

# **Archdiocese of Louisville Gift Acceptance Policies**

## **I. Mission Statement**

We are the Catholic Church in Central Kentucky, disciples of Jesus Christ, rich in our tradition and growing in our diversity, striving for fullness of life in God.

Led by the grace of the Holy Spirit and in communion with the Bishop of Rome, our mission is to proclaim and live the good news of Jesus Christ by:

***Worshipping*** God in word and sacrament;  
***Witnessing*** and sharing our faith;  
***Serving*** human needs, especially those of the poor and oppressed;  
***Promoting*** holiness of life through continuing conversion;  
***Fostering*** justice and mercy among all God's people.

We commit ourselves to thankfulness through 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. Information contained in these policies is of a general nature and is not intended to serve as specific legal, accounting, or tax advice. Donors should consult with an attorney or qualified expert with regard to any legal, accounting, or tax related issues.

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

The Archdiocese of Louisville's legal title is:

Roman Catholic Bishop of Louisville, a corporation sole

The mailing address is:

Archdiocese of Louisville, Pastoral Center, 3940 Poplar Level Road, Louisville, Kentucky 40213

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 Mission Advancement as follows:

By phone: (502) 585-3291  
By email: [Mission@archlou.org](mailto:Mission@archlou.org)  
By mail: Archdiocese of Louisville  
Office of Mission Advancement  
3940 Poplar Level Road  
Louisville, KY 40213

## **IV. Authority to Accept Gifts**

As a corporation sole (i.e. 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 decline 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, archdiocesan legal counsel, archdiocesan advisory committees and pastors or school principals when a parish or school is involved. 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 decline any gift, including gifts that are inconsistent with the Church's mission, purposes, and priorities; or a gift that would impose an unreasonable burden or risk to the Archdiocese.

## **V. Protection of Benefactor Interests**

The Archdiocese of Louisville 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 advise the donor. Any opinions or information provided by archdiocesan personnel or representatives is of a general nature and 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 may be made as follows.

Checks should be made payable to the **Archdiocese of Louisville** and mailed to: Archdiocese of Louisville, Pastoral Center, 3940 Poplar Level Road, Louisville, Kentucky 40213. Cash gifts should be delivered in person to the Archdiocese of Louisville at the Pastoral Center address referenced above. Cash gifts or checks for the benefit of a parish, school, or affiliated organization should be made directly to the parish, school, or organization.

Credit card gifts in support of the annual Catholic Services Appeal may be made via the following credit cards: VISA, MasterCard, Discover, and American Express. Cash or credit card gifts to the annual Appeal may also be made online via the Archdiocese of Louisville's website at [www.archlou.org/CSA](http://www.archlou.org/CSA).

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

The Archdiocese of Louisville can accept securities that are traded on the New York Stock Exchange, American Stock Exchange, NASDAQ, and other major U.S. and foreign exchanges. In addition, corporate bonds, government issues, and agency securities are acceptable gifts. 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, and as approved by the Archbishop.

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 of the Archdiocese.

Securities may be physically delivered to the Archdiocese or mailed to the address listed in Item 1 of this section. 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 the Perrone Wealth Management Group at Morgan Stanley located in Louisville, Kentucky. The Morgan Stanley brokerage firm may be contacted by phone at (502) 394-4063, and archdiocesan account information is as follows:

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

### **3. Tangible Personal Property**

Gifts of tangible personal property, including but not limited to, antiques, collections, manuscripts, books, vehicles, marine vessels, works of art, and computer hardware may be accepted only after review and approval by the Archbishop in consultation with those that he deems appropriate.

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.

### **4. Real Estate**

Gifts of real estate, both improved and unimproved, may be accepted only after review and approval by the Archbishop in consultation with those he 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's name, 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 environmental 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 Americans 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 that all costs related to the environment audit or impact study, title search, appraisal, marketability study and any other related study may be borne by the donor.

## **5. Life Insurance**

The Archdiocese will accept gifts of life insurance policies of which it is named the irrevocable owner and beneficiary. One type of life insurance gift is a “paid-up” policy for which no additional premiums are required in order to keep the policy coverage intact.

