

**THE UNITED METHODIST STEWARDSHIP FOUNDATION
OF CENTRAL PENNSYLVANIA**

GIFT ACCEPTANCE POLICIES AND PROCEDURES

DONORS= INTERESTS

In all matters involving donors or prospective donors, the interests of the donor shall come before that of The United Methodist Stewardship Foundation of Central Pennsylvania. No plan, agreement, trust, contract, or commitment shall be presented to a donor or prospective donor which would knowingly benefit The Foundation at the expense of the donor=s interests. No agreement shall be made between The Foundation and any agency, person, company, or organization on any matter - whether it be investment, management, sale, or other interest - which would knowingly jeopardize or compromise the donor=s interests.

It shall be the policy of The United Methodist Stewardship Foundation of Central Pennsylvania, its staff and representatives to avoid high-pressure marketing techniques when dealing with prospective donors. The task of all shall be to inform, serve, guide or otherwise assist in fulfilling the donor=s philanthropic wishes.

REVIEW OF AGREEMENTS

The Foundation shall seek the advice of counsel in all matters pertaining to its gifts= program. All agreements, contracts, trusts or other legal documents shall be in accord with existing federal and state laws and regulations. Likewise, the prospective donor shall be advised to seek the counsel of an attorney or other financial advisor in any and all aspects of the proposed gift, whether by bequest, annuity agreement, trust agreement or other. The Foundation does not provide legal opinion or tax advice to donors, and donors shall be advised to consult an attorney or tax advisor on matters related to the tax liability of a gift and matters to the planning of the donor=s personal estate.

Each gift arrangement also shall be reviewed from the perspective of its potential benefit to the mission of The United Methodist Stewardship Foundation of Central Pennsylvania. While the interests of the donor are paramount, no gift shall be accepted when its benefit to The Foundation, the United Methodist Church, its agencies, or other charitable beneficiaries is so remote as to be negligible.

The Foundation retains the right to refuse gifts in any form which are deemed inappropriate to its purposes.

CONFIDENTIALITY

All information obtained from or about donors or prospects shall be held in strictest confidence by The United Methodist Stewardship Foundation of Central Pennsylvania, its Board of Directors, members of its staff and representatives.

CASH GIFTS

1. Cash gifts of money, checks, Visa/MasterCard charges, and automatic debit arrangements will be accepted for restricted or unrestricted purposes. Restricted donations will be accepted for the designated purpose in keeping with The United Methodist Stewardship Foundation of Central Pennsylvania (hereinafter sometimes AThe Foundation@) policies and the donor=s intent.
2. The maximum amount The Stewardship Foundation will be allowed to accept for a gift annuity or series of gift annuities for one donor or husband and wife donors over time is the greater of \$500,000 or 10% of the outstanding assets in the Gift Annuity Fund. Any amount above this must be approved by the Board of Directors.

BEQUESTS

1. In general, there are no limitations on ordinary bequests.
2. To the extent possible, prospective donors will be advised:
 - a. To make bequests to AThe United Methodist Stewardship Foundation of Central Pennsylvania,@ a non-profit corporation, located in Mechanicsburg, Pennsylvania.
 - b. To clearly express any intention/use of the bequest in the body of the will or in a codicil.
3. Undesignated bequests will be allocated to specific purposes (i.e., for The United Methodist Stewardship Foundation, a United Methodist Conference-related agency, institution, mission project and/or special ministry) by the Board of Directors and/or the Executive Committee. In making such allocations, the Board of Directors will consider the charitable intentions of the donor to the extent that these intentions are known.
4. The Board of Directors reserves the right to refuse a bequest or to seek other legal relief regarding a bequest if it determines that it is in the best interest of The United Methodist Stewardship Foundation, the Central Pennsylvania Conference of the United Methodist Church, or the United Methodist Church to do so.

METHODS OF GIVING STOCK

1. Registration to The United Methodist Stewardship Foundation of Central Pennsylvania.
The transfer may be made by sending the stock certificate to your stock broker and having it re-registered in the name of The United Methodist Stewardship Foundation. You receive valuation of the stock as of the date on the re-registered stock certificate.
2. Transfer of Certificate: The transfer may be made by:
 - a. Forwarding the certificate and stock power form to The Foundation by mail or hand delivery. If you choose to mail these, the stock power form should be mailed separately from the stock certificate. The gift is completed upon receipt of both the envelopes; therefore, the latest postmark of the items received is used as the date of the valuation of the stock. The date of valuation for hand-delivered gifts is the date it is handed to The Foundation. Valuation is determined by the average of the high and low of the stock on that stock=s exchange on the date of the gift.
 - b. Forwarding the stock certificate with endorsement of transfer signed on the back of the certificate. The donor must include a letter indicating the intent of gifting the stock to The Foundation if this method is used.
3. Electronic Transfer: The transfer may be made by your stock broker to The Foundation as follows:
 - a. The donor or the donor=s stock broker should telephone The Foundation Office to be provided with The Foundation=s stock broker=s DTC wire instructions and account numbers.
 - b. The stock broker is to notify The Foundation when the transfer is initiated and The Foundation will notify the stock broker when the transfer has occurred.
 - c. The donor shall send a letter informing The Foundation of their stock gift, indicating the following information:
 - (1) Date of gift
 - (2) Type of stock and number of shares
 - (3) Designation of the gift
 - d. Using this method, the date of valuation of the gift will be the date of the transfer.

