

# The Baptist Foundation Of Oklahoma

## Gift Acceptance Policy

***Preface:***

*The following Gift Acceptance Policies are intended to serve as guidelines in the development of gifts through the Services to Donors Team.*

*REVISED BY THE Board of Directors of The Baptist Foundation of Oklahoma on July 31, 2009.*

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## **Mission Statement**

To promote Christian stewardship  
and provide financial management  
for the gifts that strengthen  
Southern Baptist ministries . . .  
today and tomorrow.

## **Vision Statement**

To be the provider of choice  
for Oklahoma Baptists  
in the areas of  
planned giving,  
ministry endowment,  
charitable trust administration,  
institutional investment management,  
and church financing.

## **Core Values**

To be Christ-centered  
and Client-focused,  
working with Integrity,  
Competence,  
and Accountability.

“...through us your generosity will result in thanksgiving to God.”  
II Corinthians 9:11b

## **INTRODUCTION**

This policy statement is designed to ensure that all charitable gifts through The Baptist Foundation of Oklahoma (the “Foundation”) are structured to provide maximum benefits for the donor and the Foundation. Because some gift situations might be complex, more costly than beneficial, or restricted in a manner not in keeping with the mission of the Foundation, this policy has been developed to establish standards by which all gifts will be evaluated, as well as a formal process for carrying out such evaluations. This policy is intended as a guide and allows for some flexibility on a case-by-case basis.

## **GUIDING PRINCIPLES**

1. The Foundation encourages gifts in support of its mission to promote Christian stewardship and provide financial management for the gifts that strengthen Southern Baptist ministries. The Baptist Foundation of Oklahoma (Foundation) may provide charitable giving services to persons who wish to make outright or deferred charitable gifts if at least fifty percent (50%) of the gifts are to one or more Oklahoma and /or Southern Baptist cause(s). Charitable gifts may be made as an endowment or an outright gift. If the donor elects to make the gift outright, then the gift to Southern Baptist ministries will be distributed to the Baptist Foundation of Oklahoma as custodian for the Southern Baptist ministry.

2. The Foundation seeks to implement a gift acceptance policy that will protect the best interest of the donor and the mission of the Foundation.

3. The Foundation encourages charitable giving through any of the following forms:

- Bequests
- Revocable trusts;
- Endowments;
- Charitable Gift Annuities;
- Charitable Remainder Trusts;
- Charitable Lead Trusts;
- Donor Advised Funds;
- Life Estates;
- Bargain Sales; and
- Scholarships.

4. Gifts are subject to acceptance by the Foundation and may include: cash, securities, real estate, mineral interests, life estates, insurance, annuities, art, jewelry, antiques, other gifts of tangible personal property, partnership gifts and corporate gifts.

5. The Foundation strongly encourages donors to consult with their personal advisors (accountants, financial planners and attorneys) before making any charitable gifts.

6. The Foundation reserves the right not to accept certain gifts, including those from which the Foundation will realize little or no financial benefit, or which are made for purposes that are inconsistent with the mission of the Foundation. Additionally, in the event that any individual

requesting planned giving or estate planning assistance has questionable mental capacity then the Foundation reserves the right to abbreviate our level of assistance and refer the donor to legal counsel of their choice.

7. The Foundation shall acknowledge all gifts in a manner that respects and honors the donor, including protecting a donor's anonymity if necessary.

8. The Foundation complies with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving. ([www.ncpg.org](http://www.ncpg.org)) The Foundation also complies with the Donor's Bill of Rights promulgated by a joint commission of several national fundraising associations. ([www.ecfa.org](http://www.ecfa.org))

## **GENERAL PROVISIONS**

1. Administrative Responsibility for Gift Acceptance Policy. Responsibility for ensuring compliance with the requirements of this policy is assigned to the Gift Acceptance Committee of the Foundation. The Gift Acceptance Committee shall be composed of the Senior Vice President for Donor Services, the Senior Vice President for Beneficiary Services, the Vice President, Controller, the Vice President, Trust Counsel and the Vice President, Investments.

2. Use of Legal Counsel. The Foundation shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by legal counsel may be recommended for:

- Closely held stock transfers that are subject to restrictions or buy-sell agreements;
- Documents naming the Foundation as Trustee;
- Gifts involving contracts, such as bargain sales or other documents requiring the Foundation to assume an obligation;
- Transactions with potential conflict of interest that may invoke IRS sanctions; and
- Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee.

