



Policies and Procedures for Managing Your Planned Giving Program

Stewardship Kaleidoscope 2021

1

Introductions

- The Rev. Ellie Johns-Kelley – Ministry Relations Officer from the Presbyterian Foundation for Allegheny & Chesapeake Region
- Who are you?
- Why are you here today?

2

Basics of a Healthy Planned Giving Program

- Assemble Your Team
- A Vision Statement
- Legacy Circle Charter
- Policies
- Procedures for Implementation
 - Communication Plan



3

Building a Vision Statement

- Practice financial transparency
- An inspirational legacy vision, in 300 words or less
 - explains the need for bequests and legacy gifts
 - Demonstrates the difference such gifts can make to build and protect the future of the church
- Best incorporated into communication materials, messages and presentation

Resources:
-Building a
Vision
Statement
-Vision
Statement
Examples

4

Presbyterian FOUNDATION

BUILDING A VISION STATEMENT

Answer all questions, edit as needed to fit within the parameters, answer in order and complete in sitting.

- Who are you? Name, important identifying features (to you (e.g. age, gender, professional/job relationship status, etc))
- When did you first become aware of XYZ Church/Organization?
- How did you first become aware of XYZ Church/Organization?

Presbyterian FOUNDATION | Planned Giving Program Sample

LEGACY PROGRAM VISION STATEMENT EXAMPLES

- To provide a lasting foundation for the work of the Presbyterian Church in providing a home where everyone can grow in their personal discipleship, and in the work of Jesus Christ that they bring to the world. [The X] Presbyterian Church was originally founded in 1942 with spirit and remainder brick used to build our home. Since then we have grown tenfold and serve in mission in over 40 countries. It is this legacy that we honor as we commit to growing in our discipleship that we been supported by the generations of disciples for the next 70 years and beyond. As we have our obligation to serve the generations that will come after us.
- To create a lasting foundation for the work of [X] Presbyterian in providing a home for everyone to experience the good news of God and an opportunity to deepen their relationship with Jesus Christ. We are committed to providing a lasting home that will serve as a place of worship, a place to learn, and a place for spiritual growth. For over one hundred years there has been a strong Presbyterian presence in [X] and [X] Presbyterian Church is a living piece of that legacy. As we have been supported by the generations who have come before us we recognize and fulfill our obligation to serve the generations that will come after us.
- To provide a lasting, supportive foundation for the work of [X] Presbyterian Church in offering a home for everyone to worship God, work to equip disciples, and learn to actively love and serve the world. [X] Presbyterian Church was established in the 1980s with a desire to support the faith of individuals and families in the region. With this spirit of building we are inspired to provide for and to serve the generations that will come after us.
- To provide a lasting foundation for the work of [X] Presbyterian Church in providing a home for everyone to grow, live, and develop their faith in Christ. We are committed to providing a lasting home that will serve as a place of worship, a place to learn, and a place from which we serve. [X]'s history dates back to 1872 originally serving the [X] Tribe. Our legacy is one of mission and expansion, growing to embrace more cultures in 1951 and expanding our community presence since that time. As we have been supported by the generations who have come before us we recognize and fulfill our obligation to serve the generations that will come after us.

Presbyterian FOUNDATION

5

Legacy Circle Charter

- Document approved by session/council outlining how the program is going to work
- Celebrates the decision members have made to name the church as a beneficiary
- Useful tool in leveraging the stories to inspire others of why members were moved to create a legacy
- Helps to tell the story of the origin of gifts years down the line

Legacy Program Proposal

Presbyterian FOUNDATION

6

LEGACY PROGRAM PROPOSAL

Proposed Name: XYZ Presbyterian Church Legacy Circle

XYZ Mission: XYZ exists to serve Jesus Christ and grow in him.

Mission of the XYZ Legacy Circle: To create a lasting foundation for the work of XYZ in providing a home for everyone to develop their relationship with Jesus Christ and each other. We are committed to providing a lasting home that will serve as a place of worship, a place to learn, and a place from which we serve.

XYZ was originally founded in XXX, and is committed to being a place of nurturing, equipping, going and celebrating for generations to come. As we have been supported by the generations who have come before us, we recognize and fulfill our obligation to serve the generations that will come after us.

The XYZ Legacy Circle is made up of those individuals who have left or will leave a gift to the XYZ Future Fund, so that the blessing of being in relationship with Jesus Christ may be experienced by all.

