

# **Gift Acceptance Policy**

**St. Luke Lutheran Church and School  
Cabot, Pennsylvania**

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**Revision C**

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# GLOSSARY OF FINANCIAL TERMS

## INCOMING ASSETS

**Gifts** – any contribution of money, marketable securities, or marketable properties (i.e., non-monetary in nature) given to St. Luke Lutheran Church and School by a donor.

**Offerings/Tithes** – Gifts received by cash, check, or on-line that are deposited to the General Fund and used to pay approved budgeted expenses.

**Unrestricted Gifts** – All Gifts that are not subject to restrictions placed by donors but identified for the General Fund of St. Luke.

**Restricted Gifts** – Gifts restricted by the donor to be used for designated purpose. Examples include Gifts to Dedicated Accounts or to an Endowment.

**Estate Gifts** – these are Gifts received from an estate of an individual that has passed over to glory. These gifts can be Restricted or Unrestricted Gifts. Unrestricted Estate Gifts are deposited into Dedicated Accounts in accordance with this Gift Acceptance Policy.

**Memorial Gifts** – these are Gifts received by an individual or family in memory of their loved one who has passed over to glory. These Gifts can be Restricted or Unrestricted.

## WHERE INCOMING ASSETS ARE HELD

**General Fund (GF)** – this term is used to define the bank account(s) and general ledger codes that contain all budgeted receipts and disbursement activity on an ongoing basis.

**Dedicated Accounts** – these are accounts set up in the general ledger of St. Luke to receive and disburse Gifts that are designated for a particular non-budgeted purpose. These Dedicated Accounts can be for a temporary purpose (e.g., reimbursements by members for Bible study materials) or ongoing (e.g., Food Pantry, Christmas Caregiving) but all Dedicated Accounts have a written purpose for the funds deposited to it upon creation in the general ledger.

**Endowments** – Gifts restricted by the donor to be invested by the Finance Board, with only earnings used for ministry purposes. The principal of the investment is not intended to be expended and the income is distributed under the stated written conditions. The principal may increase or decrease due to market fluctuations of the underlying investments.

## 1.0 Gift Acceptance

- 1.1 The general policy of the congregation will be to sell or otherwise convert to cash any non-monetary Gift.
- 1.2 Disposition of a non-monetary Gift shall be done in a commercially reasonable manner and under circumstances which will be in the best interest of St. Luke Lutheran Church and School, in the judgment of the Board of Lay Leaders (BLL) and Finance Board.
- 1.3 The BLL and Finance Board may seek advice from professional advisors determining the manner, timing, and procedure to be followed in accepting or disposing of any non-monetary Gift.
- 1.4 The BLL and Finance Board may consider retaining non-monetary Gifts that have an acceptable administrative burden and which produce net income resulting in a reasonable rate of return.
- 1.5 Gifts of cash or publicly traded securities will generally be acceptable. However, Gifts of operating businesses, partial interests in property, Gifts encumbered by debt, Gifts of property which may have title or environmental problems, or Gifts of property which may not be marketable within a reasonable time considering the expense of owning the property may not be acceptable. In addition, certain types of property may cause adverse federal or state income tax problems for the church and may not be acceptable.
- 1.6 The BLL reserves the right to decline acceptance of a Gift if the Gift would not be appropriate to the purpose and administration of St. Luke Lutheran Church and School. If the Gift is denied, the BLL will expeditiously explain the reasons to the donor with any suggestions or alternatives for making the asset acceptable.
- 1.7 Gifts and bequests may be made with stipulated terms or conditions (i.e., Restricted Gifts) except those requiring directions as to the investment or use of the substance of the Gift that fall beyond the purposes of St. Luke Lutheran Church and School or only have an indirect benefit to St. Luke Lutheran Church and School. Any Gift accepted outside these conditions requires approval by the Voters Assembly.
- 1.8 Unrestricted Estate Gifts shall be allocated into general categories as shown in Section 3.0. Any staff member of the church and school or a board member may present to the BLL proposals for uses of those funds that align with the mission, vision, and core values of St. Luke Lutheran Church and School and demonstrate the greatest potential to make and mature disciples. Allocation of these gifts will commence according to final approval by the BLL.

- 1.9 When St. Luke Lutheran Church and School is approached by a donor to establish a new Endowment Fund or Dedicated Account, the Additional Gift Acceptance Terms and Conditions contained in the Endowment Fund Policy must be reviewed by the Finance Board and BLL before any Endowment Gift is accepted.

## **2.0 Gift substantiation and acknowledgement**

- 2.1 To ensure proper and timely substantiation and acknowledgement to donors for Gifts accepted by St. Luke Lutheran Church and School, the Gifts will be properly acknowledged by the appropriate staff member within one business week.
- 2.2 All Gifts will be entered into the financial system and the appropriate tax documents will be mailed directly to the donor. It will also include a statement as to whether any goods or services were provided to the donor in exchange for the Gift or any portion of the Gift.

## **3.0 Unrestricted Estate Gifts Designation**

- 3.1 Any Unrestricted Estate Gifts received by St. Luke Lutheran Church and School shall be segregated in the following Dedicated Accounts:
  - 3.1.1 MISSIONS - 10%

St. Luke will lead by example and first and foremost be a faithful steward with undesignated gifts. A 10% tithe will be given to mission, i.e., money that is sent outside the boundaries of St. Luke Lutheran Church and School.
  - 3.1.2 EMERGENCY FUND - 10%

In order to be an effective teaching, sending, and planting community, we need to be wise financial stewards and have funds set aside for emergency use.
  - 3.1.3 FACILITY/TECHNOLOGY IMPROVEMENT - 10%

Facility and or technology improvements are also an essential part of being known as a teaching, sending, and planting community.
  - 3.1.4 LANTERN OF HOPE ENDOWMENT - 10%

A healthy endowment ensures that the entire ministry of St. Luke will perpetuate.

### 3.1.5 TEACHING - 20%

*“And take the helmet of salvation, and the sword of the Spirit, which is the Word of God.” Ephesians 6:17.*

In a dark world, we need to equip ourselves with tools to fight the battle. What better tool than the Word of God. Having a speaker who is recognized nationally allows St. Luke to offer to its members, surrounding community, and the greater Pittsburgh area, a chance to grow deeper in the word that can't be offered on a weekly basis.

### 3.1.6 SENDING – 20%

*“How then will they call on him in whom they have not believed? And how are they to believe in him of whom they have never heard? And how are they to hear without someone preaching?” Romans 10:14*

Repeatedly we are called to go. Go make disciples. Go baptize. Go witness. The community of St. Luke is dedicated to saving souls, saving the lost, saving one more person. Often times, our actions to those we serve speak louder than the spoken word. By serving others through mission trips to Judea, Samaria, and the ends of the earth, we open the door for the Holy Spirit to work in someone's life.

### 3.1.7 PLANTING - 20%

*“Whoever sows sparingly will also reap sparingly, and whoever sows bountifully[a] will also reap bountifully.” 2 Corinthians 9:6*

Statistics reveal that the number of countries that deny any religious affiliation continues to increase. St. Luke needs to be vigilant in searching for new ways to find the lost soul and bring him to Jesus. This will need to be done in unconventional methods through the planting of mission outposts and new church plants. By having a source of funds available to seek out those opportunities, St. Luke will be known as a planting community.

## 4.0 Process for Gift Acceptance

Appendix A provides a flow diagram of the Gift Acceptance Process.

## Appendix A

### Gift Acceptance Process