3. Appraisals. If gift property is non-publicly traded securities that may be valued on an exchange and exceeds \$5,000 in value (\$10,000 for closely held stock), a qualified appraisal is required. The appraisal must be made not earlier than 60 days prior to the gift and not later than the date the return is due (with extensions). Legal and ethical requirements designed to protect the donor and the Foundation prohibit the Foundation from appraising gifts. Such appraisals, if required by law or particular circumstances, are to be conducted by qualified appraisers independent of the Foundation. The cost of such an appraisal will be the donor's responsibility.

4. Evaluation of Cost Associated with Acceptance of Certain Gifts. Proposed gifts of property and gifts in kind must be evaluated by the Gift Acceptance Committee to determine whether the cost to the Foundation associated with receiving the gift can be accommodated prudently. For example, accepting real property might require payment of closing costs, payoff of a debt secured by the property, or physical changes to the property necessary to insure safety or

control environmental hazards. Occasionally, associated costs might weigh against acceptance of a gift.

5. Disclaimer. The Baptist Foundation of Oklahoma provides information of a general nature and for educational purposes only. The Foundation is not engaged in dispensing legal and investment advice. These policies are not to be construed as the final authoritative basis for definitive acts regarding financial and estate matters. Therefore, The Baptist Foundation of Oklahoma disclaims responsibility or liability for any loss, costs or expense which may be incurred as the result of any stated policy contained herein. The Baptist Foundation of Oklahoma strongly encourages that independent professional advice be sought by any person using the services of the Foundation.

6. Professional Relationships. Ethical relationships will be established and maintained in all dealings with legal, financial and planned giving advisors. If asked to recommend advisors and professionals to donors, a list of at least 3 names (when possible) will be provided. The choice of advisor should be made by the donor. In most cases, any and all fees associated with planned gift legal documents, appraisals or assessments will be paid by the donor before the gift is accepted. All documents submitted by the donor's advisors will be reviewed by the Gift Acceptance Committee.

7. Exempt Status. The Foundation complies with all Federal and State laws to ensure its status as an exempt organization recognized under Section 501(c)(3) of the Internal Revenue Code. The Foundation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from Federal Income Tax under Section 501 (c)(3) of the Internal Revenue Code or (b) by a corporation, contributions to which are deductible under Section 170 (c)(2) of the Internal Revenue Code.

8. Fiduciary Capacity. The Foundation may provide fiduciary services in accordance with the Oklahoma Charitable Fiduciary Act (OCFA) and other Foundation policies. The OCFA requires that the total of all irrevocable gifts of income or principal made to a charitable organization must be as large as the largest distribution to another (non-charitable) beneficiary. In no event shall the total of all irrevocable gifts of income or principal made to a charitable organization be less than twenty-five percent (25%). The Foundation will not serve as a co-trustee of any type of trust. The Foundation publishes a Fee Schedule on its website. ([www.bfok.org](http://www.bfok.org))

## **GIFT ACCEPTANCE**

The following matters relate to the types of gifts received by the Foundation. It is understood that special gifts or circumstances might require a case-by-case review by the Gift Acceptance Committee.

### **CURRENT GIFTS**

1. Cash.
  - a. Gifts in the form of cash and checks shall be accepted by the Foundation regardless of amount unless, as with any gift, there is a question about the

sufficiency of the donor's title to the assets or the mental competency to legally transfer the funds.

- b. Checks shall be made payable to "The Baptist Foundation of Oklahoma." In no event shall the Foundation receipt a check made payable to an employee of the Foundation.

## 2. Gifts of Securities.

- a. Publicly Traded Securities: Securities that are traded on any recognized exchange and are readily marketable shall be accepted by the Foundation and shall be sold at the discretion of the Foundation. The value of the securities will be the mean between the high and low sales on the date they are transferred. If the transfer date is a non-trading day then the prior trading day mean calculation will be used.
- b. Closely Held Securities: Non-publicly traded securities shall be accepted only after consideration of the cost associated with such a gift.

