

**POLICIES AND PROCEDURES CONCERNING GIFTS AND SECURITIES TO  
MISSION PRESBYTERY**

**BACKGROUND**

Mission Presbytery (PCUSA) a legal entity incorporated under the laws of the State of Texas, claims tax exemption status under state law and under the group exemption of the Presbyterian Church (U.S.A.) as described in the U.S. Internal Revenue Code Section 501 (c)(3). This tax exempt status allows Mission Presbytery to accept gifts, donations, and contributions exempt from state and federal taxation. All persons wishing to make a gift may receive a copy of the tax exemption authorization letter from the office of Mission Presbytery.

**PURPOSE**

The General Council, the governing body of Mission Presbytery, wishes to delegate the responsibility and authority to administer this Policies and Procedures Concerning Gifts and Securities to Mission Presbytery to the Funding and Stewardship Division but directs that the Funding and Stewardship Division act in the best interest of Mission Presbytery using reasonable and prudent methods.

If in the majority view of the Funding and Stewardship Division a deviation from the suggested Policies and Procedures Concerning Gifts and Securities to Mission Presbytery would be in the best interest of Mission Presbytery, the Funding and Stewardship Division is authorized to act on the majority opinion.

**POLICY**

It is the policy of General Council that the Funding and Stewardship Division of Mission Presbytery be charged with the responsibility for acceptance or rejection of any offered gift. It may also negotiate the terms of any gift, including disposition. The Funding and Stewardship Division is also instructed to consult closely with the Executive Presbyter and any Division or Committee whose mission is affected by the acceptance or rejection of any gift.

In order to accept a gift, the Funding and Stewardship Division must conclude that the gift will benefit Mission Presbytery. The Funding and Stewardship Division should clearly identify the gift and all obligations incurred by Mission Presbytery as a result of any gift and weigh the incurring of such obligations against the projected benefits. Prudence should dictate acceptance.

Mission Presbytery shall indemnify and hold harmless all members of the Funding and Stewardship Division for all acts, errors, and omissions in the execution of the duties, authority, and responsibility set forth in this policy.

The following categories will be used by the Funding and Stewardship Division to identify and segregate all gifts:

1. **Cash** – U. S. currency, checks drawn on banks and other financial institutions, money orders, credit and debit cards, and travelers cheques.
2. **Securities** – Two types of securities may be received by Mission Presbytery. A.) Marketable securities, including equity stocks and bonds traded on any registered stock exchange. B.) Non-traded securities are securities not traded on a registered stock exchange or easily sold or traded in the ordinary course of business. C) Liquidation of securities will ordinarily be done within 3 business days.
3. **Real Property** – All property identified by deeds, metes and bounds, associated with the surface interest of land, including any improvements erected on the property. Examples may include raw land, residential housing, office buildings, factories, warehouses, and any other improvements made to the land.
4. **Tangible Personal Property** – All property that is not considered real property and is usually moveable and not affixed to real property. Examples may include vehicles and rolling stock, furniture, electronic equipment, maintenance equipment, tools, and machinery.
5. **Intangible Personal Property** – All property that is not considered real property or tangible personal property. Examples may include the goodwill value of a business, copyrights, and trademarks.
6. **Mineral Interest** – Any interest in real property below the surface of the land. Examples may include oil and gas deposits, one deposits, sand and gravel deposits, and water if allowed by state or federal law.
7. **In-kind Gifts** – The contribution of personal services, use of real property, and use of tangible persona; property in the mission of Mission Presbytery. Examples may include a person volunteering to lead a retreat, teach a seminar, lead a fund drive, use of a vehicle, boat or equipment, use of a vacation home, or any other service where the person declines payment for the service.
8. **Unrestricted Gifts** – Any gift received for the general use of Mission Presbytery without any restriction on use.
9. **Restricted Gifts** – Any gift received that has attached to the gift a restriction on its use or limits on the immediate availability to Mission Presbytery for use in the mission of Mission Presbytery.
10. **Gifts in Trust** – Financial and estate planning may include the use of various trust agreements by a Donor who names Mission Presbytery as a beneficiary of the trust. A Gift in Trust may occur during the lifetime of the Donor or as a pecuniary bequest under the Donor's Last Will and Testament. Mission Presbytery may be an income beneficiary, property beneficiary either with current rights or future rights to the gift.

## PROCEDURES

The following procedures are suggested for use by the Funding and Stewardship Division. The Funding and Stewardship Division should use discretion in deviating from these procedures, but may do so by a majority of the Funding and Stewardship Division agreeing to the deviation.

