

River City Faith Network
Gift Acceptance Policies
Proposed, January 25, 2022

Introduction

Richmond Baptist Association operates as River City Faith Network, a fellowship of churches in metropolitan Richmond, Virginia. River City Faith Network serves its churches in spreading the Gospel of Jesus Christ by encouraging and facilitating congregational witness, fellowship, and cooperation with others. Our churches and partners unite with RCFN to serve the underserved through our camp and ministry centers that create a sense of community, that increase self-esteem, and that restore, heal, and reconcile persons to God and each other. RCFN's ministries include the RCFN office, Camp Alkulana, Church Hill Christian Wellness Center, Oregon Hill Baptist Center, South Richmond Baptist Center, and various ministry programs, along with RCFN staff and volunteers.

River City Faith Network and its ministries rely primarily on the generosity of our churches and individual donors to fund RCFN ministries. RCFN leaders carefully steward their gifts and any other gifts or income to support the work to which God has called us together.

RCFN and its leaders desire to model the highest standards of Christian behavior. This applies to how RCFN conducts its affairs, including its business affairs, as well as to the individual behavior of RCFN staff and volunteers.

I. General Gift Acceptance Procedures

- A. RCFN gladly welcomes gifts that are consistent with the purpose of RCFN and its ministries.
- a. RCFN's Executive Director or Treasurer may approve accepting any gift that RCFN's Board of Directors would consider ordinary or of reasonable risk.
 - b. Gifts that RCFN's Executive Director, Treasurer, or the Board of Directors might consider as not in keeping with the purpose and ministries of RCFN, gifts they might consider as not ordinary, and/or gifts that might pose unreasonable risks to RCFN (or its ministries) will be reviewed by RCFN's Stewardship Committee or Endowment Committee as appropriate and, if desired by that committee, reviewed by the Board of Directors to determine the gift's possible acceptance.
 - c. RCFN reserves the right to refuse a gift for any reason.
- B. RCFN will hold all information concerning a prospective donor in strict confidence, except as provided by applicable law, without the express written or verbal permission of the donor. RCFN will include any gift in the total of income and expenses reported to our churches and partners but only identify individual gifts to related ministry staff and RCFN Board members.

- C. RCFN assumes the following guiding principles as part of its gift acceptance policy:
- a. The donor has charitable intent (i.e., the donor wishes to benefit RCFN's purpose and one or more of its ministries).
 - b. The gift is in the best interest of the donor (including the interest of the donor's family) and RCFN.
 - c. An RCFN leader(s) will encourage the donor to consult legal, tax, and/or financial advisors as to tax, legal, and other ramifications of the gift and as to the appropriateness of the gift.
 - d. The gift does not jeopardize the ethical, financial, or legal integrity of RCFN.
- D. RCFN will accept gifts with designations and restrictions as to which RCFN ministries will benefit from the gifts and for what purposes, provided the designation does not prevent RCFN from freely and effectively employing the gifts, or the income derived therefrom, in the furtherance of RCFN's tax-exempt purposes.
- E. RCFN will value a gift in an appropriate manner and consistent with current Internal Revenue Service regulations as well as sound, generally accepted accounting principles. The donor bears any and all responsibility for claiming any deductions for non-cash gifts and for any required appraisals or other needed documentation. The donor also bears all responsibility for the value placed on tangible personal property or services.
- F. If, in the gifting or sale of assets, it is necessary to obtain appraisals or incur other expenses, the donor shall pay such costs.

II. Unrestricted Gifts

- A. If the donor designates the purpose of an accepted gift, RCFN will seek to fulfill the donor's designated purpose.
- B. If the donor does not specifically designate otherwise, RCFN will apply the accepted gift as ordinary income for the RCFN fiscal year in which RCFN receives proceeds from the gift. Such gift will apply toward RCFN's duly adopted budget (as adopted by RCFN and/or the RCFN Board of Directors). RCFN's Board of Directors may also designate any or all of the proceeds of the gift for RCFN's endowment.

III. Types of Gifts Accepted

- A. Accepted gifts may come to RCFN in the form of cash, check, money order, bank draft, electronic transfer, or gifts via credit card or online transaction.
- B. Accepted gifts may come to RCFN in the form of publicly traded and listed securities or securities actively traded over-the-counter on the New York, NASDAQ, or Amex Stock Exchanges.
- a. RCFN will liquidate any readily marketable securities it receives, typically in not more than three business days following receipt. For gift crediting and

accounting purposes, the value of such securities is determined by the average of the low and the high prices on the date of the gift.

- b. Securities issued by closely held corporations, S corporations, privately held companies, partnerships, limited liability companies or other entities, or otherwise not marketable securities may be accepted by vote of RCFN's Board of Directors.

C. RCFN's Board of Directors will determine whether to accept any gift of real estate or other property or item not stated above. Any accepted gift of such property or item must normally be unencumbered (i.e., without any mortgage, liens, etc.) and readily saleable. RCFN will pay for the necessary qualified appraisals, survey, environmental audits, or other reports as needed for the safe conveyance of the property. Full interests, partial interests, and remainder interests may be considered.

