

GIFT ACCEPTANCE POLICY

Archdiocese of Seattle

1/27/2020

The following policies govern acceptance of gifts made to the Archdiocese of Seattle, its Parishes, Schools and Ministries that are part of the Corporation of the Catholic Archbishop of Seattle.

GIFT ACCEPTANCE POLICIES AND PROCEDURES

The Archdiocese of Seattle is a not-for-profit organization organized under the laws of the State of Washington. It encourages the solicitation and acceptance of gifts for purposes that will further the mission of the Archdiocese of Seattle. The following policies and procedures govern the acceptance of gifts made to the Archdiocese of Seattle or for the benefit of its parishes, schools or programs, including agencies that fall under the umbrella of the Archdiocese of Seattle.

Mission Statement

The mission of the Archdiocese of Seattle is evangelization for encounter with Christ, which we implement by providing support for the successful operation of Catholic parishes, schools, and other Catholic agencies and services in Western Washington in accordance with the vision of the Archbishop and applicable Canon Law. This mission is supported by the generosity of donors who choose to make gifts, both current and deferred, to the Archdiocese of Seattle and its affiliated agencies.

Purpose

The purpose of this gift acceptance policy is to provide guidelines to representatives of the Archdiocese of Seattle who may be involved in the acceptance of gifts, to outside advisors who may assist in the gift planning process, and to prospective donors who may wish to make gifts to the organization. This policy is intended only as a guide and allows for some flexibility on a case-by-case basis. The gift review process outlined here, however, is intended to be followed closely.

Gift Acceptance Committee

Any questions which may arise in the review and acceptance of gifts to the Archdiocese of Seattle will be referred to The Gift Acceptance Committee. Members of the Committee are appointed by and serve at the pleasure of the Archbishop of Seattle. The Committee, acting as the delegate of the Archbishop, is responsible for reviewing evaluating, and accepting or denying any gifts made to the Archdiocese of Seattle.

Use of Legal Counsel

The Archdiocese of Seattle may seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate. Review by the Archdiocese of Seattle counsel is recommended for:

- 1) Closely held stock subject to buy-sell agreements or other restrictions
- 2) Any gift where the Archdiocese of Seattle assumes an obligation or potential liability
- 3) Transactions that involved conflicts of interest
- 4) Gifts naming the Archdiocese of Seattle as Trustee

- 5) Any other instance where the Gift Acceptance Committee deems that legal counsel would be prudent

Conflicts of Interest

The Archdiocese of Seattle will not provide legal counsel for potential donors and benefactors to seek advice regarding financial, tax, and legal advisors for all matters relating to gifts to the organization prior to the gift being made. Additionally, all staff and volunteers will conduct themselves in a prudent manner, as to avoid any actual or perceived conflicts of interest relating to the acceptance of gifts to the organization.

Confidentiality

All information obtained from or about donors/prospects shall be held in the strictest confidence by the Archdiocese of Seattle, 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.

Cash

- 1) Unconditional gifts of cash and by check shall be accepted by the Archdiocese of Seattle regardless of amount, unless otherwise determined by the Gift Acceptance Committee.
- 2) Checks shall be made payable to the Archdiocese of Seattle or a specific parish, school, or other Catholic agency under the Archdiocese of Seattle. In no event shall a gift intended for the Archdiocese of Seattle be made directly to an individual who represents the Archdiocese of Seattle in any capacity, or to a financial institution serving the Archdiocese.

Cryptocurrency

Gifts of cryptocurrency will be accepted through an approved vendor and converted immediately to cash form.

Publicly Traded Securities

- 1) Readily marketable securities, such as those traded on a stock exchange, may be accepted by the Archdiocese of Seattle.
- 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 the gift was received.
- 3) Gifts of securities, in-kind or in certificate form, will be given to the organization's investment manager who will sell all securities within 7 days and apply the proceeds to the portfolio and allocate them based on the target asset allocation of the pool.

