



## Gift Acceptance Policy Adopted February 2022

### Purpose of the policy

1. To protect the interests of the giver and Westgate Church as the beneficiary of a gift.
2. To make certain all gifts to Westgate Church are structured to provide maximum benefits to the giver and Westgate Church within IRS guidelines.
3. To encourage interested givers to make gifts without encumbering their own or Westgate Church's financial or other resources.
4. To optimize opportunities to secure gifts from individuals to causes without compromising or endangering the reputation of Westgate Church.

### General Guidelines

1. No gifts will be accepted that cannot be used or expended consistent with the purpose and mission of Westgate Church.
2. Designated or restricted donations for purposes, other than previously approved designations, are not to be accepted without the approval of the Lead Pastor, Executive Pastor, Executive Director, or Operations Pastor..
3. Every precaution shall be taken by Westgate Church staff to protect the privacy and confidentiality of each giver and the giver's family. Permission must be obtained before any public acknowledgment is made of gifts received by Westgate Church. The right of anonymity must always be respected.
4. Westgate Church will provide gift acknowledgments meeting IRS substantiation requirements for property received by Westgate Church as a gift. However, except for gifts of cash and publicly traded securities, no value shall be ascribed to any receipt or other form of substantiation of a gift received by Westgate Church.
5. Westgate Church shall in no way compensate—whether through commissions, finders' fees, or other means—any third party for directing a giver to Westgate Church.

### Types of Gifts

1. Both current gifts and deferred gifts shall be actively encouraged. Response to each type of gift should be prompt without regard to the monetary value or timing of the individual gift. The decision to accept or reject any gift, whether current or deferred, shall be weighed on the merits of the individual gift, always regarding the giver's intent and financial condition (to the degree known) as well as the benefit to Westgate Church.

5. Gifts of real estate are ordinarily acceptable only after it has been determined that no reasonable possibility exists that the property could be contaminated by toxic waste. An initial personal inspection shall be made by an appropriate church staff member. This inspection shall include both a physical inspection and an investigation of the recent ownership history of the property. If, after inspection, it is determined that there is a substantial likelihood that the property has been environmentally impacted, the property may not be accepted. If, after inspection, it is determined that a reasonable possibility exists that the property has been environmentally impacted, an inspection must be made by a licensed environmental consultant, who must certify, within the context of a Phase 1 Site Assessment, that no contamination exists before the property may be accepted. The inspection should be performed in general conformance with the scope of American Society for Testing and Materials (ASTM) Practice E1527. The expense of inspection must be borne by the giver unless an exception is approved by the board.
6. Gifts of life insurance shall be accepted after examination of funding of the policy and the gift substantiation requirements. Church staff members shall avoid even the appearance of giving an endorsement, either implied or direct, to any life insurance product, company, or agent.
7. Donated stocks require special evaluation when the stock relates to closely-held business corporations that are not listed on stock exchanges, partnerships, or limited liability corporations. Marketability can be a challenge since the potential buyers are generally the other owners of the business who may be relatives of the giver. Small business owners often enter into agreements with the other owners that limit their ability to sell their stock.

Many small businesses, including partnerships, limited liability corporations and “S” corporations (corporations described in sub-chapter S of the Internal Revenue Code) pass taxable income through to the owners.

For a nonprofit, income from a pass-through entity may be subject to unrelated business income tax.

### **Gifts with Restrictions**

1. The Operations Pastor shall maintain a listing of restricted funds for which the donations will be accepted. Restricted funds shall not be received for restrictions other than these funds without prior approval.
2. Any giving appeals by Westgate Church will clearly indicate whether a restricted or unrestricted gift is being sought in the gift appeal.
3. If a gift is received without any giver restrictions (either explicit or implicit restrictions), then such contributions shall be placed in Westgate Church’s unrestricted fund balance. Similarly, if a gift is received with either an explicit or implicit restriction, and it is in conformity with board-approved restrictions, then such contributions shall be placed in Westgate Church’s correlating restricted fund account.

Givers shall be informed in gift acknowledgments whether their gift was reflected as an unrestricted gift or a restricted gift. If a gift is a restricted gift, the restriction will also appear on the gift acknowledgment.