

Lafayette Diocesan Foundation, Inc.
Gift Acceptance Policy

Approved by LDFI Board of Directors on 11/27/18

Consistent with the precepts of Canon 1262 and other relevant Canons, it is important for the Diocese to carefully consider the need to establish guidelines for the proper handling of gifts to the Church. This document is written with the primary purpose of preserving the donor's charitable intentions and specifically the precepts of Canon 1267§3, "Offerings given by the faithful for a specified purpose may only be used for that purpose."

The Lafayette Diocesan Foundation, Inc. ("the Foundation") is deeply appreciative of donors who choose to make the Foundation a priority when planning their charitable contributions. The Foundation gladly accepts donations for the support of its various endowed funds and designated charitable purposes. The Foundation is an Indiana corporation with its own board of directors and separate from The Roman Catholic Diocese of Lafayette-in-Indiana ("the Diocese"). The following is meant to be a set of guidelines for the evaluation and acceptance of donations.

I. Authority for Accepting Gifts

The authority to accept gifts for the support of the Foundation is vested with the Bishop of the Diocese of Lafayette-in-Indiana ("the Bishop"). The Bishop has delegated that authority to the following individuals:

The Board Chairperson of the Foundation and the Director of the Office of Stewardship and Development of the Diocese ("the Director") shall have the authority to accept gifts of cash, cash equivalents, and gifts-in-kind to be used for the funding of endowments and designated funds of the Foundation.

The Director, in consultation with the Bishop and the Board Chairperson, shall have the authority to accept other gifts, e.g., stock/interests in closely held companies, real estate (providing there is a clean Phase I environmental report), artwork and "bargain sales"

The Director and the Board Chairperson shall refer decisions on accepting gifts to the Bishop for gifts which in their judgments are either contrary to established rules, procedures, or law or may have a major impact on the Foundation's mission and programs.

II. Gift Types

Cash, Checks and Credit Card

The Foundation accepts gifts made as cash, through a valid checking account or by means of a credit or debit card. The date of the gift is recorded as the date the gift is received in the Office of Stewardship and Development, with the exception of gifts received at the close of the calendar year. At that time the date of the postmark on the envelope shall serve as the gift date.

Gifts of Appreciated Securities

Gifts of appreciated property in the form of stock are accepted by the Foundation through the approved brokerage account. The donor must initiate the transfer of securities either electronically or make arrangements for physical delivery with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached. Before a transfer is made, it is the donor's responsibility to inform the Foundation that a stock donation is in process and that the Foundation shall be the beneficiary of the gift. As a general rule, all marketable securities shall be sold immediately upon receipt and the proceeds, in the form of a check, will be forwarded to the Foundation.

Gifts of Tangible Personal Property (Gifts-In-Kind)

Gifts of tangible personal property (other than securities) may be accepted by the Office of Stewardship and Development provided that they meet the approved needs of the Foundation and do not place an undue burden on the Foundation to maintain. Gifts of Tangible Personal Property are deductible according to their Fair Market Value (FMV) as evidenced by the donor. For proper acknowledgment, donors should provide the Foundation with a detailed description of the item when making the donation. In accordance with IRS guidelines, the Foundation will provide the donor with an acknowledgement of the gift, but will not acknowledge an assumed FMV unless the donor provides an independent appraisal. In any event, it is the donor's responsibility to substantiate the FMV to the IRS.

If the gift is valued by the donor over \$500, the donor must file IRS Form 8283. In addition, the donor must obtain a qualified appraisal to determine the value of donations exceeding \$5,000 and submit an appraisal summary to the Foundation (IRS Form 8293, part B). Should the Foundation sell a gift with an original value over \$500 within three years of receipt, the Foundation will submit a Donee Information Return (IRS Form 8282) stating the value of the sale.

Gifts of artwork, decorative items, cars, boats and airplanes require approval by the Foundation. All such assets are treated uniquely by IRS regulations both in terms of the Foundation's responsibility in accepting such gifts and the donor's responsibility in reporting them. The Foundation strongly suggests that donors consult with their tax advisors whenever making a gift of this kind.

Gifts of Real Property

Outright gifts of real estate may be accepted, but in all cases the Foundation will seek advice from legal counsel prior to approval and require an environmental review of the property.