Closely Held Securities

- 1) Non-publicly traded securities may be accepted after consultation with the Gift Acceptance Committee. The Committee should seek counsel from an outside advisor when evaluating the potential gift.
- 2) Prior to acceptance, the Gift Acceptance Committee will explore methods and timing of liquidation of the securities through redemption or sale. The Committee 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 anticipated
- 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 Gift Acceptance Committee. The Committee may seek the counsel from an outside advisor when evaluating the gift. The Committee will inquire as to:
 - a) Usefulness of the property to the mission
 - b) Marketability
 - c) Environmental hazards
 - d) Carrying costs
 - e) Restrictions, easements, or other limitations
- 2) The donor may assist in the process by providing an appraisal of the property. Any appraisal should be performed by an independent professional real estate appraiser.
- 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 Archdiocese of Seattle reserves the right to require an environmental assessment of any potential real estate gift.
- 6) The property must be transferred 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 as a condition of accepting the gift.:
 - a) Maintenance costs
 - b) Real estate taxes
 - c) Insurance
 - d) Real estate broker's commission and other costs of sale
 - e) Appraisal costs
- 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.

Cemetery Plots

- 1) Only burial property at Catholic cemeteries (Archdiocesan or parish) will be accepted.
- 2) The value of the property will be determined when it is sold to an interested party.
- 3) The donor must establish that he or she has the legal right to make the gift of the property. Ownership and any interest held by heirs must be transferred in accordance

with state law and the rules and regulations of the cemetery. Transferring deed alone is not sufficient.

Life Insurance

- 1) A life insurance policy will be accepted as a gift only if the Archdiocese of Seattle is named as the irrevocable owner and beneficiary 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.)
- 4) If the donor elects not to continue to pay premiums, the Gift Acceptance Committee will be consulted to determine if the Archdiocese should choose to pay the premium costs, convert the policy to paid up status or surrender the policy for cash value.

Tangible Personal Property

- 1) A gift of tangible personal property with an estimated value over \$5,000 and not used in the ordinary course of business shall be referred to the Gift Acceptance Committee prior to acceptance.
- 2) A gift of vehicles, jewelry, artwork, collections, equipment, software or similar shall be assessed for its value to the Archdiocese of Seattle which may be realized either by being sold or by being used in connection with the mission of the Archdiocese.
- 3) Depending upon the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value. Any such property shall be received by description until its true value shall be determined through its sale.
- 4) The Archdiocese of Seattle will 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 and Planned Gifts

1) The Archdiocese of Seattle encourages deferred gifts in its favor through any of a variety of vehicles:

- a) Charitable gift annuity (or deferred gift annuity)
- b) Charitable remainder trust
 - (1) The Gift Acceptance Committee must be consulted and decide whether to accept designation of remainder beneficiary
 - (2) The Archdiocese of Seattle will not serve as Trustee
- c) Charitable lead trust
 - (1) The Gift Acceptance Committee must be consulted and decide whether to accept designation of income beneficiary
 - (2) The Archdiocese of Seattle will not serve as Trustee
- d) Bequest
 - (1) Gifts not to be recorded until irrevocable

- (2) When irrevocable, the gift may be recorded at present value
 - e) Retirement plan beneficiary
 - (1) Gifts not to be recorded until irrevocable
 - (2) When irrevocable, the gift may be recorded at present value
- 2) The Archdiocese of Seattle shall not act as an executor (personal representative) for a donor's estate.
- 4) The Archdiocese of Seattle will seek qualified professional counsel in the exploration and execution of all planned gift agreements. The Archdiocese of Seattle recognizes the right of fair and just remuneration for professional services.

Restricted Gifts


The Archdiocese of Seattle may accept restricted gifts and gifts for specific programs and purposes provided that such gifts are not inconsistent with the stated mission, purposes, and priorities of the Archdiocese of Seattle. Parishes and schools may not accept any restricted gifts for the benefit of other entities or for non-parish/school purposes. This prohibition does not apply to second or special collections authorized by the Archdiocese of Seattle. The Archdiocese of Seattle will not accept gifts deemed to be too restrictive in purpose. Gifts that are too restrictive are those gifts that are too difficult to administer or for gifts that are outside the mission of the Archdiocese of Seattle. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Gift Acceptance Committee. Endowment grants will be accepted by the Archdiocese of Seattle and will be subject to minimums established by the Gift Acceptance Committee.

Oil, Gas and Mineral Interests

- 1) The Archdiocese of Seattle will accept gifts of oil, gas and mineral interests, when appropriate. The Gift Acceptance Committee will seek the counsel from an outside advisor when evaluating the gift.
- 2) Gifts of surface rights should have a minimum value of \$50,000.
- 4) The gift will be evaluated for environmental concerns, liabilities or other considerations that may deem it inappropriate to accept.

Adoption of Gift Acceptance Policy

Final approval of these policies and guidelines is hereby given.



 Most Rev. Paul D. Etienne, D.D., S.T.L.
 Archbishop of Seattle

Date: January 27, 2020