

# Archdiocese of Louisville

## Gift Acceptance Policies

### I. Mission Statement

We are the Catholic Church in Central Kentucky, a community of believers rich in our tradition and in our diversity striving for fullness of life in God. In communion with the Bishop of Rome, our mission is to proclaim the good news of Jesus Christ by:

***Worshipping*** God in word and sacrament.

***Teaching*** and sharing the faith.

***Serving*** the human needs of society especially the poor and oppressed.

***Promoting*** holiness of life through continuing conversion.

***Fostering*** reconciliation and harmony among all God's people.

*We commit ourselves to thankfulness through the responsible stewardship of all God's gifts.*

### II. Purpose of Gift Acceptance Policies

The Archdiocese of Louisville, its parishes and schools, and affiliated organizations solicit gifts to advance the work entrusted to the local Catholic Church by Jesus Christ and to ensure that the Church will be able to continue that work for future generations. The gift acceptance policies contained herein outline the types of gifts that are acceptable as well as the considerations and processes used to determine the acceptability of a gift. These policies are intended to be a resource to prospective donors and their advisors as well as archdiocesan, parish, and school staffs, and their development committees and boards.

### III. Archdiocese of Louisville – Legal Title and Contact Information

The Archdiocese of Louisville's legal title is: The Roman Catholic Bishop of Louisville, a corporation sole.

The official address is: The Chancery, 212 E. College St., Louisville, Kentucky 40203.

The official mailing address is: The Archdiocese of Louisville, P.O. Box 1073, Louisville, KY 40201-1073

Donors or their advisors needing information regarding making a gift for the benefit of the Archdiocese of Louisville, its parishes and schools, or affiliated organizations should contact the Director of the Office of Stewardship and Development as follows:

By phone: (502) 585-3291

By mail: Archdiocese of Louisville

Office of Mission Advancement

P.O. Box 1073

Louisville, KY 40201-1073

By email: [plannedgiving@archlou.org](mailto:plannedgiving@archlou.org)

### IV. Authority to Accept Gifts

As a corporation sole, [i.e. The Roman Catholic Bishop of Louisville], the Archbishop shall have final authority with regard to gift acceptance policies, the modification or waiver of such policies, and the decision to accept or reject a specific gift on behalf of the Archdiocese of Louisville, its parishes and

schools, or affiliated organizations. The Archbishop is assisted in this work by senior archdiocesan staff, pastors or school principals when a parish or school is involved, archdiocesan legal counsel, and archdiocesan advisory committees. Nothing contained in these policies shall conflict with any provision in Canon Law pertaining to the responsibilities or rights vested in the Archbishop, pastor, principal, or other concerned party.

The Archdiocese reserves the right to refuse any gift, including gifts that are inconsistent with the Church's stated mission, purposes, and priorities; or a gift that would impose an unreasonable burden or risk to the Archdiocese.

## **V. Conflict of Interest**

The Archdiocese urges all prospective donors to seek the assistance of qualified legal and financial advisors in all matters relating to gifts or proposed gifts to the Archdiocese, its parishes and schools, or affiliated organizations. Archdiocesan personnel or representatives are available to assist donors and their advisors; however in no case shall archdiocesan personnel or representatives represent the donor. Any opinions or information provided by archdiocesan personnel or representatives is not intended to serve as specific legal, accounting, or tax advice.

## **VI. Acceptable Gifts**

### **1. Cash**

Cash gifts may be made in the form of cash, check, or in certain instances by credit card. All gifts should be made with an accompanying letter specifying the purpose and/or beneficiary of the gift.

Gifts for the benefit of the Archdiocese or an affiliated organization can be made as follows. Checks should be made payable to the Archdiocese of Louisville and mailed to: P.O. Box 1073, Louisville, Kentucky 40201. Cash gifts should be delivered in person to the Archdiocese of Louisville at its Chancery Building located at 212 East College St., Louisville, Kentucky 40203.

Cash gifts or checks for the benefit of a parish or school should be made directly to the parish or school.

Credit card gifts on behalf of the annual Catholic Services Appeal or the Building a Future of Hope campaign can be made via the following credit cards: VISA, MasterCard, Discover, and American Express. Cash or credit card gifts to these funds may also be made online via the Archdiocese's website at [www.archlou.org](http://www.archlou.org).