## 3. Gifts of Personal Property.

- a. The general procedures set forth above will be followed in evaluating the acceptability of gifts of personal property.
- b. In evaluating the cost associated with receiving a gift of personal property, including jewelry, artwork, collections, equipment, automobiles and other personal property, the following will be taken into consideration:
  - Transportation costs;
  - Storage costs;
  - Cost of selling;
  - Cost of maintenance and repairs;
  - Location of property; and
  - Cost of insurance.
- c. Gifts of personal property shall be sold by the Foundation for the benefit of the ultimate charitable beneficiary.
- d. The Foundation will provide the donor with a receipt that includes a description of the property but not the value. The value of a gift of personal property shall be determined by a qualified appraisal at the donor's expense. Donors are encouraged to file IRS form 8283 in the tax year of the gift for non-cash gifts exceeding \$500.00 in value. If the donor provides IRS Form 8283 to the Foundation and the property is sold within 3 years of the gift date then the Foundation will complete and file IRS Form 8282. The Foundation may consult IRS Publication 1771 Charitable Contributions for substantiation and disclosure requirements.

- e. No personal property shall be accepted under conditions that obligate the Foundation to own the property in perpetuity.
- f. Donors need to be aware that the charitable income tax deduction on gifts of intangible personal property is limited to their cost basis in the property.

4. Gifts of Real Estate.

The following restrictions on acceptance of gifts of real estate apply unless waived by the Foundation.

- a. The general procedures set forth above will be followed in evaluating the acceptability of gifts of real estate.
- b. In evaluating the cost associated with receiving a gift of real estate, the following will be taken into consideration:
  - Cost of selling;
  - Cost of maintenance and repairs;
  - Location of property; and
  - Cost of insurance.
- c. Gifts of real estate shall be sold by the Foundation for the benefit of the ultimate charitable beneficiary.
- d. The Foundation will provide the donor with a receipt that includes a description of the property but not the value. The value of a gift of real property shall be determined by a qualified appraisal at the donor's expense.
- e. Donors are encouraged to file IRS form 8283 in the tax year of the gift for non-cash gifts exceeding \$500.00 in value. If the donor provides IRS Form 8283 to the Foundation and the property is sold within 3 years of the gift date then the Foundation will complete and file IRS Form 8282.
- f. Gifts of real estate shall be evaluated in light of the need for an environmental audit. The environmental audit is to determine whether a hazardous substance is, or likely could be, present on the property.
- g. Gifts of real estate encumbered by a mortgage or a lien shall only be accepted as a bargain sale and only at the discretion of the Foundation.
- h. Prior to acceptance, a visual inspection of the property by the Foundation will be required.
- i. In order for the Foundation to evaluate a proposed gift of real estate the following documents will need to be available:
  - Real estate deed certifying clear title to the property;

- Most recent real estate tax bill;
- Plot plan;
- Substantiation of zoning status;
- Environmental site assessment;
- Certification by the owner that no violations of state, local or federal law exist on the property;
- Certification by the owner that no contractual or other donative commitments to other individuals, corporations, or groups are attached to the property; and
- Certification by the owner that the property is neither subject of, nor threatened with, litigation.

5. Retained Life Estate/Remainder Interest in Property:

- a. The Foundation will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4 “Gifts of Real Estate” above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, the Foundation may use the property or reduce it to cash.
- b. When the Foundation receives a charitable gift of a life estate, the donor shall be responsible for the following during the life estate portion of the gift.
  - Maintenance cost;
  - Real estate taxes; and
  - Insurance.

6. Mineral Interests.

- a. The Foundation may accept oil and gas property interests subject to the provisions of paragraph 4 “Gifts of Real Estate” above. Prior to acceptance of an oil and gas interest the gift shall be approved by the Gift Acceptance Committee, and if necessary, by the Foundation’s legal counsel. Criteria for acceptance of mineral interests shall include:
  - The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
  - A working interest is rarely accepted. A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.
  - The property should undergo an environmental review to ensure that the Foundation has no current or potential exposure to environmental liability.

7. Gifts of Life Insurance.

- a. The Foundation will accept life insurance proceeds as gifts when the Foundation is named as a beneficiary or contingent beneficiary of the policy.

