

The CrossWinds Legacy Foundation

Gift Acceptance Policy

The Gift Acceptance Policy defines the governance of the Foundation and the acceptance of gifts made to the CrossWinds Legacy Foundation.

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CrossWinds Church Legacy Foundation

Gift Acceptance Policy

CrossWinds Church Legacy Foundation (the Foundation) is a fund established for the benefit of CrossWinds Church, EFCA (CrossWinds Church), a religious not-for-profit distinctly Christian organization. The following guidelines define the governance of the Foundation and the acceptance of gifts made to the CrossWinds Legacy Foundation.

CrossWinds Church Mission Statement

Passion for God, Compassion for Neighbor, Reaching our Region and Beyond with the life changing message of Jesus Christ

I. Foundation Purpose

Encourage the CrossWinds family to tangible expression of passion for God through engaging in a culture of generous living and stewardship.

II. Foundation Mission

Provide supportive resources that encourage and equip members and attenders in generosity and stewardship making the Foundation relevant to all.

Provide opportunities to give directly toward the Legacy Foundation's Vision Fund (*"reaching our region"*), Benevolent Fund (*"compassion for neighbor"*), and Missions Fund (*"reaching beyond"*) or through using planned giving tools tailored to meet the needs of the giver.

III. Designated Funds

The Foundation is comprised of 3 funds toward which the donor shall designate.

Vision Fund - Gifts to the Vision Fund are administered by the Elder Board to provide financial resources to fund the strategic vision of CrossWinds Church.

Giving toward the Vision Fund will focus on 3 dimensions of *"Reaching our Region"* namely facilities acquisition or expansion, staffing for new or future ministry, and/or expansion of the multisite vision to a new setting or location. Allocation of spending toward the three dimensions will be at the discretion of the Board as determined by need at God's leading. Gifts to the Vision Fund are unrestricted.

Benevolent Fund - To validate our Passion for God through *"Compassion for Neighbor"*, 5% of each gift to the Vision Fund will be allocated to the Benevolent Fund. The Benevolent Fund is a restricted fund administered by CrossWinds Church Elder Board.

Missions Fund - To validate our Passion for God through "*Reaching Beyond*", 5% of each gift to the Vision Fund will be allocated to the Missions Fund. The Missions Fund is a restricted fund administered by the CrossWinds Church Elder Board.

IV. Restrictions on Gifts

The Foundation will accept unrestricted gifts, and gifts for specific programs and purposes provided that such gifts are not inconsistent with the stated mission, purposes, and priorities of the Foundation and the vision of CrossWinds Church as defined by the Elder Board. Gifts that are too restrictive are those that violate the terms of the corporate charter of CrossWinds Church or its by-laws, gifts that are too difficult to administer, or gifts that are for purposes outside the stated mission of the Foundation. The Gift Acceptance Committee of the Foundation shall make all final decisions on the restrictive nature of the gift, and its acceptance or refusal.

V. Authorization for Accepting Gifts

Crosswinds Legacy Committee as appointed by the Elder Board serves as the Gift Acceptance Committee. The responsibilities of the Legacy Committee include accepting gifts under the terms of this document including negotiation of Life Income Agreements and other forms of planned gifts.

The Legacy Committee consists of 7 members including 2 Elder Board members, 1 pastor and 4 members at large. Members are appointed by the Elder Board for a term of 3 years and are eligible for reappointment at the end of the term. They report annually to the congregation and quarterly to the Leadership Board.

VI. Types of Gifts

The following gifts are acceptable.

- A. Cash
- B. Tangible personal property
- C. Securities
- D. Real Estate (consult with Barnabas Foundation or legal counsel)
- E. Remainder interests in property
- F. Life Insurance
- G. Commodities (consult with Barnabas Foundation or legal counsel)
- H. Other types of assets upon approval by the Gift Acceptance Committee

VI. Criteria for Acceptance

The following criteria govern the acceptance of each gift form:

- A. Cash. Cash is acceptable in any form provided however that checks or draft shall be payable in U. S. currency. Checks or drafts shall be made payable to the Foundation and shall be delivered by mail or in person to any office of the Foundation.
- B. Tangible Personal Property. All gifts of tangible personal property shall be examined in light of the following criteria:
 - 1. Is the property consistent with the mission of the Foundation? Is the property marketable?
 - 2. Are there any restrictions on the use, display, or sale of the property?
 - 3. Are there any carrying costs for the property?