### **2. Publicly-Traded Securities**

The Archdiocese can accept securities that are traded on the New York and American Stock Exchanges, as well as other major U.S. and foreign exchanges, the NASDAQ, corporate bonds, government issues, and agency securities. In general, all donations of this type are sold as soon as possible after their receipt unless otherwise recommended by the Chief Financial Officer of the Archdiocese in consultation with the Archdiocese's Investment Advisors.

The Archdiocese may not agree to hold a publicly-traded security or sell such a donation through a specific broker based on an instruction from the donor without the prior approval of the Chief Financial Officer and archdiocesan Investment Advisors.

Securities may be physically delivered to the Archdiocese in person or by mail to the addresses listed in Section III. If the donor mails securities, certificates should be sent unsigned and by registered mail. It is imperative that the signature on the stock/bond power exactly match the name on the certificate. Securities may be wired to the Archdiocese's brokerage account at Morgan Stanley located in Louisville, Kentucky

Archdiocesan account information is as follows:

Morgan Stanley DTC #0015  
Account #034-018401  
Account of The Roman Catholic Bishop of Louisville  
Tax ID #61-0447247

## **Gift Recipient Information Donor**

### **3. Closely-Held Securities**

Interest in closely-held or non-publicly traded entities, including, without limitation, sole proprietorships, general and limited partnerships, corporations, real estate investment trusts (REITs), and limited liability companies, may be accepted only after review and approval by the Archbishop in **consultation with others that the Archbishop** deems appropriate. Such review shall consider the marketability of the interest, any restrictions on its sale, the potential liability associated with the holding of such interest, and any tax consequences for the Archdiocese related to the holding and/or disposing of such interest. In general, if accepted, such gifts shall be sold as soon as possible following their receipt.

### **4. Restricted Securities**

The Archdiocese of Louisville may accept restricted securities (also known as unregistered securities, investment-letter stock, control stock or private placement stock). Because of the complexity in transferring ownership and determining the fair market value of restricted stock, such gifts may be accepted only after review and approval by the Archbishop in **consultation with others that the Archbishop** deems appropriate.

### **5. Tangible Personal Property**

Gifts of tangible personal property, including but not limited to, antiques, collections, manuscripts, books, vehicles, marine vessels, and computer hardware may be accepted only after review and approval by the Executive Committee.

A gift of tangible personal property will only be accepted when a review indicates that the property is readily marketable. No personal property shall be accepted under conditions that obligate the Archdiocese to continue to own the property in perpetuity. In addition, no perishable property or property that would require special facilities or security to be properly safeguarded shall be accepted. Tangible personal property given to the Archdiocese shall be sold as soon as possible following receipt.

The Archdiocese's intention to sell the property shall be communicated to the donor when the Archdiocese receives notification of the donor's intent to make a gift of personal property.

## 6. Real Estate

Gifts of real estate, both improved and unimproved, may be accepted only after review and approval by the Archbishop after consulting with the Chief Financial Officer, Finance Council, legal counsel, and others that the Archbishop deems appropriate.

It is the Archdiocese's general policy to dispose of all gifts of real estate as expeditiously as possible. This policy will be communicated to a donor when the Archdiocese receives notification of the donor's intent to make a gift of real estate.

Before accepting a gift of real estate, the Archdiocese **may require the following:**

- a title insurance commitment showing marketable title in the donor, free and clear of unacceptable encumbrances, issued by a reputable title insurance company;
- an MAI appraisal by a qualified appraiser (not older than 60 days);
- a Phase 1 environmental **audit certified by a qualified engineering** firm indicating that ownership will not expose the Archdiocese to environment liability;
- a market feasibility study for purpose of liquidation (when appropriate);
- an on-site evaluation by the Archbishop's designee;
- a structural engineering report (when appropriate);
- a review of leases (for commercial property);
- evidence of compliance with the America with Disabilities Act (when applicable);
- a disclosure statement from the donor reflecting any and all carrying costs, including but not limited to taxes, insurance, association dues, membership fees and transfer charges.

