

First Presbyterian Church of Cedar Rapids Gift Acceptance Policy, Procedures and Guidelines

As a non-profit corporation organized and existing under the laws of the State of Iowa, First Presbyterian Church of Cedar Rapids (EIN: 42-0680489) encourages the solicitation and acceptance of gifts to further and fulfill its mission. FPC encourages donors to make both outright and planned gifts.

These guidelines and procedures provide a framework for the acceptance of gifts made to FPC for its operation or its programs. Certain gift arrangements are subject to approval by the Session of First Presbyterian Church acting as the Board of Trustees for the corporation.

A. GENERAL GUIDELINES

1. Goals and objectives.

In establishing these guidelines and procedures, the Session establishes the following goals and objectives as guiding principles:

- a. To advance the presence and mission of the First Presbyterian Church in our local, national and global communities.
- b. To encourage and promote giving to the Church.
- c. To establish and follow financially and faithfully responsible guidelines to accept, invest and manage financial assets of the Church.
- d. To create and administer an Endowment to be maintained in perpetuity.

2. Primacy of charitable intent. FPC shall promote gifts that serve to fulfill its mission and that comply with established legal and ethical fundraising laws and standards. To this end, FPC reserves the right to decline gifts that do not fulfill its mission or that violate legal or ethical laws or standards. With the exception certain gifts that provide income for life or for a term of years, donors shall receive no tangible benefits in exchange for their gifts.

3. Assistance to donors. The policy of FPC is to inform, serve, guide, provide financial/tax illustrations or otherwise assist donors who wish to support FPC's activities. It is the donor's responsibility to secure an appraisal (where required for IRS purposes) and independent legal counsel for all gifts made to FPC. Legal fees for completion of the gift are the responsibility of the donor.

4. Independent counsel encouraged. Persons acting on behalf of FPC shall not provide legal and/or tax advice and in all cases shall encourage the donor to discuss the proposed gift with independent legal and/or tax advisors of the donor's choice so as to ensure that the donor receives a full and accurate explanation of all aspects of the proposed charitable gift.

5. **Gift solicitation** The Endowment Committee, as the agent of the Session, is authorized to solicit and receive planned gifts and gifts for Endowment in consultation with Session's Stewardship Committee.
6. **Authorization to negotiate planned gifts.** The Endowment Committee is authorized to negotiate planned gift agreements from prospective donors following approved guidelines and procedures as authorized in this document. Additional persons and legal counsel may be consulted and informed as planned gifts are negotiated, particularly if their expertise is needed to evaluate the appropriateness and cost efficiency of potential gifts.
7. **Gift acceptance committee.** In unusual gift situations, a gift acceptance committee (consisting of the Endowment Committee chairperson, the Church Treasurer, the Chairperson of the Finance Committee, the pastor, and others as deemed appropriate by the Endowment Committee) may be convened to make a recommendation regarding acceptance of the gift to the Session.
8. **Signatory authority.** All forms, agreements and other documents necessary to accept and enter into planned gift arrangements as authorized in this document shall be signed by the President of the Corporation (or, at his/her discretion, another officer with signatory authority), the Church Treasurer, and the Chairperson of the Endowment Committee, with the permission of Session.
9. **Legal counsel review.** All giving agreements requiring execution by FPC, or which deviate from the arrangements outlined in this document, may first be reviewed and approved as to form by FPC's legal counsel. FPC may seek advice of legal counsel in other matters relating to gift acceptance when deemed appropriate (examples: gifts of closely held stock, contractual gifts requiring FPC to assume an obligation, or transactions with a possible conflict of interest).
10. **Ethical standards.** All gifts shall be negotiated in compliance with the Statement of Ethical Principles of the Association of Fundraising Professionals (Attachment 2). Planned gifts shall be negotiated in compliance with the Model Standards of Practice of National Association of Charitable Gift Planners (Attachment 3).
11. **Reporting standards.** It is FPC's intent to participate in appropriate denominational reporting surveys.
12. **Donor recognition.** FPC offers individual recognition and stewardship of donors pursuant to the procedures stated herein. Donor recognition and stewardship shall be done in a manner that is fair and consistent for all donors, yet allowing a flexible approach which permits personalized opportunities for recognition which satisfies the interests of donors. All requests for donor anonymity shall be respected.
13. **Confidentiality.** Strict confidentiality shall be adhered to by FPC and its staff with regard to information, records, letters and personal documents related to donors and gifts.