Due to the tax deduction on tangible personal property, the Gift Acceptance Committee shall decide whether a gift of tangible personal property is accepted when the Fair Market Value is determined to exceed \$5,000.

C. Securities.

- 1. Publicly Traded Securities. Marketable securities may be transferred to an account maintained by the Foundation at its brokerage firm(s) or delivered physically with the transferor's signature or stock power attached and signature(s) guaranteed. As a general rule, all marketable securities will be sold upon receipt unless otherwise directed by the Gift Acceptance Committee. In some cases marketable securities may be restricted by applicable securities laws; in such instances the final determination on the acceptance of the restricted securities shall be made by the Gift Acceptance Committee.
- 2. Closely Held Securities. Closely held securities will not be accepted. Barnabas Foundation should be consulted to advise if the gift can be made through their services.

- D. Real Estate. The Foundation can accept gifts of real property itself, or in the alternative, the gift can be received through Barnabas Foundation. John Mark Co., an affiliated organization receives all real property gifts for Barnabas Foundation.

Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate our organization generally shall require an initial environmental review of the property to identify any environmental concerns with the property. In the event that the initial review identifies a potential problem, our organization will require a professional inspection by a qualified inspection firm. The cost of the environmental inspection shall be at the expense of the donor.

All gifts of real property shall be conveyed by Warranty Deed unless facts and circumstance require use of a Quit Claim Deed. A continued Abstract of Title (or title binder if real property is outside the State of Iowa) demonstrating marketable title shall be required by the Foundation prior to the acceptance of the real property gift. The cost of the Abstract continuation (or title binder if the real property is outside the State of Iowa) shall generally be at the expense of the donor.

If the gift is for purposes of funding a Charitable Remainder Trust, then the property must be free of any mortgage obligation or liens.

Prior to acceptance of real property, the gift shall be approved by the Gift Acceptance Committee and by outside legal counsel if such is deemed necessary by the Gift Acceptance Committee. Criteria for acceptance of the real property shall include:

1. Is the property marketable?
 2. Are there any restrictions, reservations, easements, or other limitations associated with the property?
 3. Are there carrying costs, which may include insurance, property taxes, maintenance costs, mortgage payments, etc. associated with the property?
- E. Remainder Interests in Property. The Foundation will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of Paragraph D above. The donor(s) may continue to occupy the real property for the duration of the stated life. At the death of the donor(s), the Foundation may use the property or reduce it to cash. The expenses for maintenance, real estate taxes, insurance and any property indebtedness are to be paid by the donor.
- F. Life Insurance. The Foundation must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Foundation will include the entire amount of the additional premium payment as a gift in the year that it is made.
- G. Commodities. This type of gift will require the following:
1. A written assignment from the donor transferring the commodity to the Foundation using only a Foundation approved form.
 2. A letter of Authorization of Sale that the Foundation will send to facility selling the commodity.
- C. Other Types of Gifts. All other types of gifts require the approval of the Gift Acceptance Committee and outside legal counsel.

VIII. Planned Gift Arrangements

The following Planned Gift Arrangements are acceptable:

- A. Charitable Gift Annuities. The Foundation partners with Barnabas Foundation to issue charitable gift annuities. The minimum gift for funding is \$10,000 for a person 65 years or older or a couple of which the younger spouse is 65 years or older. The minimum gift for funding is \$25,000 for a person or a couple under age 65. The minimum amount for a person or couple under age 65 may be lowered to \$10,000 if the annuity payment is deferred to age 65. Gift annuities generally will not be offered to a beneficiary under age 60. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual, or annual schedule. Real estate, tangible personal property, or any other illiquid asset will not be accepted in exchange for a gift annuity unless approved by the Gift Acceptance Committee. Such illiquid assets, if accepted will generally fund a deferred gift annuity with payments beginning no sooner than one year from the date of issuance of the gift annuity.

