

GIFT ACCEPTANCE POLICIES AND GUIDELINES

Baton Rouge Lutheran School, a ministry of Trinity Lutheran Church, Baton Rouge, LA, encourages the solicitation and acceptance of gifts to Baton Rouge Lutheran School for purposes that will help that not-for-profit organization further and fulfill its mission.

The mission of Baton Rouge Lutheran School: Baton Rouge Lutheran School, as a ministry of Trinity Lutheran Church, will provide a strong, quality "Education Anchored In Christ" to prepare students and families for service to God and man.

The following policies and guidelines govern acceptance of gifts made to the school for the benefit of any of its programs. They also govern administration, as directed, of donations made to *Trinity Lutheran Church of Baton Rouge, for the Trinity Lutheran Church Endowment in support of Baton Rouge Lutheran School*. These policies and guidelines are in addition to those established by The Trinity Lutheran Church Endowment.

I. Purpose of Policies and Guidelines

Baton Rouge Lutheran School (BRLS) board members and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and missions of the school. These policies and guidelines govern the acceptance of gifts by BRLS and provide guidance to prospective donors and their advisors when making gifts to the school. The provisions of these policies shall apply to all gifts received directly by BRLS, or indirectly through Trinity Lutheran Church (TLC), for any of the school's programs or services.

II. Use of Legal Counsel

Baton Rouge Lutheran School will seek the advice of legal counsel, or require the donor, at his or her expense, provide the advice of legal counsel, in matters relating to acceptance of gifts when appropriate. Review by counsel may be appropriate for:

- a. Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- b. Documents naming BRLS, any school board members or school employees as Trustee.
- c. Gifts involving contracts or other documents requiring BRLS to assume an obligation.
- d. Transactions with potential conflict of interest that may invoke IRS sanctions.
- e. Other instances when gifts may be in conflict with policies of the Lutheran Church Missouri Synod, or in which use of counsel is deemed appropriate by the Board of Baton Rouge Lutheran School or the Trinity Lutheran Church Endowment Committee.

III. Conflict of Interest

Baton Rouge Lutheran School will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

Donations to the congregational endowment fund called THE TRINITY LUTHERAN CHURCH ENDOWMENT IN SUPPORT OF BATON ROUGE LUTHERAN SCHOOL will be subject to TLC endowment policies and guidelines, in addition to BRLS policies and guidelines.

IV. Restrictions on Gifts

Baton Rouge Lutheran School will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are consistent with the stated mission, purposes, and priorities of Baton Rouge Lutheran School, Trinity Lutheran Church, and the Lutheran Church Missouri Synod.

Baton Rouge Lutheran School will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive include those that violate the policies of the school and church, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the school. Baton Rouge Lutheran School retains the right to refuse any gift that might be more of a cost than a benefit. The school reserves the right to refuse any gift that it believes is not in its best interests to accept.

All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by individuals designated by the Board of Baton Rouge Lutheran School to act on their behalf, or by the Board of Baton Rouge Lutheran School.

V. Process to Accept Gifts

Baton Rouge Lutheran School board members will designate one or more individuals with the responsibility of reviewing all gifts offered for donation, properly screening and accepting those gifts, or making recommendations to the board regarding specific gift issues when appropriate.

Various general gift review factors will be considered, including:

- a. The charitable intent and ultimate benefit to the school;
- b. Restrictions of any gift;
- c. Permanency of any gift;
- d. Administrative costs of managing the gift asset;
- e. Potential for actual or perceived conflict of interest; and
- f. Consistency with the mission, purposes, bylaws, and policies of Baton Rouge Lutheran School, Trinity Lutheran Church, and The Lutheran Church Missouri Synod.

If deemed appropriate, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of any gift.

