

GIFT ACCEPTANCE POLICIES AND GUIDELINES

Christian Life Resources, Inc. (hereinafter referred to as “CLR”), a not-for-profit organization organized under the laws of the State of Wisconsin, and New Beginnings - A Home for Mothers (hereinafter referred to as “NBHM”), a not-for-profit organization organized under the laws of the State of Wisconsin, encourages the solicitation and acceptance of gifts to CLR and/or NBHM (hereinafter referred to as “the Charity”) for purposes that will help the Charity to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to the Charity or for the benefit of any of its programs.

The mission of the Christian Life Resources, Inc. is to:

Use life and family issues as bridges to convey the love of God and to share the message of salvation through Christ. We love because he first loved us.

The mission of New Beginnings - A Home for Mothers is to:

Help a single mother develop spiritually in God’s Word, become a responsible citizen in society, continue her education, achieve self-sufficiency and be a competent and loving Christian parent.

I. Purpose of Policies and Guidelines

The board of directors of Christian Life Resources, Inc., and its daughter ministry, New Beginnings - A Home for Mothers, through its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and missions of the Charity. These policies and guidelines govern the acceptance of gifts by the Charity and provide guidance to prospective donors and their advisors when making gifts to the Charity. The provisions of these policies shall apply to all gifts received by the Charity for any of its programs or services.

II. Use of Legal Counsel

The Charity shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- 1) Closely held stock transfers that are subject to restrictions or buy-sell agreements.
- 2) Documents naming CLR as Trustee.
- 3) Gifts involving contracts, such as bargain sales or other documents requiring the Charity to assume an obligation.
- 4) Transactions with potential conflict of interest that may invoke IRS sanctions.
- 5) Other instances in which use of counsel is deemed appropriate by the gift acceptance committee.

III. Conflict of Interest

The Charity will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The Charity will comply with the *Model Standards of Practice for the Charitable Gift Planner* promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

IV. Restrictions on Gifts

The Charity will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. The Charity will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the corporate charter (or trust document if Charity is established under trust), gifts that are too difficult to administer, or gifts that are for purposes outside the mission of the Charity. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the gift acceptance committee of the Charity.

V. The Gift Acceptance Committee

The gift acceptance committee shall consist of:

- 1) the president of CLR;
- 2) the treasurer of CLR;
- 3) one member of the CLR Board of Directors, appointed by the president;
- 4) the president or its appointee of NBHM;
- 5) at least one member of the development committee, if such a committee exists, appointed by the president;
- 6) such other members as appointed by the president of the Charity; and
- 7) ex-officio members shall include the executive director and the development director of the Charity.

The gift acceptance committee is charged with the responsibility of reviewing all gifts made to the Charity, properly screening and accepting those gifts, and making recommendations to the board on gift acceptance issues when appropriate.

VI. Types of Gifts

The following gifts are acceptable:

- Cash.
- Tangible Personal Property.
- Securities.
- Real Estate.
- Remainder Interests in Property.
- Oil, Gas, and Mineral Interests.
- Bargain Sales.
- Life Insurance.
- Charitable Gift Annuities. (Use WELS Foundation and designate CLR as beneficiary)
- Charitable Remainder Trusts. (Use WELS Foundation and designate CLR as beneficiary)
- Charitable Lead Trusts. (Use WELS Foundation and designate CLR as beneficiary)
- Retirement Plan Beneficiary Designations.
- Bequests.
- Life Insurance Beneficiary Designations.
- Digital Assets.

The following criteria govern the acceptance of each gift form:

- 1) **Cash.** Cash is acceptable in any form. Checks shall be made payable to Christian Life Resources or New Beginnings - A Home for Mothers, and shall be delivered to the Charity's administrative offices.
- 2) **Tangible Personal Property.** All other gifts of tangible personal property shall be examined in light of the following criteria:
 - Does the property fulfill the mission of the Charity?
 - Is the property marketable?
 - Are there any undue restrictions on the use, display, or sale of the property?
 - Are there any carrying costs for the property?

The gift acceptance committee of the Charity shall make the final determination on the acceptance of other tangible property gifts.

- 3) **Securities.** The Charity can accept both publicly traded securities and closely held securities.

Publicly Traded Securities. Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the investment committee. In some cases, marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted

securities shall be made by the gift acceptance committee of the Charity.