Gifts to the Legacy Circle Future Fund may be designated to any of the following uses that we believe will allow us to continue to serve for generations to come. Any gift not specifically designated will be used for the general support of XYZ where needed most:

1. Adult education and mission
2. Youth education and mission
3. Art and Music
4. Buildings, Property Management, and Environmental stewardship

General gifts made through an estate or other testamentary bequest that are not specifically designated as intended for the Legacy Circle Future Fund shall be divided as follows: 50% of the total gift shall be given to the Legacy Circle Future Fund, and 50% shall be placed into the operating budget for the current fiscal year in which the gift is received.

Policies

Definition of Policy

1. :prudence or wisdom in the management of affairs
:management or procedure based primarily on material interest
2. :a definite course or method of action selected from among alternatives in light of given conditions to guide and determine present and future decisions
: a high-level overall plan embracing the general goals and acceptable procedures especially of a governmental body

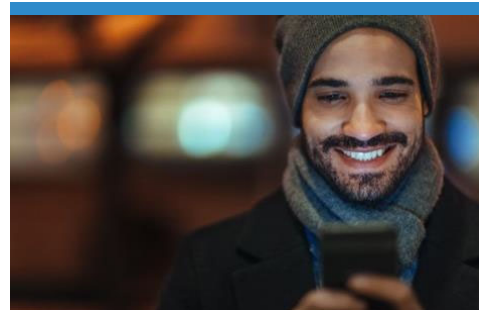
Merriam-
Webster.com

Presbyterian
FOUNDATION 

9

Why have policies?

- Build confidence in your planned giving program by having clear policies that help explain how donors' gifts will be used
 - Clarity for the Donor
 - Clarity for the session/council
- Provide consistency for your program for the management of gifts and carrying out the long-term vision

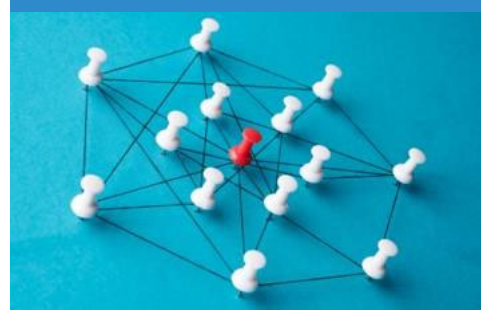


Presbyterian
FOUNDATION 

10

What policies do...

- Establish guidelines for what gifts can be accepted
- Create structure for how gifts will be used
- Develop criteria for how funds will be invested



11

What policies do you need?

- Gift Acceptance Policy
- Fund Management Policy
- Invest Policy Statement
- Investment Committee Charter

See samples in
Stewardship
Navigator

12

Gift Acceptance Policy



Planned Giving Program Sample

DONATION

Purpose

The purpose of this policy is to provide guidance to the church in order to accept gifts that are in the best interest of the church and its members.

E. Fair Market Value

The church will not be a party to inflating the value of a donation above its true fair market value in order to gain an additional tax advantage for a donor.

F. Confidentiality

All donor information will be kept in confidence. No announcement will be made without permission from the donor, or a representative of the donor, if the donor is deceased. Because stories of faithful Christian generosity are treasured by the church, permission will normally be sought to re-print stories of generosity in the church's newsletter or on its website.

A. Legal Counsel

Donors are to be advised of the legal implications of their gifts.

O. Donations Where No Approval Required

No prior approval is required for acceptance of the following gifts: cash, annuities, deferred payment gifts, and gifts of non-traditional assets such as art, collectibles, and real estate. Gifts of these types of assets should be accepted only if they are received through a recognized foundation (such as a trust, annuity, or other recognized foundation) or if they are received through a recognized organization (such as a charity or other recognized organization) that is involved in widely recognized and charitable activities.

B. Minimum Donation Amount

Donations will be evaluated based on their value and the donor's intent.

H. Donations Where Prior Approval is Required

Acceptance of the following classes of assets requires prior approval of the church's governing body or its designated representative: restricted stocks, private stocks, real estate, and other assets that are not "contract" or "legend" stock, or otherwise restricted as to their use.

C. Asset Classes

Donations that include securities should be segregated into a separate account.