14. **Financial accounting.** All gifts shall be accounted for in the financial records of FPC in a manner approved by the FPC Session and in accordance with Generally Accepted Accounting Principles (GAAP).
15. **FPC as trustee.** With specific authorization by Session, and under unusual circumstances, FPC may serve as trustee of charitable remainder trusts and charitable lead trusts where FPC is the sole named irrevocable charitable beneficiary and said assumption of trustee responsibilities is approved by FPC legal counsel. FPC reserves the right to retain or select a successor trustee or other fiduciary agent for any charitable remainder trust or lead trust for which FPC serves as trustee. FPC also reserves the right to charge a management fee sufficient to cover administrative costs, and this fee may be an expense of the respective trusts.
16. **Approval of exceptions.** The Endowment Committee, in consultation with the Stewardship Council, may recommend to Session for authorization for exceptions to the guidelines and procedures stated herein on a case by case basis.

B. OUTRIGHT GIFTS

Outright gifts may be unrestricted (example: for operations) or permanently restricted (example: for endowment). Generally, outright gifts are cash or cash equivalents like stock or mutual funds received from a living donor. (Note: The unrestricted and permanently restricted language relates to generally accepted accounting standards defined by FASB, the Financial Accounting Standards Board.).

C. PLANNED GIFTS

Unless otherwise restricted by the donor, planned gifts, including those described below (1-8), shall be added to the Endowment.

A new named Endowment Fund shall not be established with a principal amount less than \$10,000. This is to ensure that the principal of Named Endowed Funds be equal to an amount necessary to produce sufficient income to fulfill the donor's purposes over an indefinite period of time.

A permanent record shall be kept for all planned gifts received, regardless of their purpose or disposition.

1. BEQUEST GUIDELINES

A bequest gift may be included in a donor's estate plan as a part of the donor's will or inter vivos ("living") trust. First Presbyterian Church will actively seek bequests.

- a. Sample bequest language for restricted and unrestricted gifts, including endowments, will be made available for donors and their attorneys to ensure that the bequest is properly designated.
- b. FPC may respectfully request donors to provide a confidential copy of the section of that portion of their will, trust or other estate plan document naming FPC as a beneficiary. Reasons for this request include: an opportunity to offer the donor appropriate recognition if permitted; to ascertain correct legal identification of First Presbyterian Church; to become aware of gift restrictions that may be impossible, impractical or illegal to comply with and to offer alternatives; and to maintain a permanent record so that FPC may be in a position to be aware of and assist fulfillment of the estate gift years later.
- c. During the probate of estates containing a bequest to FPC, and during the post-death administration of revocable trusts and/or beneficiary designations from retirement plans, life insurance or commercial annuities intended to benefit FPC, the Endowment Committee, in consultation with FPC legal counsel and the Finance Committee, shall coordinate FPC's dealings with the attorney, family and personal representatives of the estate.
- d. With regard to a bequest of real estate, closely held stock, partnership interests, or other complex gifts, acceptance by the Endowment Committee shall be conditioned upon the advice of legal counsel in consultation with the Stewardship Committee, and the approval of Session. Issues upon which acceptance may be conditioned include (but are not limited to) potential debts, mortgages, liabilities, taxes owed, insurance and other carrying costs, and marketability of the asset. FPC may exercise its right to refuse any bequest which is not in the best interest of FPC.

2. LIFE INSURANCE GIFT GUIDELINES

There are various methods by which a life insurance policy may be contributed to FPC. The procedures for gift acceptance will vary depending on the nature of the donated policy.

- a. **A donor may assign irrevocably a paid-up policy to FPC.**
 - i. The donor must complete and sign the appropriate life insurance company form to evidence a change in ownership and beneficiary status naming FPC as both.
 - ii. The donor's income tax charitable deduction equals the *cash value* of the policy, less any outstanding loans or other expenses against the policy. IRS form 712 must be signed by the life insurance company representative and filed by the donor with his/her IRS form 8283 to claim the deduction.
- b. **A donor may assign irrevocably to FPC a life insurance policy on which premiums remain to be paid.**