- b. The Foundation accepts life insurance policies when the Foundation is named as the owner of a paid up policy. If the policy is not paid up then the Foundation will ask the donor to make annual contributions equal to the premium necessary to keep the policy in force. If such contributions cease the Foundation reserves the right to surrender the policy.
- 8. Gifts of tax deferred retirement accounts.
  - a. The Foundation encourages members and friends to consider testamentary gifts of tax deferred retirement accounts since the gift property is not subject to income tax if transferred at death.
  - b. The Foundation will accept tax deferred retirement account proceeds as gifts when the Foundation is named as a beneficiary or contingent beneficiary of the account.
- 9. Donor Advised Fund:
  - a. Donors may create donor advised fund accounts at the Foundation. Donors should reference the Donor Advised Fund Policy available on its website. ([www.bfok.org](http://www.bfok.org))
  - b. The minimum account size is \$10,000.
  - c. Grant requests may be submitted any time and must be at least \$250.00.
- 10. Endowments and Scholarships:
  - a. Donors may create new endowments or scholarship funds at the Foundation. Donors should refer to the Trust Policy available on its website at [www.bfok.org](http://www.bfok.org).
  - b. The minimum account size for a new endowment is \$1,000.
  - c. The Foundation uses the services of a third party administrator to administer all scholarships according to the terms of the scholarship trust in which the Foundation has discretion to select recipients of scholarships.
- 11. Charitable Lead Trusts:
  - a. The Foundation is permitted to serve as trustee of charitable lead trusts. The Foundation will accept designation as the lead beneficiary for the benefit of the ultimate charitable beneficiary of a charitable lead trust. The Gift Acceptance Committee must approve the nomination of trustee or the designation as a lead beneficiary for the benefit of the ultimate charitable beneficiary.

- b. Charitable lead trusts pay income based on a stated percentage set in the trust to a charitable beneficiary for a term of years or for the lifetime of an individual(s). Then the remainder amount is distributed to the donor or another individual(s). There are two types of lead trusts. A charitable lead unitrust (CLUT) is revalued annually. A charitable lead annuity trusts (CLAT) pays out income based on the original contribution.
- c. The minimum charitable lead trust value is \$25,000.

## **DEFERRED GIFTS**

### 1. Charitable Remainder Trusts

- a. The Foundation is permitted to serve as trustee of charitable remainder trusts. The Foundation will accept designation as the remainder beneficiary for the benefit of the ultimate charitable beneficiary of a charitable remainder trust. The Gift Acceptance Committee must approve the nomination of trustee or the designation as a remainder beneficiary for the benefit of the ultimate charitable beneficiary.
- b. Charitable remainder trusts pay income based on a stated percentage set in the trust, for a term of years or one or more lifetimes to individuals. Then the remainder amount is distributed to a charitable beneficiary. There are two types of charitable remainder trusts. A charitable remainder unitrust (CRUT) is revalued annually and can receive additional contributions. A charitable remainder annuity trusts (CRAT) pays out income based on the original contribution and cannot receive additional contributions. Additionally, there are variations of CRUTs for which the Foundation will serve as the fiduciary such as Flip-CRUTs, NICRUTs, and NIMCRUTs.
- c. The minimum charitable remainder trust value is \$25,000.
- d. The minimum percentage payout on a charitable remainder trust is 5%. The maximum percentage payout allowed is 50%.
- e. The maximum term of year's payout for a charitable remainder trust is 20 years.
- f. Charitable remainder trusts must qualify under the Internal Revenue Service 10% deduction test which requires that the charitable income tax deduction must be at least 10% of the initial value of the gift property. The Foundation can provide donors with this calculation as well as gift proposals based on donor's specific circumstances. The purpose of this test is to ensure that a reasonable remainder will be left to charity at the conclusion of the charitable remainder trust.

2. Charitable Gift Annuities

- a. The Foundation is authorized to issue charitable gift annuity contracts under the laws of the State of Oklahoma. The Foundation may issue gift annuity contracts in other states depending on registration requirements in those states and other factors.
- b. The Foundation underwrites and pledges its assets to back the contract as long as the ultimate charitable distribution remains at the Foundation as permanent endowment.
- c. Charitable gift annuity contracts will payout the residuum to the donor's charities under the contract into an endowment for the charity's benefit. At least 50% of the residuum must be designated for Southern Baptist ministries.
- d. The minimum charitable gift annuity contract is \$10,000.
- e. The Foundation will use the gift annuity rates suggested by the American Council on Gift Annuities. ([www.acga-web.org](http://www.acga-web.org))
- f. The Gift Acceptance Committee will review and approve all charitable gift annuity contracts. As a part of this review, the committee will scrutinize gift annuity contracts that have any of the following characteristics:
  - Funding with assets other than cash;
  - Contracts greater than \$100,000;
  - Payout rates in excess of the ACGA suggested rates;
  - Deferred contracts for the possibility of reinsurance;
  - Residuum gifts that are outright to charitable beneficiaries;
  - Special residuum circumstances such as funding a chair.