D. Documentation

All donations that are subject to this policy must be accompanied by appropriate documentation, including a receipt and a valuation report.

will normally be the loan's unpaid principal value, but the loan's value must be adjusted if its interest rate is above or below current market rate. Potential issues surrounding the underlying collateral must also be carefully evaluated. Life Insurance (policy ownership): Requires prior approval to determine whether the church could incur any future premium obligation. Normally donations of life insurance policies are accepted only with a commitment by the donor to make all future premium payments. Remainder Interest: This donation usually involves a personal residence or farm, with a life estate retained by the donor, and is usually acceptable as long as the donor is obligated for related ongoing payments such as mortgage payments, taxes, insurance and repairs during their life estate in the property. Prior approval is required for remainder interest donations for the same reasons that apply to real estate donations. Bargain Sale of Real or Personal Property: This donation is a transaction where the church purchases property from the "donor" at a discount from its fair market value, thereby yielding a tax-deductible donation equal to the discounted amount. Proper valuation of the property purchased is especially important. Less Desirable Donations: Some donations could expose the church to undue financial risk, especially if they involve assets that are outside the church's knowledge or normal management expertise, and should therefore not normally be accepted as donations. If, after very careful review of such a proposed donation, [committee] recommends acceptance, then final acceptance is required by the Session. Examples of donations in this category are as follows: Annuity contracts where the church is obligated to make the annuity payments. Trusts where the church is named as the trustee. Contracts that require future payments by the church, especially cases where either the value of the underlying asset or the total of the future payments is difficult to determine. Mineral rights, because of depletion allowances and reserves. Tangible personal property and works of art, because of the challenges of proper valuation. Partnership interests, because of the potential liability to the church attendant to becoming a partner, management attention that could be required, and potential limitations on liquidating the interest in the partnership.



Fund Management Policy



Planned Giving Program Sample

LEGACY PROGRAM MULTI-FUND MANAGEMENT POLICY

The Presbyterian Foundation is a not-for-profit organization. This is a sample document.

LEGAC

1. Establish purpose

The purpose of this policy is to provide guidance to the church in order to accept gifts that are in the best interest of the church and its members.

2. Recommend

Recommendations should be based on the church's financial needs and the donor's intent.

3. To calculate

Calculations should be based on the church's financial needs and the donor's intent.

4. To account

Accounting should be based on the church's financial needs and the donor's intent.

5. To protect

Protection should be based on the church's financial needs and the donor's intent.

6. To ensure

Ensuring should be based on the church's financial needs and the donor's intent.

7. To maintain

Maintaining should be based on the church's financial needs and the donor's intent.

8. To allocate

Allocating should be based on the church's financial needs and the donor's intent.

9. To restrict

Restricting should be based on the church's financial needs and the donor's intent.

10. To affect

Affecting should be based on the church's financial needs and the donor's intent.

B. The Church Ministries Endowment Fund: This fund shall be invested and managed as a permanent fund; principal assets of the fund shall not be available for use. This fund shall be distributed at the discretion of the Session and may be used to supplement the regular ministries of the Church, subject to the spending formula as specified below. Ministries that may be supported through this fund include but are not limited to worship, Christian education, music, or fellowship. C. The Mission and Benevolence Fund: This fund shall be invested and managed as a permanent fund; principal assets of the fund shall not be available for use. This fund shall be distributed at the discretion of the Mission Committee, or in those cases where there is no such committee, as the discretion of the Session and may be used for special programs, extended mission activity, and extraordinary benevolence. 4. Spending Formula: This formula shall be applied to all funds that are a part of this program. The spending formula is the amount of money that will be drawn from the funds annually as a distribution and spent by the church according to the restrictions of the fund. No gifts will be distributed from the funds until the account balance of all three funds combined is greater than \$100,000. This policy is meant to align with the fiscal year for the church which is January to December. Two months prior to the end of the fiscal year, the spending formula shall be calculated so that the amount can be put in the budget for the following fiscal year. The amount calculated shall be distributed from the funds to the church during the first quarter of the fiscal year and be expended by the church prior to the end of the fiscal year. The session shall also have the right to reinvest the distribution back into the fund or to place the distribution in a reserve account to be used at a later time according to the fund's restriction. To calculate the spending formula, the average account market value as reported on quarterly account statements for the 12 previous quarters shall be multiplied by [select 3%-7%]. In the event that there are fewer than 12 quarters worth of account market value history, then the average account market value for as many quarters as possible shall be used. Spending Formula = ((12 previous quarters market value) x 12) x .03-.07 5. Investment Policy Statement: The funds will be invested in a manner with the goal to achieve a long-term appreciation that outpaces the spending formula over time and that targets growing the equity of the funds in order to keep up with inflation. The session may choose to hire an investment advisor, however to avoid a conflict of interest, the investment advisor may not be a member of the church. - Investment Objective: Capital Appreciation and Income Generation - Tax Consequences: Non-profit 501(c)(3) status - Investment Time Horizon: Long-term (permanent) funds - Risk Tolerance: Knowledgeable Investor - Moderate to low risk tolerance - Permissible Investments: Subject to Prudent Investor and the Uniform Management of Institutional Funds Act - Socially Responsible Investments: Follow the investment guidelines as defined by the PCUSA. - Performance Measurement: Total returns shall be compared to a weighted benchmark composite