- i. The donor must complete and sign the appropriate life insurance company form to evidence a change in ownership and beneficiary status naming FPC as both.
 - ii. The donor's income tax charitable deduction equals the *interpolated terminal reserve value* of the policy, less any outstanding loans or other expenses against the policy.
 - iii. IRS form 712 must be signed by the life insurance company representative and filed by the donor with his/her IRS form 8283 to claim the deduction. As the owner, FPC will receive future premium notices for payment, and the donor may wish to make future charitable gifts equal to or exceeding the premium payment amount. So long as the donor is not legally obligated to make these gifts, nor FPC legally obligated to use gifts for premium payments, he/she will be entitled to an income tax charitable deduction for the value of the gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments, FPC may convert the policy to a paid-up policy or surrender the policy for its cash value.
- c. **A donor may name FPC as primary or successor beneficiary but not owner of a life insurance policy.**
- i. The donor must complete and sign the appropriate life insurance company form to evidence a change in beneficiary status naming FPC as primary or successor beneficiary.
 - ii. The donor will not receive a current income tax charitable deduction because FPC is not the named owner.
 - iii. A policy which FPC does not own cannot be recorded as a gift by FPC. The donor shall continue to be responsible for premium payments as the policy owner.

3. RETIREMENT PLAN DESIGNATION GUIDELINES

Donors will be encouraged to designate FPC as primary or contingent beneficiary of a retirement plan pursuant to their plan's appropriate designation procedure (i.e., specific forms). Further, this designation may also be included as a specific bequest in the donors' will or living trust document.

- a. Donors will be educated as to the tax value of bequests of Income in Respect of a Decedent (IRD) assets such as retirement plans or savings bonds: bequests of these assets may save deferred income taxes as well as estate taxes.
- b. Donors will be made aware of other charitable options for retirement plan assets, such as charitable remainder trusts.

- c. FPC may respectfully request copies of retirement plan beneficiary designations where FPC is named.

4. CHARITABLE GIFT ANNUITY (IMMEDIATE AND DEFERRED) GUIDELINES

The charitable gift annuity is a contract between a non-profit organization (NPO) and the donor. The NPO agrees to pay the donor (or other person(s) named by the donor) a lifetime annuity income in return for a gift of cash, securities, or other property. The payment may continue for the life of a second individual, such as a spouse or child. The annual payment is a fixed sum, the amount of which is based on the size of the gift and the number and ages of the beneficiaries. The payments may begin at a later time (i.e., deferred gift annuity).

- a. Donors will be encouraged to establish charitable gift annuities with FPC as the remainder beneficiary with the Presbyterian Foundation.

5. CHARITABLE REMAINDER TRUST (WITH FPC AS TRUSTEE) GUIDELINES

The charitable remainder trust is a separately administered trust established by the donor. It provides for payments to the donor and/or other named beneficiary(ies) either for life or a term of years (not exceeding twenty), whereupon the remaining trust assets are distributed to one or more charities. These trusts may be established during life (“inter vivos”) or at death (“testamentary”).

- a. The minimum amount for a charitable remainder trust for which FPC will serve as trustee is \$100,000 (i.e., the initial amount donated to the trust). Additions may be made to the trust (except annuity trusts) at any time for any amount, entitling the donor to an additional income tax deduction.
- b. The income beneficiaries’ suggested minimum age must be at least 55 years of age unless the trust is for a term of years, in which case the beneficiaries may be any age.
- c. The number of beneficiaries shall be limited to two where payments are to be made for the life of the beneficiaries.
- d. The maximum stated payout percentage shall be 8%. The minimum stated by law is 5%. No payouts shall be made if the charitable remainder trust exhausts itself.
- e. FPC shall not serve as trustee of charitable remainder trusts for which there are other charitable remainder interests. All trusts for which First Presbyterian Church serves as trustee must be irrevocable.
- f. Should a fiscal agent be retained to invest and manage the charitable remainder trust funds, donors and prospective donors will be provided an investment prospectus