For Charitable Gift Annuities, form 1099R will be filed for each annuitant disclosing the amount of taxable income and long-term capital gain income if applicable that the donor has received.

- B. Charitable Remainder Trusts. The Foundation may accept designation as remainder beneficiary of a charitable remainder trust. The Foundation will not accept appointment as Trustee of a charitable remainder trust.
- C. Charitable Lead Trusts. The Foundation may accept designation as income beneficiary of a charitable lead trust. The Foundation will not accept appointment as Trustee of a charitable lead trust.
- D. Retirement Plan Beneficiary Designations. The Foundation may be named as beneficiary of retirement plans. Donors will be encouraged to consult with Barnabas Foundation planned giving personnel or their legal counsel to ensure that the donor's intended desires for ultimate distribution of the retirement plan will occur upon the donor's death. In the event tax law allows distribution of retirement plan assets to the Foundation during donor's lifetime without taxation of the distribution amounts, the Foundation will accept such gifts.
- E. Bequests. The Foundation may be named as recipient of bequests in donor's Wills and Trusts.
- F. Life Insurance Beneficiary Designations. The Foundation may be named as beneficiary or contingent beneficiary of life insurance policies.
- G. Bargain Sales. All bargain sales must be reviewed and approved by the Gift Acceptance Committee. Factors used in determining the appropriateness of the transaction include:
 - 1. The Foundation must obtain an independent appraisal substantiating the value of the property.

2. If the Foundation assumes debt with the property, the debt ratio must be less than 50% of the appraised makes value. In the event that there is debt encumbering the property, consultation with Barnabas Foundation or donor's tax counsel is advised because of the tax ramifications to the donor.
3. The Foundation must determine that there is a market for sale of the property, allowing sale within 3 month of receipt if the Foundation determines that the property would not be utilized in Foundation's ministry operations.
4. The donor must make additional cash gifts to pay for insurance, mortgage payment, and expenses of the property (including property tax, if applicable) during the holding period.

IX. Gift Administration

A. Valuation

1. Where value is difficult to determine, ordinarily one or more appraisals will be required by the Foundation, normally at the donor's expense, in order to determine the value of the gift for sale purposes. Such appraisals of fair market value will be on the basis of a cash sale within a reasonable time.
2. In accordance with the rules established but the Tax Revision Act of 1984, under no circumstances shall the Foundation or any of its employees or directors participate in appraising any property donated to the Foundation. The Foundation shall furnish to every donor for property sold within two years of its donation (other than publicly traded stock) a copy of a report filed with the Internal Revenue Service regarding such sale, unless the donor shall have certified in writing to the Foundation that the donor intends to claim as a charitable donation for Federal income tax purposes less than \$5,000 in deductions for the combination of such donations and donations of similar items or property to other charitable donees during the same tax year.

C. Receipts for Gifts. Promptly after the receipt of gifts to the Foundation, a receipt letter will be issued to the donor describing the asset and the gift arrangement. All receipts will include the statement that no good or services were received in exchange for he gift in accordance with IRS regulations.

D. IRS Filings. The Foundation will file form 8282 for any gifts where the charitable deduction value is over \$5,000 and the asset is sold within 3 years of its receipt. The form must be filed within 125 days of the date of sale or disposition of the asset.

Donor will be responsible for preparation of form 8283 for non-cash gifts exceeding \$500.

X. Use of Professional Legal Counsel

- A. All prospective donors will be encouraged to consult, employ and pay for their own legal and financial counsel in matters related to charitable life income agreements and other planned gift and bequests involving the Foundation, but especially in the following cases:
 - 1. Gift of real property
 - 2. Transactions with potential conflict of interests that may not meet tax laws and regulation guidelines.
- B. All agreements shall, if possible, follow the format of specimen agreements approved by the Foundation's outside Legal Counsel.
- C. All agreements, in which the Foundation is named remainderman, that substantially deviate from approved specimen forms shall be approved by the Foundation's outside Legal Counsel before the agreements are executed.