1. Individuals contemplating gifts should be encouraged to discuss the proposed gift with a Mission Presbytery representative in advance of the gift. Additionally, Mission Presbytery representatives should encourage a Donor to discuss the charitable gifts and bequests with his or her heirs in order to facilitate greater understanding and appreciation of the decisions made.
2. A gift should be accompanied by a written statement from the Donor as to its purpose, stating either no restrictions or specific restrictions, if any.
3. A gift in memory or in honor of someone may be accepted. Mission Presbytery may respond with proper recognition, e.g. plaques, naming buildings or facilities, and named special funds.
4. **Real Property.** If a gift of real property is proposed the following requirements should be met:
  - (a). Donor to furnish the legal description of the property, together with any deed restrictions, liens, encumbrances, leases or easements.
  - (b). Donor to furnish copy of title policy or equivalent.
  - (c). Donor to furnish list of improvements, and if in existence, value at which property is insured and name of existing insurance carrier.
  - (d). Donor to furnish map of the property, and copy of most recent survey.
  - (e). Donor to furnish proof of payment of taxes and association fees, if any. Tax data shall include information indicating whether property is presently taxed at "agricultural use" or "open space" value.
  - (f). Donor to furnish, at a minimum, a report of an Environmental Protection Agency (EPA) Level 1 inspection and access to the property for a personal inspection by a Mission Presbytery representative prior to the time of receipt of the property. The Funding and Stewardship Division will carefully evaluate whether a more extensive PA report will be required prior to acceptance.

An Environmental Waiver will be necessary at the time of both receipt and sale of the property. Donor shall warrant that the property has not been and is not now being used in violation of any federal, state or local environmental law, ordinance or regulation. The Funding and Stewardship Division may require more definitive warranties regarding environmental matters before accepting the property.

(g). An endangered species limitation, a change in the Agricultural Use Exemption or an Open Space limitation on use of the property will cause additional stuffy of the proposed gift by Mission Presbytery representatives.

(h). If the gift is received by Mission Presbytery, ordinarily the terms of the acceptance will include a requirement that the Donor pay property taxes and maintenance costs on the property until the property is sold. This feature may be waived if the property is to be retained by Mission Presbytery for use in its exempt purpose.

(i). Proposed gifts of individual interests or partnership interests in property are likely to be refused by Mission Presbytery because of the problems such interests sometimes generate. However, a Donor still contemplating such a gift is encouraged; a) to give the representatives of Mission Presbytery the maximum time to evaluate the proposal; and b) to pay for professional evaluation by Mission Presbytery.

(j). Gifts of real estate will ordinarily be offered for sale as soon as possible unless the real estate is to be used by Mission Presbytery for its exempt purpose.

(k). A prior understanding should be reached with the Donor as to whether or not the real estate is anticipated to be used by Mission Presbytery in its exempt purpose or disposed of within two years.

(l). Donor to furnish warranty that there are no known pending or threatened claims against the property.

(m). All conveyances shall be by General Warranty Deed.

(n). Donor to furnish disclosure of property condition identical to that set forth in Texas Property Code Section 5.008. The disclosure shall be at least as comprehensive as that set forth on the Texas Real Estate form entitled, "Seller's Disclosure of Property Condition."

5. **Tangible Personal Property.** The Funding and Stewardship Division shall evaluate each gift of tangible personal property to determine its fitness, working condition, use in the mission of Mission Presbytery, and ease of disposition if not to be used in the mission of Mission Presbytery. The Donor must provide the Funding and Stewardship Division with documentation that the property is free of liens, claims, or subject to any notes payable or loans. The Funding and Stewardship Division has the discretion not to accept gifts of personal property if it determines that the property is worthless, can not be used in the mission of Mission Presbytery, or well create a liability for Mission Presbytery.

6. **Mineral Interests.** Interests in minerals must require study by the Funding and Stewardship Division before acceptance. Donors contemplating such gifts should be very specific as to the type of property interest proposed to be gifted, and any future obligations foreseen. The Funding and Stewardship Division may seek legal or other expert opinions about the gift before acceptance.

7. **Gifts in Trust** – Gifts in Trust must require study by the Funding and Stewardship Division before acceptance. Donors contemplating such gifts should be very specific as to the type of property interest proposed to be gifted, and any future obligations foreseen. The Funding and Stewardship Division may seek legal or other expert opinions about the gift before acceptance.
8. The Funding and Stewardship Division may require indemnification by Donor as it deems necessary before accepting a gift on behalf of Mission Presbytery.
9. Legal fees and fees for other experts concerning a gift to Mission Presbytery must ordinarily be assumed by the Donor. The Funding and Stewardship Division may engage the services of experts, if in the major view of the Funding and Stewardship Division it is in the best interest of Mission Presbytery without reimbursement from the Donor.
10. In accordance with the Internal Revenue Service Substantiation and Disclosure Requirements, upon request a receipt will be given to the Donor for any gift, valued or expected to be valued at \$250.00 or more. If the value of an item exceeds \$5,000.00, a representative of Mission Presbytery will also cooperate in the completion of requires federal (and state) forms and strive to do so in a timely manner. Representatives of Mission Presbytery will confine their documentation of non-cash and in-kind gifts to a description and the date of the gift, but will not state a value. Representatives of Mission Presbytery will also disclose the value of any consideration given to the Donor in return.