- provided by the agent. However, in no case shall FPC's investment authority as trustee be legally restricted by the donor or other persons.
- g. Income will generally be paid on a quarterly basis, unless a donor or other circumstances suggest a more or less frequent payment schedule. If acceptable and appropriate, FPC may directly deposit payments into beneficiary bank accounts.
 - h. FPC will operate in compliance with tax reporting requirements (e.g., IRS K-1/1040 forms to donors and copies to IRS, and blank IRS 8283 forms to donors).
 - i. All charitable remainder trust donors who establish a trust with FPC as trustee shall be provided a summary explaining the potential income (e.g., taxable nature of income) and potential tax implications (e.g., income tax deduction, capital gains tax savings, gift/estate tax implications) associated with the donation. Donors shall be advised to share these summaries with their independent professional advisors.
 - j. The FPC business office shall be provided the original document of all charitable remainder trust agreements plus copies of other pertinent documents as necessary.
 - k. FPC legal counsel shall review all charitable remainder trust documents prior to signature for trusts in which FPC is named trustee. In all such cases, the trust document shall require that the trust will be governed by the laws of the State of Iowa.
 - l. Note: For trusts in Iowa when FPC is a remainder beneficiary of a trust, but not trustee, First Presbyterian Church should receive a copy of the trust document and an annual report of the trust's value from the trustee.

6. CHARITABLE LEAD TRUST (FPC AS TRUSTEE) GUIDELINES

A charitable lead trust is a trust in which the income or "lead" interest is paid to FPC for a term of years, and the "remainder" interest is given to one or more non-charitable beneficiaries, who could be either the donor or family members. The amount paid to FPC may be either a fixed sum (a lead annuity trust) or a percentage of trust assets as valued each year (a lead unitrust). A "grantor" lead trust is one in which the donor is deemed the owner of the trust assets and receives a significant income tax deduction when the trust is established. A "nongrantor" lead trust does not allow the initial income tax deduction, but may allow significant gift/estate tax savings by permitting the payment of gift tax when the trust is funded, avoiding a more substantial gift/estate tax liability in the future at the end of the lead trust term, assuming the trust assets appreciate in value during the lead trust term.

- a. The minimum amount for a charitable lead trust with FPC as trustee will be \$1,000,000.

- b. FPC legal counsel approval shall be necessary prior to acceptance. Due to the complexity of lead trusts, donor legal counsel review of trust is strongly encouraged.
- c. Note: In cases where FPC is a beneficiary, but not trustee of a lead trust, a copy of the trust document may be respectfully requested, as well as an annual valuation of the lead trust's assets.

7. REMAINDER INTEREST WITH RETAINED LIFE ESTATE GUIDELINES

An individual may transfer to FPC title (i.e., remainder interest) to a personal residence, farm or other real estate, and the donor or other persons named by the donor may retain the use of the property for a term of years or the life of the donor/other persons (i.e., life estate). The donor is entitled to a current income tax charitable deduction for the value of the gift (i.e., the present value of charity's future interest in the property).

- a. FPC and the donor shall execute an agreement or contract that will stipulate that the donor shall continue to be responsible for all real estate taxes, property insurance, utilities, and maintenance. The donor will provide evidence of some or all of these payments to FPC on an annual basis. The agreement should also stipulate that the donor may not sell, lease or otherwise transfer his/her interest to a third party without approval of FPC.
- b. The donor will be responsible for payment of a current qualified independent appraisal of the real estate to file with the IRS 8283 form in order to claim his/her income tax charitable deduction. FPC may secure an independent appraisal.
- c. If the donor decides to leave the property, then he/she may consider a number of options. He/she may donate the remaining life estate to FPC, entitling him/her to another income tax charitable deduction for its current value. If this is done, FPC then owns the complete property (present and future interest). Another available option, subject to FPC's approval, may include selling or leasing the life estate to FPC or a third party.
- d. As with all gifts of real estate, FPC requires the donor to secure an environmental review or other inspections as deemed appropriate. (See procedures under "F. Assets for Gifts, Real Estate.")

8. BARGAIN SALE GUIDELINES

A bargain sale is a sale of property (i.e., real estate, tangible property, or intangible property) for less than the property's current fair market value. The excess of the current value over the sales price represents a contribution. The bargain sale price may be paid either in a lump sum or in installments for a term of years (i.e., installment bargain sale).

- a. FPC may purchase real estate, stock, personal property or other assets for less than fair market value. The price paid for the property should not exceed 60 percent of its appraised value.
- b. A qualified independent appraisal of the bargain sale property shall be obtained by the donor. This appraisal must be filed by the donor with his/her IRS 8283 in order to claim the income tax charitable deduction. FPC may, at its discretion, obtain its own independent appraisal substantiating the value of the property.
- c. No restrictions on the part of the donor may accompany the bargain sale (i.e., limitations on FPC's ability to sell or dispose of the property in any way).
- d. If real estate or closely held business interests are to be the bargain sale property, it may be subject to review by FPC's legal counsel. (See also "F. Assets for Gifts, Real Estate and Closely Held Stock")

D. RESTRICTED GIFTS

Any gift given with a restricted use other than to an already-existing First Presbyterian Church program must be approved by the Session prior to acceptance and receipt of the gift by FPC. Documentation of restrictions shall be provided to the business office for their permanent files.