It should be noted all cost related to the environment impact study, title search, appraisal, marketability study and any other related study **may be payable by donor.**

## 7. Life Insurance

The Archdiocese will accept gifts of life insurance policies of which it is named the irrevocable owner and beneficiary. The Archdiocese may accept a "paid-up" policy (i.e., no additional premiums policy **are required.**)

The Archdiocese **may** make premium payments on a donated policy **whether** the donor makes annual gifts at least equivalence to the amount of the premium. **The gift could be cash, stock or other asset that the Archdiocese could receive, sell, then use the cash to pay premium on the policy.** The Archdiocese may, but is not obligated to continue to pay the premiums if the donor elects not to continue to make gifts to cover premium payments. In that instance, the Archdiocese may allow the policy to lapse, convert the policy to paid-up insurance or surrender the policy for its current cash value.

## 8. Other Property

Other property of any description (e.g. mortgages, notes, copyrights, royalties, etc) may be accepted only with the approval of the Archbishop. The difficulty inherent in establishing the acceptability of this class of assets requires a thorough review of such gift proposals. In particular, the Archbishop and his designees will review the marketability of the gift, the carrying cost associated with it and the potential exposure of the Archdiocese with regard to tax and other liabilities. Given the complexity of such assets, consideration should be given by the donor to dispose of the property and donate the proceeds to the Archdiocese.

## VII. Ways to Give

### 1. Outright Gifts

The Archdiocese accepts outright gifts that are consistent with the current gift acceptance policies.

### 2. Bequest

A bequest to the Archdiocese is made in the donor's Will or Revocable Trust. The donor can direct that a specific dollar amount, certain assets, a percentage of the donor's estate or trust, or the remainder of the donor's estate or trust be distributed to the Archdiocese. While all bequests are contingent, in that the donor can change his/her Will or Revocable Trust prior to the donor's death, the donor can further condition a bequest to the Archdiocese upon the occurrence or non-occurrence of a particular event (e.g. survival of a named person, birth of a child, etc.). Accordingly, a bequest to the Archdiocese is not "complete" until the death of the donor and, where applicable, the satisfaction of the condition.

A bequest may be made to the Archdiocese through the execution of a Will or Revocable Trust or by a Codicil or Amendment, respectively, thereto.

### 3. Beneficiary Designations

The Archdiocese may accept amounts it receives as a designated beneficiary (primary contingent) of a life insurance policy, deferred annuity contract, IRA, defined benefit plan, 401(k) plan, profit-sharing plan or other qualified plan. If the Archdiocese is anything other than an outright beneficiary of such assets, a prior review and approval by the Archbishop and/or his designees shall be required.

### 4. Charitable Remainder Trust

A charitable remainder trust is established by an irrevocable gift to a trustee made during the donor's lifetime or upon the donor's death. The primary feature of a charitable remainder trust is that it provides for periodic payments of a fixed percentage (not less than 5%) of the value of the trust assets to the donor and/or another person specified by the donor, for life or a specified term of years (not to exceed 20), after which the trust assets pass to the Archdiocese. The most common forms of charitable remainder trust are Charitable Remainder Annuity Trusts (CRATs) and Charitable Remainder Unitrusts (CRUTs). The significant difference between a CRAT and CRUT is that the annual payment from a CRAT is fixed percentage of the initial value of the trust, while the payout from a CRUT is calculated by applying the fixed percentage to the value of trust, valued annually. Additional contributions may be made to a CRUT, but no additional contributions may be made to a CRAT.

The Archdiocese may accept a designation as remainder beneficiary of a charitable remainder trust, provided that the gift does not violate any other provisions of these policies as they relate to the types of assets or restrictions that may be accepted.

In general, the Archdiocese will not serve as the Trustee or as a co-Trustee of a charitable remainder trust. Exception may be made with the prior approval of the Archbishop. In the event the Archdiocese agrees to serve as Trustee or co-Trustee of a charitable remainder trust, gifts of any asset other than cash or unrestricted publicly-traded securities, or a combination or both, will not be accepted as funding for such trust. Any agreement pursuant to which the Archdiocese consents to serve as Trustee or co-Trustee of a charitable remainder trust shall be reviewed and approved by the Archdiocese's legal counsel before any acceptance of the agreement.