Closely Held Securities. Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships and limited liability companies, or other ownership forms, can be accepted subject to the approval of the gift acceptance committee of the Charity. However, gifts must be reviewed prior to acceptance to determine whether:

- there are no restrictions on the security that would prevent the Charity from ultimately converting those assets to cash;
- the security is marketable; and
- the security will not generate any undesirable tax consequences for the Charity.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The gift acceptance committee of the Charity and legal counsel shall make the final determination on the acceptance of closely held securities when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

- 4) **Real Estate.** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the Charity shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the Charity shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title binder shall be obtained by the Charity prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the gift acceptance committee of the Charity and by the Charity's legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the Charity?
- Is the property marketable?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

- 5) **Remainder Interests in Property.** The Charity will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, the Charity may use the property or reduce it to cash. Where the Charity receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

- 6) **Oil, Gas, and Mineral Interests.** The Charity may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the gift acceptance committee, and if necessary, by the Charity's legal counsel. Criteria for acceptance of the property shall include:

- Gifts of surface rights should have a value of \$20,000 or greater.
- Gifts of oil, gas, and mineral interests should generate at least \$3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
- A working interest is rarely accepted. A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.
- The property should undergo an environmental review to ensure that the Charity has no current or

potential exposure to environmental liability.

- 7) **Bargain Sales.** The Charity will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the Charity. All bargain sales must be reviewed and recommended by the gift acceptance committee and approved by the board of directors. Factors used in determining the appropriateness of the transaction include:
- The Charity must obtain an independent appraisal substantiating the value of the property.
 - If the Charity assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
 - The Charity must determine that it will use the property, or that there is a market for sale of the property, allowing sale within 12 months of receipt.
 - The Charity must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.
- 8) **Life Insurance.** The Charity must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Charity will include the entire amount of the additional premium payment as a gift in the year that it is made.
- If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Charity may:
- continue to pay the premiums;
 - convert the policy to paid up insurance; or
 - surrender the policy for its current cash value.
- 9) **Charitable Gift Annuities.** The Charity may accept designation as charitable beneficiary of a charitable gift annuity. The Charity will not offer charitable gift annuities.
- 10) **Charitable Remainder Trusts.** The Charity may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the gift acceptance committee of the Charity. The Charity will not accept appointment as trustee of a charitable remainder trust.
- 11) **Charitable Lead Trusts.** The Charity may accept a designation as income beneficiary of a charitable lead trust. The board of the Charity will not accept an appointment as Trustee of a charitable lead trust.
- 12) **Retirement Plan Beneficiary Designations.** Donors and supporters of the Charity will be encouraged to name the Charity as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Charity until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
- 13) **Bequests.** Donors and supporters of the Charity will be encouraged to make bequests to the Charity under their wills and trusts. Such bequests will not be recorded as gifts to the Charity until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
- 14) **Life Insurance Beneficiary Designations.** Donors and supporters of the Charity will be encouraged to name the Charity as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the Charity until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
- 15) **Digital Assets.** The Charity may accept gifts of cryptocurrency and other forms of digital assets after due diligence is performed to determine that the asset is able to be transferred and liquidated.

VII. Miscellaneous Provisions

Securing appraisals and legal fees for gifts to the Charity. It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Charity.

Valuation of gifts for development purposes. The Charity will record a gift received by the Charity at its valuation for gift purposes on the date of gift.

Responsibility for IRS Filings upon sale of gift items. The gift acceptance committee of the Charity is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the Charity when the charitable deduction value of the item is more than \$5,000. The Charity must file this form within 125 days of the date of sale or disposition of the asset.

Acknowledgment of all gifts made to the Charity, compliance with current IRS requirements in acknowledgement of such gifts, and valuing such gifts according to IRS Publication 561, shall be the responsibility of the board of the Charity.

VIII. Changes to Gift Acceptance Policies

These policies and guidelines have been reviewed and accepted by the gift acceptance committee of the Charity. The gift acceptance committee of the Charity must approve any changes to, or deviations from, these policies.

IX. Attachments

A. *Model Standards of Practice of the Charitable Gift Planner*

*Approved for Christian Life Resources and
New Beginnings - A Home for Mothers
April 17, 2021*

Model Standards of Practice for the Charitable Gift Planner

A code of ethical practice for all professionals who work together to structure gifts that balance the interests of the donor and the purposes of the charitable institution.