E) ASSETS FOR GIFTS

1. Gifts of cash

Gifts of cash include check, credit card, payroll deduction, or electronic transfer fund transfer (EFT) pursuant to current procedures.

2. Publicly traded stock, securities, corporate or municipal bonds, and mutual funds

- a. Wire delivery. If assets are to be delivered from a brokerage account, bank or corporate account, and they are Depository Trust Company (DTC) eligible, the current delivery instructions shall be used.
- b. While the IRS assigns the duty of establishing value upon the donor (using the IRS 8283 form), the donor will be advised of the gift value for publicly traded stock (the average of the high and low values) on the date of transfer. While law indicates that transfer (donation) occurs when ownership is changed on the books of the issuing corporation, the shift in control should be sufficient, i.e., the date the stock is received into FPC's account.
- c. Mail delivery. If the assets are not DTC eligible, or if the donor holds title with certificates, the properly endorsed certificates (unsigned) and a signed stock power form should be mailed per current instructions. (See Appendix C for current stock

instruction brochure) In the case of mailed stock certificates, the date of delivery (gift) is the postmark date of the later of the two envelopes. The original mailing envelopes with the postmark date shall be retained in the donor's file.

- d. Personal delivery. If the stock or bond certificates are hand-delivered, the date of transfer (gift) is the day that the certificate is unconditionally given to FPC or FPC's agent (i.e., staff member, session member, bank or broker). It is recommended that the donor sign a separate stock/bond power form to be delivered with the certificate. (See Appendix C for stock instruction brochure and form)
- e. Brokerage accounts. If a donor wishes FPC to establish an account with the donor's broker into which assets may be transferred, the President of the Corporation with the approval of the Session is authorized to open and close said accounts. Gifts of mutual fund shares may require this procedure, as mutual fund companies typically do not transfer these shares by DTC.
- f. Stock gifts will be sold as soon as practical upon receipt.

3. Real Estate

- a. The donor and the Endowment Committee shall complete The Real Estate Data Sheet, Attachment 4, as a first step in evaluating the appropriateness of the proposed gift of real estate. Should the gift be desirable, from the standpoint of both the donor and FPC, additional due diligence should take place, including the following:
 - i. The donor shall provide a qualified appraisal of the property no less than fourteen working days prior to making the gift. A copy of this appraisal must be filed by the donor with the IRS 8283 form in order to receive the income tax charitable deduction. FPC may secure its own appraisal for insurance or other purposes.
 - ii. FPC shall independently determine if the donor has clear title to the property. Legal counsel may be retained by FPC as needed to complete any real estate gift.
 - iii. The donor or FPC will secure a Phase 1 environmental audit. Phase 2 or 3 audits may be necessary if the Phase 1 indicates possible contamination. No property containing environmental defects shall be accepted prior to their removal or securing other remedies assuring that FPC assumes no liability. In the case of gifts of personal residences, a home inspection by a qualified engineer or home inspector may be substituted for an environmental audit.
 - iv. If real estate is donated to a charitable remainder trust with FPC as trustee, the preferred type of trust is a net income unitrust with a "flip" provision, allowing the trust to convert to a regular unitrust once the real estate is sold. First Presbyterian Church may become the successor trustee once the property is sold.