LIFE INSURANCE

1. In general, there are no limitations on gifts of life insurance.
2. To the extent possible, prospective donors will be advised:
 - a. To indicate that the beneficiary is The United Methodist Stewardship Foundation of Central Pennsylvania located in Mechanicsburg, Pennsylvania.
 - b. To clearly express any charitable intention/use of the beneficial interest in the beneficiary statement.
3. Undesignated life insurance proceeds will be allocated to specific purposes (i.e., for The Foundation, a United Methodist Conference-related agency, institution, mission project and/or special ministry) by the Board of Directors and/or the Executive Committee. In making such allocations, the Board of Directors will consider the charitable intentions of the donor to the extent that these intentions are known.
4. The Foundation will accept life insurance policies as present charitable gifts. The gift will be considered made when The Foundation is named as the policy's owner and beneficiary, a copy of the policy is delivered to The Foundation, and satisfactory arrangements are made for the payment of any future premiums.
5. The policy must be for whole life. Term, group, variable, flexible premium or universal life policies are not usually accepted. Flexible premium and universal life policies may be accepted as gifts if there is sufficient accumulation of reasonable cash values in the policy prior to its being gifted to The Foundation.
6. No premiums shall be paid by The Foundation unless a written request for payment is received from the insurer and the donor has made a charitable gift to The Foundation for the purposes of paying the premium of at least an amount equal to the premium.
7. In no case shall any representative of any insurance company act as a fund-raising representative of The Foundation.
8. No insurance company shall act as the exclusive provider of insurance to the donors or The Foundation.
9. The policy shall not incorporate an automatic premium loan provision.
10. The policy shall carry a disability waiver premium

11. It is suggested that policy application be sent to The United Methodist Stewardship Foundation of Central Pennsylvania, 303 Mulberry Drive, Suite 300, Mechanicsburg, PA 17050-3141 for review and signature, as applicant and/or owner, by the appropriate officer of The Foundation.
12. When a federal identification number is required, the proper number is 25-1714670.
13. When The Foundation is the owner and beneficiary of the policy, it shall have physical possession of the policy. Once the policy is received, and the first premium payment made, the gift will be considered activated.
14. Prospective donors providing a gift of life insurance shall provide The Foundation with the name and address of his/her executor/executrix, or administrator of the estate.

CHARITABLE GIFT ANNUITIES

1. The Foundation will obtain from the donor all pertinent information regarding beneficiaries and the property to be transferred. It must be ascertained that donative intent is the primary reason for participating in the gift annuity.
2. If it is deemed appropriate, due to the unusual nature of the property to be transferred, the Investment Management Committee will review the proposed gift for approval or disapproval. For example, gifts of real estate may be accepted for Charitable Gift Annuities or Deferred Gift Annuities with special consideration. Such gifts would be subject to The Foundation's acceptance policies for such gifts of real estate.
3. The Foundation will arrange for transfer of the assets (cash or securities) to The Foundation, compute the charitable deduction and other pertinent information for the donor, and execute all other documents and correspondence pertaining to the gift. (In the case of appreciated securities, the donor shall be informed of the capital gains implications for the gift.) The donor will be provided the following:
 - a. Illustration of benefits
 - b. Gift Annuity Agreement
 - c. Federal disclosure letter
 - d. IRS Form 8283, when applicable
 - e. Suggested instructions for reporting charitable income and gift tax deductions
 - f. Clarification that there is a contractual relationship with The Foundation
 - g. The fact that the annuity is a general obligation of The Foundation
 - h. The donor is a general creditor of The Foundation
 - i. The irrevocable nature of the gifting arrangement
 - j. Statement that the donors are advised to consult with their own advisors regarding