Planned Gifts

A planned gift for this purpose is any gift that is customized to the needs and objectives of an individual donor to help that donor maximize his/her gift to the Foundation and realize personal, financial and tax benefits.

Many planned gifts are designated to be given all or in part upon the donor's passing. Donors who make such a gift are encouraged to contact the Foundation so that the Foundation can discuss the terms ahead of the effective date of the gift and to reassure the donor that his/her wishes will be fulfilled.

Donors are encouraged to make bequests to the Foundation under their wills, and to name The Foundation as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans. For more information about these options, including how to direct the gift to a specific endowment within the Foundation, please contact the Office of Stewardship and Development.

III. Giving Opportunities

Unrestricted Giving

Gifts given to the Foundation that carry no designation by the donor and are not solicited for a restricted purpose (see below) are considered to be unrestricted and will be deposited into the Foundation's Fund for the Future. The Fund for the Future is a fund administered at the discretion of the Bishop to provide for the financing of the pressing needs of the Diocese. There is no minimum threshold for unrestricted giving.

Restricted Giving

A gift given for a specific purpose is restricted in its use by the donor. For the Foundation, the specific purpose may either be a purpose designated in an already existing endowment fund, or a purpose encompassed in a new endowment fund. The Director of Stewardship and Development has the authority to accept such gifts based on the priorities of the Foundation as articulated by the Bishop and the Board Chairperson. In rare instances, gifts may not be accepted by the Foundation when the purpose for which the gift is given would be contrary to the mission or strategic needs of the Foundation. The Foundation will not accept gifts that (a) would jeopardize its status as a 501(c)(3) not-for-profit organization, (b) are too difficult or too

expensive to administer in relation to their value, or (c) would result in any unacceptable consequences for the Foundation. The minimum level of funding for an endowment is \$25,000. Below this funding level, the Foundation has the ability to redirect the use of the gift to best meet the needs of the Foundation as determined by the Board of Directors.

Endowment Giving

Gifts for facility improvements and equipment can be considered “capital” gifts. Such gifts may be made as part of a formal capital giving effort or may be for singular capital needs. Commonly, such gifts are pledged and paid over a number of years.

Gifts to endowment are permanently held and may be pooled with other funds and invested.

When creating an endowment, donors and the Foundation must reach a written agreement concerning use of the funds. The minimum gift required for establishing a separate restricted endowment is \$25,000. For more information on establishing an endowment, please contact the Office of Stewardship and Development.

Memorial and Tribute Gifts

Donors may give a gift in memory or honor of a friend, or relative at any time. Notification will be sent to the family or honoree informing them of the donor’s gift.

IV. Stewardship

The Foundation is grateful for all gifts received. The Foundation endeavors to recognize all gifts in an appropriate and timely manner. Vehicles for public recognition include the Annual Report, donor recognition events, or other mutually agreed upon methods. No public recognition of a donation will take place without the donor’s consent.

V. Office of Stewardship and Development Procedures

Gift Processing and Cash Handling

All individuals employed by the Diocese Department of Administration or Office of Stewardship and Development who come into contact with money, have been cleared through an advanced background check. These departments have checks and balances for the safe handling and accounting of funds.

Gift Acknowledgement

All gifts will be documented in the Office of Stewardship and Development in the constituent record management software as soon as possible after receipt of the gift. Acknowledgment of all gifts will be made within 24 hours whenever possible. Additionally, the Foundation will furnish donors with records of their giving whenever requested.

VIII. Miscellaneous Provisions

Use of Legal Counsel and/or Qualified Tax Advisors

The Foundation urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences.

The Foundation will seek the advice of legal counsel or qualified tax advisors in matters relating to acceptance of gifts when appropriate. Review by counsel and/or qualified tax advisors is recommended for, but not limited to, the following:

- Gifts of securities that are subject to restrictions or buy-sell agreements.
- Documents naming the Foundation as trustee or requiring the Foundation to act in any fiduciary capacity.
- Gifts requiring the Foundation to assume financial or other obligations.
- Transactions with potential conflicts of interest that may invoke IRS sanctions.
- Gifts of property which may be subject to environmental or other regulatory restrictions.
- Other instances in which use of counsel or advisors is deemed appropriate by the Bishop of the Diocese of Lafayette-in-Indiana or the Board Chairperson of the Foundation.