4. Tangible Personal Property (examples: art, antiques, vehicles, yachts, jewelry, cut crops/timber, books, collections)

- a. In general, tangible personal property shall be examined in light of the following criteria:
 - ❖ Does the property fulfill the mission of First Presbyterian Church?
 - ❖ Is the property marketable?
 - ❖ Are there undue restrictions on the use, display or sale of the property?
 - ❖ Are there carrying costs for the property?
5. **Partnership interests**, in order to be considered for acceptance, must be marketable and not subject FPC to cash calls or other liability and must not have adverse tax consequences for FPC.
6. **Closely held stock** may be accepted if the probability exists of selling it within a reasonable period of time to the corporation, other stockholders, or to others interested in acquiring the corporation. In no event shall FPC be legally obligated to sell closely held stock (or any donated property) to particular individuals or entities.
7. **Stock options** are generally not directly transferable to FPC. However, stock options may be used to donate the optioned stock to FPC. Intermediary brokers may be used to advance the exercise fee to provide a “cashless” option for the donor. The President of the Corporation with the approval of the Session is authorized to open accounts at intermediary brokers to facilitate a gift of stock from options so long as the associated fees are reasonable.
8. **Gifts of S corporation stock** may be accepted following a review of associated costs to FPC such as unrelated business income tax or potential liabilities for debts. An outright gift of S corporation stock does not risk loss of the S status for the corporation, but a gift of S stock to a charitable remainder trust will disqualify the corporation from holding the S status.
9. **Federal Reserve Items** Though not a preferred gift during a donor’s lifetime because of income taxes associated with the gift, U.S. Treasury bonds, government bonds, and treasury bills shall be transferred pursuant to current Treasury procedures.

E. GIFT PROCESSING/RECEIPTING/DOCUMENTATION

1. Gift Receipts.

- a. **Cash contributions.** FPC shall provide a quarterly receipt, letter or other written communication acknowledging receipt and appreciation, the date of the receipt, the amount of the gift and all other statements to comply with current law (e.g., a statement that no goods or services were received by the donor in exchange for the gift).
- b. **Contributions of assets other than cash.** FPC shall provide a letter or other written communication (preferably within 48 hours of receipt of gift) acknowledging receipt and appreciation for the gift, describing the assets donated (no dollar value needs to

be stated as defined by law), the dollar amount credited to the donor for recognition purposes, and appropriate IRS language. In the case of stock gifts, an illustrative calculation (using the average of the high and low on the date of the gift) may be included. In all cases of non-cash gifts, donors shall be advised of their responsibility to assign value for purposes of their income tax charitable deduction and shall be given a copy of IRS form 8283 by the Business Office. If the claimed value of a gift is \$5,000 or greater (excluding stock gifts), IRS regulations require a qualified appraisal for tax deduction purposes. If a non-cash gift (excluding stock gifts) is sold by FPC within two years of its receipt, FPC shall, in accordance with IRS regulations, file Form 8282 and provide a copy to donor.

- c. **Planned Gifts.** FPC shall provide a summary of accounting and tax information to donors who establish planned gifts such as charitable remainder or lead trusts with FPC as trustee. These summaries may be accompanied by a copy of the deduction calculation, IRS 8283 form and instructions, and gift document. Summary may include an overview of the deduction calculation, projected income payout, capital gains tax other tax ramifications. In all cases, donors shall be encouraged to share this information with their accountants, attorneys and other professional advisors.
2. **Gift Documentation.** First Presbyterian Church may respectfully request from donors, trustees, personal representatives, or executor's copies of any or all of the following documents as appropriate:
 - a) In order to ensure that the wishes of the donor may be successfully implemented by First Presbyterian Church, FPC will respectfully request such portion of a will, codicil or trust as contains specific information relating to FPC.
 - b) The complete document of any charitable remainder or lead trust, charitable gift annuity, retirement plan beneficiary designation, life insurance beneficiary or owner designation, partnership interest document, and/or any other planned gift instrument in which FPC is the named owner, beneficiary, or trustee.
 - c) Except for gifts for endowment from an estate, a memorandum of understanding, agreement or other document defining a named endowment fund. Such memoranda may include the name of the fund, gift restrictions, and expenditure of appreciation.
 - d) A letter or card documenting a multi-year pledge.
 - e) An annual report of FPC's interest in any trust, community foundation fund or other fund invested and managed by other individuals or organizations.
 - f) Any other document deemed appropriate and necessary.

3. **Crediting Gifts.**

- a) FPC shall adhere to generally accepting guidelines of fundraising and campaign reporting published by the Presbyterian Church USA or GAAP guidelines.

- b) Donor personal recognition shall be provided according to the procedures outlined below.

4. Recognition of Gifts.

- a) **Planned Gifts.** Donors who establish a revocable or irrevocable planned gift, or a bequest intention, will be recognized by membership in an appropriate recognition society.

F. ENDOWED FUNDS

All planned gifts designated for the endowment, outright gifts restricted by the donor for the endowment, and those monies placed in the endowment by Session, shall be held by FPC in perpetuity. The principal shall be invested, and the income/appreciation/growth spent in accordance with FPC policies. Gifts for endowment for a new specific restricted purpose must be equal to an amount necessary to produce sufficient income to fulfill the donor’s purposes over an indefinite period of time and shall be calculated in accordance with current Session spending policy. A new named endowed fund shall not be established with a principal amount less than \$10,000.