- a. In the case of remainder interests, the donor will be expected to pay all property taxes, maintenance, and insurance until their interest in the property ceases.
- b. Donors may be asked to sign a statement regarding liability for previous and current environmental conditions or other statement if RCFN's Board deems it appropriate.
- c. Real Estate gifts must have a Fair Market Value of \$10,000 or greater, be marketable in a reasonable length of time if the Foundation intends to sell such property, and meet other standards of safety, use, and liability so as not to unreasonably expose the Foundation to risk of loss or harm.
- d. Before the RCFN Board of Directors approves accepting a gift of real estate or other property or item, the following must take place:
 - i. RCFN's Executive Director or Treasurer and at least one other member of RCFN's Board of Directors shall personally inspect the property or item.
 - ii. RCFN leaders will determine the recent and historic use of the property or item meets the conditions of an acceptable gift according to the purpose, principles, and procedures stated earlier in this document.
 - iii. RCFN and the donor have agreed to base the value of the property or item on a qualified appraisal.
 - iv. RCFN will take into account any depreciation or foreseeable devaluation of real estate in considering gift proposals. If the donor has taken accelerated depreciation in excess of straight-line prior to making the gift, the donor will be responsible for making any recapture payments to the IRS.
 - v. The Board of Directors has thorough information re the gift's expected value, any liabilities of the gift, and associated costs of accepting the gift, including a complete statement of all fees, expenses, and costs of accepting the gift (e.g., debt, insurance, homeowner's association fees, etc.).
- e. Real Estate gifts are ordinarily acceptable only after it has been determined that ownership of the property would not subject RCFN to liability or risk of liability under any federal, state, or local law, rule, or regulation concerning the use, storage, production, or disposal of chemical wastes, compounds, or substances, or under any federal, state or local law, rule, or regulation concerning the use of, occupation of, or construction upon the property. After any valid and proper

environmental audits and assessments and due consideration and/or due consideration of all other relevant factors, if the RCFN Board of Directors determines the risk of liability to RCFN outweighs the benefit of the gift, RCFN will not accept the property.

D. RCFN will only accept gifts of stock in closely-held corporations where investigation reveals no significant potential liability or risk of harm for RCFN in receiving the gifts, and where the likelihood of a sale or redemption within a reasonable time is substantial. Shares of closely-held corporations which, when given, pass controlling interest in the corporation to RCFN, are accepted only when potential benefits from the gift outweigh potential liabilities; where the company involved is not engaged in activities inconsistent with RCFN's purpose and ministries; where the demands of staff time regarding the management of the company are acceptable; and, where the prospects for sale within a reasonable time period are substantial, if RCFN intends to sell such stock.

E. Before approving gifts of partnership interests or LLC/FLP interests all relevant partnership, LLC, or FLP agreements will be reviewed by RCFN with particular attention to the activity of the partnership/LLC/FLP and how allocations are made. Further, the underlying assets and liabilities of the partnership/LLC/FLP will be reviewed.

- a. Generally, a minimum discounted value of \$100,000 is required, as established by a qualified appraisal.
- b. RCFN may encounter certain costs in holding the interests such as administrative responsibilities, tax return preparation, and unrelated taxable business income. The donor may be asked to cover all or some of these costs, particularly the unrelated business income tax which may be generated by phantom income.
- c. RCFN will also carefully consider the liquidity and salability of the interests before accepting any gift.

F. RCFN may be named as primary or contingent beneficiary for a portion or all of a life insurance policy. In addition, RCFN accepts whole life insurance policies for which the donor has relinquished ownership by assigning all rights, title, and interest in the policy to RCFN. If the insurance policy is not fully paid up or self-sustaining, RCFN may choose either to cash it out for the current cash surrender value or continue the policy with premiums paid as charitable contributions each year by the donor. RCFN will not participate in charitable split dollar insurance plans.

G. RCFN may accept gifts of tangible personal property. Conditions for accepting gifts include salability, whether the items are use-related, physical condition of the property, cost of storage or insurance, and any other unusual feature or condition associated with the transfer. Most personal property transfers are received through estate gifts, and the property is then transferred pursuant to a personal property memorandum or sold if not use-related.

H. RCFN may be named as a beneficiary of any retirement plan. If RCFN is named as a partial beneficiary, it shall seek to withdraw its portion of the plan as soon as possible after notification, so that the remaining parties may be free to "stretch" the amount over a long period of time, if desired.

I. RCFN receives bequests and other gifts as a result of a donor's death. These may be structured in a will, trust, TOD/POD beneficiary designation, life estate deed, or other such technique.

J. RCFN does not normally directly participate in bargain sales in which RCFN is provided the opportunity to purchase property at less than its Fair Market Value. In a bargain sale the charitable gift is the difference between the sales price and the fair market value. RCFN's Board of Directors may consider a special situation where such a purchase is prudent.

K. RCFN may consider other types of gifts. RCFN will use fiscally and legally sound rationale for accepting any gift and will defer to RCFN's Board of Directors when necessary.

IV. Gift Policy Exceptions

A. RCFN or its Board of Directors must approve any exceptions to these policies.

B. Gifts made through estate plans that have been properly executed prior to the date of these policies, and gifts already received by RCFN are grandfathered under these policies. Gifts under negotiation at the time these policies are adopted need not conform to the policies but will be accepted based upon the spirit of these policies and the specific terms negotiated with the donor.

V. Authorization

A. RCFN's Executive Director, Treasurer, Board of Directors Chairperson, and Board of Directors Vice Chairperson will have the overall authority to handle inquiries, engage in negotiations with donors, assemble documentation, and execute agreements on behalf of RCFN. Assuming such activities follow approved procedures and assuming such agreements are approved by RCFN's legal counsel and/or Board of Directors if required, this authority to act will not require review or further approval by RCFN or its Board of Directors. However, the Board of Directors will review these policies as it deems necessary.

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