that may be needed to comply with the policy.

8. Restricted endowment funds

If a donor wishes to establish a restricted endowment fund¹, it is imperative that the endowment purpose be examined to ensure the gift is in accordance with Ebenezer's Mission Statement and Guiding Principles, and that the endowment's purpose can be fulfilled. This examination may be made by the Finance Team or the appropriate Ministry Team and sent to the Executive Committee for their review. A recommendation would then be forwarded to the Council for the final action to accept (or reject) the gift. All appropriate IRS regulations will apply to these gifts.

Endowment funds are not straight-forward gifts. There are considerations, policies, UPMIFA (Uniform Prudent Management of Institutions Funds Act) guidance, and the institution's ability to carry out the endowment's purpose. For these reasons, the following provisions apply:

- The fund be established with a minimum gift of \$25,000
- The donor seeks the advice and expertise of an ELCA Foundation Gift Planner or charitable foundation professional to write the endowment agreement
- The endowment agreement contain language allowing for emergency uses and fund disposition in case of congregation's dissolution and/or merger.

9. Contributions to Established Benevolent Funds

ELC has funds set up to assist people who have a financial need. Funds will not be accepted if specified for a specific person. However, a written request may be submitted by the donor to help support a certain individual's needs, but the decision must be made by the team responsible for benevolence.

10. Contributions of Construction, Equipment or Services *{added February 20, 2018}*

No such projects may commence without the express permission of Council. Projects approved by Council will be under the control of a Project Manager and Council's Executive Committee. Once a project is proposed to Council, the Project Manager will serve as the liaison between the donor and/or the donor's representatives, the contractor and the Executive Committee.

¹ A restricted endowment fund is a fund established by a donor for a specific or restricted/designated purpose. These funds may be temporarily restricted or permanently restricted.

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Procedure for handling contributions:

The Project Manager procures an estimate from the Contractor/Vendor describing the project and quoting a firm price for the work, and presents it to the Executive Committee which may authorize the Project Manager to proceed with the project, subject to the following conditions:

- A.** The contract documents reflect that the work shall be under the supervision and control of the Project Manager;
- B.** The project manager may approve commencement of the work only upon one of the following:
 1. Receipt by the Church Accountant of cash or certified funds sufficient to defray the entire project cost; or
 2. Receipt by the Church Accountant of written assurance satisfactory to the Church, from the Donor's escrow attorney, certifying that funds sufficient to defray the entire project cost are irrevocably committed to pay for the project at its completion upon acceptance of the work and payment authorization by the Project Manager.

Upon acceptable completion of the work, the Church Accountant shall procure funds pursuant to B.1 or B.2 above and submit payment to the contractor/vendor.