- the specific tax treatment of the gift annuity.
- k. The Foundation=s most current annual report
 - l. The Foundation=s current gift annuity brochure
4. The initial contribution shall be at least \$1,000 and shall minimally remain the same for each additional annuity. Gift annuities shall be invested by The Foundation in an effort to bring the highest total return.
 5. The number of income beneficiaries shall be no more than two and their minimum age shall be at least 50 years.
 6. Payments to the income beneficiaries shall usually be based upon the prevailing rates of return recommended by the American Council on Gift Annuities or adopted by The Foundation=s Board of Directors in accordance with its ACharitable Gift Annuity Policy.@
 7. Income to the beneficiaries shall accrue from the date of the gift.
 8. The full value or net proceeds of the gift will be held in a separate account. All earnings of each account shall be credited and all payments to annuitants shall be debited to the separate accounts. The separate accounts are necessary to determine the value of the residuum upon the death of the annuitant.
 9. For any annuity paid by The Foundation, it will be the responsibility of The Foundation to file the following form annually: Internal Revenue Service Form 1099-R, summarizing all payments to the annuitants. A copy of the annual 1099-R form also will be sent to the donor.
 10. Upon the death of the annuitant(s), the residuum will be distributed for the purpose(s) stated in the Gift Annuity Agreement.

DEFERRED PAYMENT GIFT ANNUITIES

1. All of the above Charitable Gift Annuity gift acceptance policies and procedures pertain to Deferred Gift Annuities.
2. Minimum time of deferment is one year and maximum time is 25 years (by federal regulation).

CHARITABLE REMAINDER ANNUITY AND UNITRUST

1. The preferred form of trust will provide that The Foundation or another appropriate financial organization, will serve as trustee. The donor usually will not serve as trustee.
2. Gifts of cash and long-term appreciated securities may be used to establish either a Charitable Remainder Annuity Trust or a Charitable Remainder Unitrust.
3. Gifts of real estate are acceptable with income only or income with make-up provisions.
 - a. Such gifts would be subject to The Foundation=s acceptance policies for gifts of real estate.
 - b. Two certified appraisals generally will be obtained; one by the donor, and one by The Foundation. Appraisals will be performed by appraisers with specific knowledge of local real-estate conditions in the area where a proposed gift property is located. Usually, the average between the appraisals will be used as the property=s fair-market value for trust/gift purposes. In the event of a significant variation between appraisals, a resolution of the trust/gift value will be negotiated between the donor and The Foundation=s Investment Management Committee.
4. Usual payout rates will be in the 5% to 8% range.
5. The minimum gift amount to establish a Charitable Remainder Trust is \$50,000.
6. There can be a maximum of four (4) income beneficiaries for each trust agreement.

REAL ESTATE

1. Any contribution of real estate must be approved by The Foundation=s Board of Directors.
2. A contribution of real estate is based on the fair-market value of the real estate on the date of the gift. The fair-market value is determined by a professional appraiser retained by the donor. The gift is completed when a properly executed deed is received by The Foundation.
3. In order to avoid the inadvertent imposition of substantial civil or criminal liabilities which may be attached to the owners of environmentally contaminated properties, and to avoid the imposition of other undesired legal and financial obligations accompanying

ownership of real or personal property, The Foundation shall accept title to, and possession of, interests in real properties purchased by and given or devised to The Foundation, only upon the condition that such purchases, gifts or devises are made subject to such covenants, representations, warranties and indemnifications as are adequate in the eyes of The Foundation to hold harmless The Foundation and its Board of Directors from environmental or other liabilities arising out of conditions and contingencies existing on subject properties prior to their purchase, gift or devise.

4. In order to insure the ability to enjoy such rights as may be available to an innocent landowner under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. & 9601 *et. seq.*, or such other defense or protection from liability as may be available at any other applicable laws and regulations, The Foundation, before it accepts by purchase, gift, or devise an interest in real property, shall require to be undertaken such environmental investigation and physical and other examination of the subject property as it deems necessary and appropriate.
5. In order to insure the avoidance of undesired legal and financial obligations which may accompany ownership of real or personal property, The Foundation, before it accepts by purchase, gift, devise or bequest, an interest in real or personal property, shall require to be undertaken such investigation and physical examination of the subject real or personal property as it deems necessary or appropriate.
6. The Foundation may ask the prospective donor of real property to complete a Preliminary Land Use Questionnaire (attached).
7. If The Foundation deems it necessary, the donor may be asked to provide a written environmental assessment of the property to be gifted. Such an assessment will be completed by a qualified environmental analyst.

IN-KIND DONATIONS

1. In-Kind gifts of goods may be accepted providing they reflect the needs and mission of The United Methodist Stewardship Foundation of Central Pennsylvania. The donor will provide a written appraisal from a qualified appraiser as to the fair-market value of the goods.

***The United Methodist Stewardship Foundation of Central Pennsylvania
303 Mulberry Drive, Suite 300, Mechanicsburg PA 17050-3141
717-766-7343 or 1-800-272-0113; FAX: 717-766-1673
sfcpa@cpcumc.org***

Approved, Board of Directors, November 9, 2002
Attachment: APreliminary Land Use Questionnaire @
Printed 01/25/03