



GIFT ACCEPTANCE POLICY DECEMBER 2025

INTRODUCTION

Lake Oswego United Methodist Church (LOUMC or Church) has been blessed over the years by incredible generosity from its members well beyond annual pledge contributions to the Operating Budget.

This generosity drives the need for our responsible and caring Gift Acceptance Policy. The purpose of this policy is to:

- Guarantee that LOUMC is following The Book of Discipline of the United Methodist church and all applicable laws.
- Ensure all gifts are accepted and used in alignment with LOUMC's mission, vision and values.
- Protect the Church from accepting gifts that create legal, financial, or operational risk.
- Provide transparent, confidential, and accountable procedures for receiving, documenting, and spending gifts.

This policy is administered by the Gift Acceptance Committee which includes the Pastor(s), the Finance Chair for Investments and the Treasurer who may then assemble/designate a team (Trustee, Outreach, etc.) as needed when a gift is given. The Gift Acceptance Committee reports to the Church Leadership Board so that full ownership of decisions made regarding gifts is by the Church Leadership Board.

This policy provides guidance for the prospective donor as well as for LOUMC. We are describing here our internal policies regarding how we evaluate proposed gifts to the church and how the wishes of the donor are taken into consideration, protected for the future, and the funds distributed to our various ministries and programs for the transformation of the world.

LOUMC must be capable of responding quickly to all gifts offered by a prospective donor. Our Gift Acceptance Policy provides specific guidance to respond but also recognizes that a degree of flexibility should be maintained since gift situations are difficult to predict. Ultimately, recommendations will be made by the Gift Acceptance Committee after careful consideration of

interrelated factors. The final decision regarding acceptance, including any possible conditions to acceptance, will be made by the Church Leadership Board.

The Gift Acceptance Committee will meet whenever LOUMC receives a donation \$5,000 or more that is other than a gift to the Operating Budget. Such meetings may be called by any Committee member who becomes aware of the donation.

An exception to this situation will be when a gift is designated for an existing fund in the church budget, for which donations larger than \$5000 may be appropriate and unexceptional. In such cases, gifts exceeding \$5000 to existing designated funds will require the approval of the Pastor and the Treasurer, who shall seek Board advice and approval for gifts to existing designated funds that may exceed the reasonable use of the designated fund.

The Gift Acceptance Committee reserves the right to decline any gift with or without cause. Reasons may include, but are not limited to the following:

- The restrictions or costs associated with the gift are not in the best interest of LOUMC.
- The gift challenges our tax-exempt status.
- The gift involves an animal or time-share property.
- The gift is earmarked to a specific individual.

DESIGNATED GIFTS

All efforts will be made to assure that gifts with a designated use requested by the donor, or donor's family, will be respected. However, circumstances and needs of LOUMC may change over time so it will be made clear to the donor, or donor's family, that the designated use may no longer be needed at a future time. In such cases, LOUMC will make reasonable attempts to negotiate redesignation or return of the gift with the donor or donor's family.

UNDESIGNATED GIFTS

All gifts that are **undesigned** by the donor, or donor's family, will be allocated to the Operating Budget, or to another fund of the Lake Oswego United Methodist Church with approval of the pastor and LOUMC Leadership Board.

GIFT ACCEPTANCE TERMS & CONDITIONS

All gifts will be acknowledged in writing by the Gift Acceptance Committee. The acknowledgement letter will include mention of any restrictions on the gift. All information concerning prospective donors, including their names, beneficiaries, amount and type of gift, aspects of any estate, etc. shall be kept in strict confidence unless the donor permits the release of such information.

Gifts intended for the endowment or memorial funds must comply with the current policies of those funds.

RECOGNITION OF GIFTS

The Gift Acceptance Committee will confer with the donor, or family of the donor, to determine what type of recognition should be created. Assuming the donor or family wants recognition, an appropriate message of thanks will be posted in the LOUMC Quick News and Spotlight. Each publication will include whatever detail is worked out between the donor, family, and our Pastor(s). Again, assuming recognition is requested, a plaque can also be created with location and size negotiated between the donor, family and Gift Acceptance Committee. Naming of rooms, if requested, is not considered an appropriate option since objectively determining whose gift warrants this level of recognition creates an unlevel playing field.

VALUATION OF GIFTS

LOUMC records gifts at their valuation for gift purposes as of the date of the gift. Acknowledgement of all gifts made to LOUMC and compliance with the current IRS requirements in acknowledgement of such gifts is the responsibility of LOUMC.

USE OF LEGAL COUNSEL

LOUMC seeks the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

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

LOUMC urges 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.