In the event any of the above factors are present, the Gift Acceptance Committee may impose additional requirements before the gift annuity contract is issued.

3. Will Bequests and Revocable Living Trust Gifts.

- a. The Foundation encourages donors to include the Foundation as an endowment trustee or charitable bequest custodian in their estate plans and to disclose their intentions to the Foundation. The Foundation is available to assist donors with estate planning in cooperation with the donor's professional advisors.
- b. Gift wording for an endowment gift to the Foundation:

I give, devise and bequeath \_\_\_ percent (\_\_%) of my residuary estate, to the Baptist Foundation of Oklahoma as an endowment for the benefit of [insert Baptist cause].

Or

I give, devise and bequeath the sum of \_\_\_\_\_ dollars (\$\_\_\_\_\_) to the Baptist Foundation of Oklahoma as an endowment for the benefit of [insert Baptist cause].

- c. Gift wording for a custodial gift:

I give, devise and bequeath \_\_\_ percent (\_\_\_%) of my residuary estate, to The Baptist Foundation of Oklahoma as custodian for [insert Baptist cause].

Or

I give, devise and bequeath the sum of \_\_\_\_\_ dollars (\$\_\_\_\_\_) to The Baptist Foundation of Oklahoma as custodian for [insert Baptist cause].

- d. The Foundation may provide estate planning assistance to persons who wish to make endowment or custodial gifts to Oklahoma and/or Southern Baptist causes through wills or revocable trusts.
- e. The Foundation shall not initiate contact with persons regarding estate planning assistance but shall respond to individuals and families at their request.
- f. Estate stewardship services offered by the Foundation may include:
- Discussing the various options in estate planning and matters related to estate planning;
  - Gathering personal, family and financial data about clients for purposes of reference, evaluation and estate analysis;
  - Determining objectives and preferences of clients regarding the administration and distribution of their estate assets; and
  - Reviewing prepared document(s) from client's attorney to confirm compliance with the Foundation's gift acceptance policies.
- g. The Foundation shall provide to the client's independent legal counsel, completed information from clients in an appropriate form for the preparation of the client's estate planning documents.
- h. The Foundation may provide custodial services for the safekeeping of estate planning documents.
- i. The Foundation will provide assistance to clients with revisions or changes as needed in the client's estate plan. Such revisions or changes may be reimbursed under this policy if the revised estate plan contains a charitable gift as defined below.

- j. The Foundation may reimburse the client for legal fees incurred in the execution of the client’s estate planning documents if all of the following conditions are present in the documents:
- The will, codicil, revocable trust agreement or amendment contain a charitable gift provision in the event of the death of both spouses;
  - The charitable gift amount is either ten percent (10%) of the residuary estate or a specific amount of at least twenty five thousand dollars (\$25,000); and
  - At least fifty percent (50%) of the charitable gift is to one or more Oklahoma and/or Southern Baptist cause(s).
- The legal expense reimbursement schedule is included as part of the client’s signed Statement of Intent agreement.
- k. Staff members of the Foundation are prohibited from preparing drafts of wills, codicils, revocable living trusts agreements, or amendments to revocable living trust agreements that contain a charitable gift.
- l. Staff members of the Foundation are prohibited from supervising or participating in the execution of wills, codicils, revocable living trust agreements or amendments to revocable living trust agreements that contain a charitable gift.

### **DONOR RECOGNITION**

The Foundation may honor donors through a variety of methods. Beginning January 1, 2005 the Foundation has created the following levels of recognition:

- Legacy Society (Lifetime Giving through the Foundation)
 

Pillar	\$250,000
Builder	\$100,000
Architect	\$25,000
- President’s Circle (Annual Giving through the Foundation)
 

Gold	\$10,000
Silver	\$5,000
Bronze	\$1,000

Auguie Henry Society – In honor of Dr. Auguie Henry, Executive Secretary-Treasurer of the Foundation, 1949-1967, and his commitment to furthering gifts for Southern Baptist ministries, we have chosen to honor individuals who have designated a future gift to Kingdom causes through The Baptist Foundation of Oklahoma.

The Foundation reserves the right to change or eliminate donor recognition. Therefore, past, current or future donors should not rely on the stated donor recognition levels in this policy.

This policy statement reflects the status of Federal and State law and applicable regulations as of October 25, 2008.