The Archdiocese may make premium payments on a donated policy when the donor makes annual gifts at least equivalent to the amount of the premium. In addition to cash, the donor’s gift could be made in the form of stock or other acceptable asset that the Archdiocese would receive, sell, and use the proceeds to pay the premium on the policy. If the donor elects not to continue to make gifts to cover premium payments, the Archdiocese, at its option, may allow the policy to lapse, convert the policy to paid-up insurance, surrender the policy for its current cash value, or continue to pay the premiums.

## **6. Other Property**

Other property of any description (e.g. closely held securities, restricted securities, mortgages, notes, copyrights, royalties, etc.) may be accepted only with the approval of the Archbishop. Due to the difficulty in establishing the acceptability of this class of assets, 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, donors should consider disposing of the property and then donating the proceeds to the Archdiocese.

# **VII. Ways to Give**

## **1. Outright Gifts**

The Archdiocese of Louisville accepts outright gifts that are consistent with its 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.

## **3. Beneficiary Designations**

The Archdiocese may accept amounts it receives as a designated beneficiary (primary or contingent) of a life insurance policy, deferred annuity contract, IRA, defined benefit plan, 401(k) plan, profit-sharing plan or other qualified plan.

#### **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.

In general, the Archdiocese will not serve as trustee or co-trustee of a charitable remainder trust. An 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 of 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.

#### **5. 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 years (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 lead 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 trustee of a charitable lead trust.

#### **6. Other Types of Gifts**

From time to time a donor may propose other types of gifts not normally received by the Archdiocese (i.e. Life Estate Trusts, Bargain Sales, Limited Business Interests, etc.). All such gift proposals will be evaluated by the Archbishop in consultation with such advisors as he deems appropriate as to their suitability to the mission of the Archdiocese and any complications involved with the receipt of such gifts.

### **VIII. Miscellaneous Provisions**

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

Normally, it will be the responsibility of the donor to secure and pay for an appraisal (when required) and costs associated with independent legal counsel for any gifts made to the Archdiocese of Louisville.

#### **2. Confidentiality**

The Archdiocese, its staff, and advisory boards/committees shall hold all information concerning 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 a gift.

### **3. Gift Acknowledgement and IRS Filings upon the Sale of Donated Property**

The Archdiocese follows Internal Revenue Service regulations with respect to the acknowledgment of gifts. The donor retains sole responsibility for determining the value of gifts to the Archdiocese.

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.

### **4. Amendment of Gift Acceptance Policies**

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

## **IX. Appendix 1**

### **NCPG MODEL STANDARDS OF PRACTICE FOR THE CHARITABLE GIFT PLANNER**

National Committee on Planned Giving

#### **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 a 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.

# A Donor Bill of Rights

**PHILANTHROPY** is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

## I.

*To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.*

## II.

*To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.*

## III.

*To have access to the organization's most recent financial statements.*

## IV.

*To be assured their gifts will be used for the purposes for which they were given.*

## V.

*To receive appropriate acknowledgement and recognition.*

## VI.

*To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.*

## VII.

*To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.*

## VIII.

*To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.*

## IX.

*To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.*

## X.

*To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.*

DEVELOPED BY  
AMERICAN ASSOCIATION OF FUND RAISING COUNSEL (AAFRC)  
ASSOCIATION FOR HEALTHCARE PHILANTHROPY (AHP)  
COUNCIL FOR ADVANCEMENT AND SUPPORT OF EDUCATION (CASE)  
ASSOCIATION OF FUNDRAISING PROFESSIONALS (AFP)

ENDORSED BY  
(INFORMATION)  
INDEPENDENT SECTOR  
NATIONAL CATHOLIC DEVELOPMENT CONFERENCE (NCDC)  
NATIONAL COMMITTEE ON PLANNED GIVING (NCPG)  
COUNCIL FOR RESOURCE DEVELOPMENT (CRD)  
UNITED WAY OF AMERICA