LOUMC complies with the laws of the state of Oregon and does not advise the donor on legal matters, nor does LOUMC utilize LOUMC's legal team to advise donors on their planned giving gift.

GIFT HANDLING CRITERIA

Gifts may be immediate or deferred, may involve fees, and/or restrictions on use. Each of these factors is discussed below.

IMMEDIATE GIFTS

Cash: May be accepted in any amount up to \$4,999 without Gift Acceptance Committee involvement. All checks must be payable to LOUMC and in no event shall the gift be made payable to a LOUMC employee, agent, or volunteer for credit to the Church.

Securities: Any publicly traded security which is accepted may be liquidated upon receipt.

Closely held and/or thinly traded securities may be accepted upon advance approval of the Gift Acceptance Committee, who will make the decision to keep or sell the security.

Real Property: Conditions for acceptance may include, but are not limited to the following:

- Is the property useful for the mission of LOUMC?
- Current title search and certification of ownership.
- Zoning and use restrictions.
- All restrictions on the property.
- Any encumbrances including an Affidavit of Lien signed by the donor.
- An independent qualified third-party appraisal.
- Phase I environmental audit.
- A recommendation on marketability.

The Church Leadership Board will make a final decision to sell or keep the property.

Personal Property: Conditions may include, but are not limited to the following:

- Is the property useful for the mission of LOUMC?
- Current title and ownership.
- An independent qualified third-party appraisal.
- A recommendation on marketability.

The Church Leadership Board will make the final decision to keep or sell the property.

DEFERRED GIFTS

Bequests (Wills): Gifts given via a person's Will are actively encouraged by the Church. All conditions under the Immediate Gifts section above apply.

Revocable Living & Charitable Trusts: Conditions include, but are not limited to:

- The named fiduciary will be the Church Leadership Board of LOUMC.
- Fees from a Revocable Living Trust will not be paid by LOUMC.
- Retaining income needed by the donor will be respected.

- No representations as to the way trust assets will be managed or invested will be made by any LOUMC employee or other persons acting on behalf of the Church.

Life Estate Gifts: Conditions include, but are not limited to:

- The donor is responsible for determining the possible ramifications of the transaction for them.
- The donor is responsible for maintenance expenses, taxes and insurance if a personal residence is retained by the donor.

Life Insurance Policies: Conditions include, but are not limited to:

- LOUMC be named as beneficiary and irrevocable owner before a 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, LOUMC will include the entire amount of the additional premium payment as a gift in the year that it is made.
- If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, LOUMC may:
 - Continue to pay the premiums
 - Convert the policy to paid up insurance, or
 - Surrender the policy for its current cash value
- No specific insurance products will be endorsed for use by LOUMC.
- Lists of donors' names will not be furnished for marketing purposes.
- LOUMC will not accept gifts for the purpose of purchasing life insurance on the donor's life. The only exception is when LOUMC has an insurable interest and that complies with State and Federal law.

Annuities: LOUMC may be named as beneficiary of an annuity. LOUMC may accept designation as a remainder beneficiary of a charitable remainder trust with the advance approval of the Gift Acceptance Committee and Church Leadership Board. LOUMC will not accept appointment as Trustee of a charitable remainder trust.

PAYMENT OF FEES RELATED TO GIFTS

LOUMC will not pay any type of fee associated with a gift such as professional fee, finder's fee, and/ or commission. The donor shall pay any fees associated with the gift.

RESTRICTIONS

Any restriction on a gift must be approved in advance by the Gift Acceptance Committee and Church Leadership Board.

MERGER OR DISSOLUTION OF THE CHURCH

- If at any time, the church is lawfully merged or consolidated with any other church, all provisions shall be deemed to have been made on behalf of the merged or consolidated church which shall be entitled to receive all the benefits and shall be obligated to administer it in accordance with the terms of this policy.
- In the event of the withdrawal of the Oregon-Idaho Conference from the United Methodist Church, the LOUMC endowment fund and all other LOUMC property and assets of this congregation shall continue under the purview and management of the people currently constituted as the congregation of LOUMC who will continue to operate as a newly named church body, subject to the terms of the separation agreement which will have been agreed to by the Oregon-Idaho Conference and the larger United Methodist Church.

AMENDMENTS

A simple majority vote of the Church Leadership Board will be needed to amend the LOUMC Gift Acceptance Policy

ADOPTION

This policy was accepted by the Church Leadership Board of Lake Oswego United Methodist Church, Lake Oswego, Oregon, at a session held on December 4, 2025.