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 as such 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 to act 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 finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are 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 ADVISORS

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors 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 Planners, 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 Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. DESCRIPTION AND REPRESENTATION 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 on Gift Annuities, May 7, 1991. Revised April 1999.

Guidance/Policy on Donor Recognition (Naming Rights) and/or Donor-Directed Messaging for Christian Life Resources and New Beginnings

Whether in connection with a formal fund-raising campaign like “Answers,” as a result of general appeals for support, or from a spontaneous desire on the part of an individual, couple, family, group of people, or agency, donors to Christian Life Resources and/or New Beginnings sometimes desire to attach a name or message to their gifts. The Lord does not want his people to contribute out of pride or material interests. His grace in Christ and his generosity inspires in them the desire to do everything to his glory. The desire to attach a name or a message to a gift can be an opportunity for those who have been uniquely blessed to express their thanks to God in a personal way and to also establish a God-pleasing example worth emulating. (1 Corinthians 11:1; Galatians 4:12; Philippians 3:17).

Christian Life Resources (CLR) and New Beginnings (NB) will allow donors to attach a name or message to their gifts according to these guidelines:

1. CLR/NB shall be informed of conversations about motivation when donor(s) request naming or messaging be attached to their gift. As a Christian ministry, our goal is that God receive the glory in all matters, and that our donors' request is not motivated by pride or material interest.
2. The opportunity is offered only to major donors making significant gifts toward specific projects or funds. (Since “major” and “significant” are relative terms, the National Board of CLR reserves the authority to make final determination in the qualification of a particular gift.)
3. Donors will be strongly encouraged, if they wish to take advantage of this opportunity, to use it to express thanks to God, honor God’s saints, or give inspiration or encouragement through an appropriate message. Examples might be:
 - A plaque on a conference room at a New Beginnings or Christian Life Resources facility reading “This room and its furnishings were provided by the R. Smith family in thanks to God for his precious gifts.”
 - A new CLR ethics conference series is formally named “The Margaret Jones Conference on Bio-Ethics and the Bible” to honor a donor family’s mother, who was devoted to the cause of life.
 - A plaque or display is prominently placed on a wall, perhaps along with others, at a New Beginnings or Christian Life Resources facility containing an encouraging verse from Scripture, or reading “Always trust God, and value his gift of life. He gave his Son because each life matters to Him.” [In this and other cases, the donor(s) would be free to include his/her/their name(s), or remain anonymous.]
 - While not requesting any kind of permanent naming rights, a donor encourages CLR/NB representatives to approach other potential donors and say, “John Porter has already promised us \$175,000 toward this project. He’s hoping that people like you will be just as inspired by this opportunity and thankful for God’s blessings so that you will give the rest.”
4. Naming and messaging opportunities will only be available to those who fund at least 80% of the costs of a physical project, e.g. a building, room within a building, etc., or 100% of the costs for a non-physical project, e.g. a single event, endowment of an event’s regular occurrence, endowment of a speakers’ series, an ethics conference, etc. (The Christian Life Resources National Board reserves the right to make exceptions to these percentages in special cases.)

5. The Board of New Beginnings may review and make recommendations regarding naming and messaging requests for New Beginnings projects and funds. The Christian Life Resources National Board will be the final authority on naming and messaging requests for Christian Life Resources and New Beginnings.
6. Naming and/or messaging connected to any physical building or space will be honored for the useful life of that building or space. Special consideration should be given to honor and display the past donor(s) when buildings or spaces undergo major renovations.
7. The National Board of Christian Life Resources retains the right and authority to revoke the naming of or donor messaging attached to any building, space, or program that would become inconsistent with the scriptural, Lutheran, Christian mission and values of the organization.
8. None of the above guidelines shall be assumed to apply to components of fund-raising events (i.e., when donors and sponsors are sought for specific items for those specific events), but may apply to full events such as dinners, golf outings, etc., such as “The John Doe Annual CLR Golf Outing” or “The Smith Family Annual New Beginnings Wine Tasting Event.”
9. No donors will be publicly identified in any way without their express authorization. Lasting anonymity will be given any individual or individuals at his/her/their request.

*Approved for Christian Life
Resources and New Beginnings - A
Home for Mothers
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CHRISTIAN LIFE RESOURCES
— FOR LIFE • FOR FAMILY —

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A registered 501(c)3 agency – EIN: 39-1601307



NEW BEGINNINGS
A HOME FOR MOTHERS

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