Procedures

15

Definition of Procedures

1. :a particular way of accomplishing something or of acting
:a step in a procedure
2. :a series of steps followed in a regular definite order
//legal procedure
//medical procedure
:a set of instructions for a computer that has a name by
which it can be called into action
3. :a traditional or established way of doing things
:Protocol sense 3a

Merriam-
Webster.com

16

Best Practices for Managing a Planned Gift Program

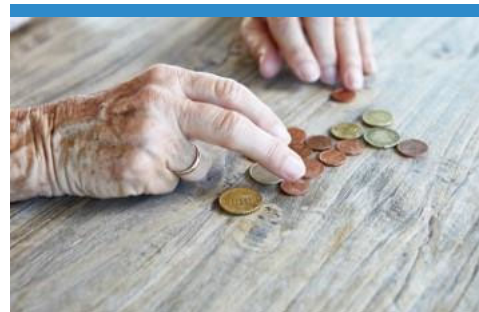
- Have an annual communications plan to keep the conversation going
 - Share the vision
 - Create a brochure
 - Add a planned giving webpage to your website
 - 12-4-2-1
- Don't be afraid to ask
- Listen to the donor's story of connection to this ministry
- Celebrate the decision to create a legacy as well as celebrate those received and stewarded
- Gratitude – Donor Recognition
- Prepare Staff and Volunteers – start with thank you and know where to direct the donor



17

Ask

- Send an invitation to a planned giving event:
 - Potential Donors
 - Members
 - Friends
- Personal ask for long time contributors as well as significant contributors



18

Donor Recognition

- Initial handwritten “thank you” note following commitment to give
- Annual thank you event
 - Over a meal
 - A desert reception
 - Recognition in worship
 - A small symbolic gift
- Opportunity to share story



A

- Planned Giving Commitment
- Letter of Intent for Future Giving
- Box on Pledge/Estimate
 - Desire for more info on Giving
 - Donor has included Plans
- Charter for high threshold the establishment of a donor access current and long

Setting future generations up to thrive in ministry...

You have heard the call
SESSION ACTION FORM

Webster Groves Presbyterian Church

From:	Commission
Planned Giving & Endowment Foundation of WGPC	Church Board
	Staff Member
	Church Officer

It is hereby requested that the following action be taken by the Session at its next meeting on

Date: October 20, 2015

WHY I GIVE:

WHY I GIVE

I HOPE THAT

The Endowment Board recommends that the Session, upon receipt of a large bequest gift, initiate the formation of a new and separate committee whose sole purpose shall be the allocation of all individual undesignated bequest/gifts received by WGPC in the amount of \$250,000 or more. Allocation shall be made following a thorough examination by the Committee of the current as well as the long term needs for these funds. This Committee shall be structured as follows:

- 2- members of the Endowment Board
- 1- member, Property Committee Chairman
- 1- member, Finance Committee Chairman
- 1- member, Deacon Moderator
- 2- members of Session (Selected by Senior Pastor and Clerk of Session)
- 7- Total Members

The Senior Pastor and Business Administrator shall serve as ad-hoc members of the Committee with neither having a vote.

As the respective terms of office of each Committee member expires, their successor to that office shall become a member of the Committee.

Motion:
Reasons supporting this motion:
What this

To establish the criteria to be used if or when a large bequest or gift is received.

motion seeks to accomplish:

Rules will remain in place until the receipt of a large bequest of gift necessitates the formation of the actual committee

Next steps, if approved, are:
Funding considerations, if any, are:

None

S



Resources

For PCUSA committees

- www.PresbyterianFoundation.org
- Your Ministry Relations Officer
- www.stewardshipnavigator.com
- Legacy of a Lifetime Brochure
- www.churchfla.com Code: PCUSA

For ELCA committees

Please contact your Regional Gift Planner
<https://www.elca.org/Resources/ELCA-Foundation>



21



The Rev. Ellie Johns-Kelley
 Ministry Relations Officer
 Allegheny and Chesapeake Region
Ellie.Johns-Kelley@PresbyterianFoundation.org

200 E 12th Street Jeffersonville, IN 47130 800-858-6127 presbyterianfoundation.org



22