Except for estate gifts, all endowment fund gifts shall require the approval and signing of a memorandum of understanding or agreement. This agreement shall be signed by the donor(s) and the Chairperson of the Endowment Committee, or his or her designee, with the approval of Session. The memorandum shall stipulate conditions under which FPC will be permitted to expend gifts for other purposes than the designated restricted purpose, should it no longer be applicable.

1. For endowed funds that are to be established with residuals of deferred or life income gifts, the anticipated residual amount must be equal to the minimum required endowment at the time the gift is made.
2. Whenever possible and practical, donors of endowed funds will receive an annual report from FPC with pertinent information regarding their endowed fund. For funds established in honor or memory of an individual, permission will be sought, whenever possible and practical, from the named individual or his/her immediate family.
3. Suggested minimum amounts for possible new named endowed funds (list not exhaustive)

Music Fund	\$10,000
CE Fund	\$10,000
Library Fund	\$10,000
Local Mission Fund	\$10,000
Campership Fund	\$10,000
Equipment Fund	\$10,000
Staff Education/Spiritual Renewal Fund	\$10,000
Mission Travel Fund	\$10,000

Professional Staff Development Fund	\$10,000
Technology Fund	\$10,000
Pastor and Staff Salary Supplement Fund	\$50,000
Other(s)	

4. **Endowments for special purposes** may be decided on an individual basis at minimum levels as determined by the Endowment Committee with the approval of Session.

G. NAMING OPPORTUNITIES

1. The First Presbyterian Church Session and administration may choose to name physical facilities based on a variety of reasons, following guidelines as set forth below. For facilities named in honor or memory of an individual, permission will be sought, whenever possible and practical, from the named individual or his/her immediate family.

2. New and Remodel of Existing Construction

A new or remodeled building or room may be named for a donor or as the donor requests when the donor's outright gift provides a substantial portion of the cost of the structure (usually 50%). Gifts shall be given during a one-to five-year pledge period and the name shall be given to the structure when the pledge is paid. The Endowment Committee, with the approval of Session, shall recommend naming opportunities.

3. Naming Opportunities with Planned Gifts

Naming opportunities for irrevocable deferred gifts are available; the allowable tax deduction figure will be used to determine the naming level available.

4. Honorific Naming of Rooms/Facilities

Members and staff must be deceased or retired from service to First Presbyterian Church for at least three years prior to having an area named in his/her honor.

Proposals to name rooms, facilities or other areas in "honor/memory of" staff, friends or other significant figures shall be considered by an ad hoc committee appointed by the Session.

H. FACILITY PLAQUES, OUTDOOR ART, MEMORIALS

A Signage and Memorials Committee may be formed, comprised of Endowment Committee members, the Chairperson of the Property Committee, the pastor and the Clerk of Session to review proposals for all signage, plaques, memorials, and outdoor art to be placed in FPC facilities. This committee will make recommendations to the Session, which will have final authority for the above-specified items. The recommendations will be tied to Session policy addressing these proposals.

Plaque placement:

It is up to Session to approve by policy whether or not plaques may be permanently attached to named rooms or to any other memorial to provide information about the person being honored or memorialized. Such a policy must be carried out consistently and it is the duty of the Endowment Committee, in consultation with the Property Committee, to do so. Such plaques may be placed near the memorial or concentrated on a designated wall in or outside of the church building.

Outdoor art is defined as works of art, sculpture and other three-dimensional objects intended for outdoor display within the confines of the First Presbyterian Church facilities.

Other than in extraordinary circumstances, no gift of an outdoor object will be deemed acceptable if it requires significant expenditure by First Presbyterian Church for its installation, transportation, periodic replacement, and/or continued maintenance, unless the gift is accompanied by a separate cash gift or endowment of sufficient size to meet these expenditures.

Upon being notified that a gift of an outdoor object has been proposed, the staff person in contact with the potential donor will notify the Signage and Memorial Committee and present full information for the committee's consideration and Session's approval.

Memorial Gifts. Any gift may be designated in memory of a loved one by friends of First Presbyterian Church and appropriate recognition of these gifts will be made in the annual report, listing the person being honored/memorialized and the individual(s) making gifts in that person's honor.