## **6. Charitable Lead Trust**

A charitable lead trust is a trust from which the income or “lead” interest is paid to the Archdiocese for a set number of year (not to exceed 20), after which the remaining trust assets pass to one or more non-charitable beneficiaries designed by the donor. The amount paid to the Archdiocese may be either a fixed sum (an “annuity” interest) or a percentage of the trust assets valued each year (a “unitrust” interest). Moreover, a charitable lead trust may be established during the donor’s lifetime or upon the donor’s death pursuant to a Will or Revocable Trust.

The Archdiocese may accept a designation as remainder beneficiary of a charitable remainder trust with the approval of the Archbishop provided that the gift does not violate any other provision of these Gift Acceptance Policies as they relate to the types or purposes of gifts that may be accepted.

The Archdiocese will not serve as the Trustee of a charitable lead trust.

## **7. Retained Life Estates**

The Archdiocese may accept a gift of personal residence or farm where the donor (and/or another person) retains the right to use the property for a term of years or for the life of live of the donor and/or another person. Upon the expiration of the retained interest, the Archdiocese may use or sell the property as it sees fit.

Such gifts are subject to the conditions and guidelines applicable to gifts of real estate. The gift is accomplished by the execution of a Deed to the Archdiocese pursuant to which the retained interest is expressly reserved. In addition, the donor must enter into a Retained Life Estate Agreement (RLEA) which provides that the donor and/or the life tenant shall remain responsible for maintenance, taxes, utilities, insurance and other cost associated with the property, unless other arrangements are made for the payment of these expenses and such arrangement has been approved by the Archbishop. The Deed and the RLEA shall be reviewed and approved by the Archdiocese’s legal counsel.

## **8. Bargain Sales**

The Archdiocese may enter into a bargain sale arrangement with respect to an unrestricted gift (i.e. not to a particular fund) only with the consent of the Archbishop. Such arrangements are subject to the condition and guidelines applicable to gifts or real estate.

# **VIII. Miscellaneous Provisions**

## **1. Appraisals and Legal Fees**

Normally it would be the responsibility of the donor to secure and pay for an appraisal (when required) and independent legal counsel for all gifts made to the Archdiocese.

## **2. Confidentiality**

The Archdiocese, its staff, and advisory boards/committees shall hold all information concerning (prospective) donors and their proposed gifts in the strictest confidence. A donor may grant permission to the Archdiocese to publicly announce any gift or feature of gift to the public.

## **3. Acknowledgement**

The Archdiocese shall follow Internal Revenue Service regulations with respect to the acknowledgement of gifts. The donor retains sole responsibility for determining the value of the gift to the Archdiocese.

#### **4. IRS Filings upon Sale of Donated Property**

If the Archdiocese sells, exchanges, or otherwise disposes of any property (other than unrestricted publicly-traded securities) with a claimed charitable deduction value in excess of \$5,000 within three years of the date the Archdiocese originally received the property, or such amount or within such time as may be hereinafter required by the Internal Revenue Service, the Archdiocese shall file IRS Form 8282, or its successor, and provide a copy to the donor.

#### **5. Amendment of Gifts Acceptance Policies**

The policies shall be subject to periodic review and may be amended by the Archbishop at his discretion.

### **Appendix 1**

NCPG MODEL STANDARDS OF PRACTICE  
National Committee on Planned Giving  
FOR THE CHARITABLE GIFT PLANNER

#### **Preamble**

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

#### **I. Primacy of Philanthropic Motivation**

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

#### **II. Explanation of Tax Implications**

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

#### **III. Full Disclosure**

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport as a representative of any charity without the express knowledge and approval of the charity,

and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

#### **IV. Compensation**

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of the gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

#### **V. Competence and Professionalism**

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

#### **VI. Consultation with Independent Advisers**

A Gift Planner acting on behalf of charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

#### **VII. Consultation with Charities**

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

#### **VIII. Descriptions and Representations of Gift**

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

#### **IX. Full Compliance**

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

#### **X. Public Trust**

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.



Adopted and subscribed to by the National Committee on Planned Giving and the American Council of Gift Annuities, May 7, 1991. Revised April 1999.