VI. Types of Gifts

Various types of gifts may be contributed to BRLS. Whether they are outright gifts by living donors, either on a one-time or a periodic basis, or deferred gifts that take effect upon the donor's death or at some future time. The following types of gifts are generally acceptable:

- a. Cash – Cash is accepted in any form, including cash equivalents such as Certificates of Deposit or savings accounts. Checks shall be made payable to *Baton Rouge Lutheran School* and delivered to the school principal or business manager.
- b. Tangible Personal Property – Every gift of tangible personal property shall be examined and reviewed by individuals designated by the school board prior to acceptance. The donor cannot establish the value of his or her gift. The value of any gift is determined at time of sale or disposition by BRLS.
- c. Securities – All gifts of publicly traded securities and closely held securities shall be examined and reviewed by individuals designated by the school board prior to acceptance. When the gift is received or irrevocable, the value of the gift will be determined and recorded.
- d. Real Estate – Gifts of real estate may include developed or undeveloped property. Prior to acceptance of real estate, the donor, at his expense, shall provide an initial environmental review of the property to ensure the property has no damage, or potential for damage or claim. In the event that the initial inspection reveals a potential problem, the donor, at his expense, shall retain a qualified inspection firm to conduct an environmental audit. Evidence of a clear title must also be provided by the donor, at his expense, prior to the acceptance of the real property gift by BRLS.
- e. Remainder Interests in Property – Gifts of remainder interest in property are subject to the same provisions as the acceptance of gifts of real estate and, in addition, the donor must pay for expenses for maintenance, real estate taxes, insurance against liability and loss, and any property indebtedness.
- f. Oil, Gas, and Mineral Interests -- All gifts of oil, gas, and mineral interests shall be examined and reviewed by individuals designated by the school board prior to acceptance. When the gift is received or irrevocable, the value of the gift will be determined and recorded.
- g. Life Insurance – Gifts must name Baton Rouge Lutheran School as both the 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 cash surrender value at the time of receipt. If the donor agrees to contribute future premium payments, BRLS will record annual premium payments as additional gifts.

- h. Life Insurance Beneficiary Designations -- Donors and supporters of BRLS are encouraged to name the school as beneficiary or contingent beneficiary of their life insurance policies. When the gift is received or irrevocable, the value of the gift will be determined and recorded.
- i. Retirement Plan Beneficiary Designations – Donors and supporters of BRLS are encouraged to name the school as beneficiary of their retirement plans. When the gift is received or irrevocable, the value of the gift will be determined and recorded.
- j. Bequests – Donors and supporters of BRLS are encouraged to make bequests to the school under their wills and trusts. When the gift is received or irrevocable, the value of the gift will be determined and recorded.
- k. All Other Direct Gifts – All other gifts of annuities, lead trusts, remainder trusts, or other gift arrangements will be considered on an individual basis by the school board prior to acceptance.
- l. Gifts to the congregational endowment fund called THE TRINITY LUTHERAN CHURCH ENDOWMENT IN SUPPORT OF BATON ROUGE LUTHERAN SCHOOL -- The congregational endowment program was established to provide an orderly means to attract, administer and distribute perpetual gifts for the glory of God. Funds and other assets received for the Endowment will take the form of designated gifts that are placed in a permanent fund where the income is used to further the mission of the school. The TLC Endowment Board is charged with ensuring that endowment gifts will be administered for the benefit of Baton Rouge Lutheran School according to the wishes of the donor.

VII. Miscellaneous Provisions

Securing appraisals and legal fees for gifts to Baton Rouge Lutheran School.

It will always be the financial responsibility of the donor to secure any appraisal, independent legal advice, or other special services required by the school prior to acceptance of a gift.

Valuation of gifts to Baton Rouge Lutheran School. The value of a gift received by the school will always be guided by the date of the gift, actual dollar value when the gift is received, or actual dollar value upon the sale or disposition of any gift.

Responsibility for IRS Reporting. The donor is responsible for filing any reports with the IRS. If requested and if appropriate forms are provided, the Business Office of Baton Rouge Lutheran School will assist in providing information needed for the proper filing of those reports.

VIII. Changes to Gift Acceptance Policies

These general statements of gift acceptance policies and guidelines have been reviewed and accepted by the Board of Baton Rouge Lutheran School. They are not mean to be all inclusive. Any policy or guideline is subject to change by the Board of Baton Rouge Lutheran School at their discretion.

Approved: _____

IX. Attachments

Trinity Lutheran Church Endowment, Article X