GIFT ACCEPTANCE POLICY AND GUIDELINES
LOUISVILLE PRESBYTERIAN THEOLOGICAL SEMINARY
LOUISVILLE, KENTUCKY
April 2022

Section I – General Information

A. Introduction

Louisville Presbyterian Theological Seminary ("Louisville Seminary"), a nonprofit organization organized under the laws of the Commonwealth of Kentucky, encourages the solicitation and acceptance of gifts to Louisville Seminary for purposes that will help Louisville Seminary to further and fulfill its mission. The following policies and guidelines govern acceptance of gifts made to Louisville Seminary for the benefit of any of its programs.

The organization's mission is: Led by the Holy Spirit, Louisville Seminary educates people to proclaim the Gospel, to care for all, and to work for justice in communities everywhere.

B. Purpose of Policies and Guidelines

The Board of Trustees of Louisville Seminary and its staff solicit current and deferred gifts from individuals, corporations, churches and foundations to secure the future growth and mission of Louisville Seminary. It is the purpose of these policies and guidelines to govern the acceptance of gifts by Louisville Seminary and to provide guidance to prospective donors and their advisors when making gifts to Louisville Seminary. The provisions of these policies shall apply to all gifts received by Louisville Seminary for any of its programs or services.

C. Use of Legal Counsel

Louisville Seminary shall seek the advice of legal counsel in matters relating to acceptance of gifts where appropriate. Review by counsel is recommended for:

- Review of closely held stock transfers that are subject to restrictions or buy-sell agreements
- Review of all gifts involving contracts, such as bargain sales or other documents requiring Louisville Seminary to assume an obligation
- Review of all transactions with potential conflict of interest that may invoke IRS sanctions
- Other instances in which use of counsel is deemed appropriate by the Gift Acceptance Committee

D. Conflict of Interest

Louisville Seminary does not provide personal legal, financial or other professional advice to donors or prospective donors. Donors and prospective donors are strongly urged to seek the assistance of their own professional advisors in matters relating to their gifts and the resulting tax and estate planning consequences. Louisville Seminary endorses the Model Standards of Practice of the Charitable Gift Planner promulgated by the National Association of Charitable Gift Planners (attached as Appendix A) and the Donor Bill of Rights promulgated by the Association of Fundraising Professionals (attached as Appendix B).

E. Restrictions on Gifts

Unrestricted gifts and gifts for specific programs and purposes may be accepted, provided they are consistent with Louisville Seminary's mission, purposes and priorities. Louisville Seminary will not accept gifts that are inconsistent with its mission, purposes or priorities or are judged too difficult to administer. Louisville Seminary shall make all final decisions on the restrictive nature of a gift, and its acceptance or refusal.

F. Gift Acceptance Committee

1) The Gift Acceptance Committee shall consist of:
    a. President of Louisville Seminary
    b. Vice President of Philanthropy and Stewardship
    c. Vice President of Finance and Administration
    d. Chair of Louisville Seminary's Philanthropy and Stewardship Committee
    e. Chair of the Board of Trustees

2) The role of the Gift Acceptance Committee shall be to review the appropriateness of accepting certain gifts and make a recommendation to the Board of Trustees regarding the acceptance or rejection of such gifts.

3) The Gift Acceptance Committee is also responsible for reviewing these Policies and Procedures at least annually to ensure that they remain consistent with applicable laws and the programs of Louisville Seminary.

<u>Section II – Forms of Giving</u>

A. Outright Gifts

Outright gifts are those in which the donor retains no interest and which are placed at the immediate disposal of Louisville Seminary.

1) **Cash and Cash Equivalent:**
   Cash and cash equivalents are acceptable in any form: cash, credit card, digital transaction (i.e., PayPal or Venmo) or check/money order made payable to Louisville Seminary.

2) **Tangible personal property:**
    a. **Gifts of Tangible Personal Property with Intent to Sell:** Louisville Seminary may consider gifts of tangible personal property. Examples of tangible personal property include, but are not limited to, works of art, manuscripts, literary works, vehicles, and equipment. Louisville Seminary will accept tangible personal property gifts if the gift will generate adequate revenue for the organization and meet the purposes for which the gift is intended. Gifts of personal property shall be valued at full fair market

value and title to such gifts should be clear, unencumbered, and properly documented. The Gift Acceptance Committee will carefully consider marketability, storage, transportation, and disposal costs of all gifts of personal property.

b. **Gifts of Tangible Personal Property or Intellectual Property for Louisville Seminary Use:** Gifts in the form of tangible personal property or intellectual property that will be used by Louisville Seminary faculty, staff and/or students will be accepted only if the property can be used to complement the mission of Louisville Seminary. Before Louisville Seminary accepts gifts of this property, the Office of Philanthropy and Stewardship or Gift Acceptance Committee may consult with various Seminary offices and administrators to determine demand for or potential uses of gifts of tangible personal property or intellectual property. Title to the gift property should be free of liens and encumbrances and properly documented. Careful consideration should be given to maintenance, storage, and transportation costs.

c. **Gifts of Tangible Personal Property specifically for the E. M. White Library:** The Director of the E. M. White Library may accept gifts for The Library, but The Library will not accept any gift with special restrictions or conditions attached to it. The Library reserves the right to evaluate, select and dispose of the gift in the best interest of Louisville Seminary. No appraisal or determination of gift value will be made for any gift to The Library. A letter of acknowledgment will be sent to the donor. However, The Library will not provide the donor with an itemized list of all items received. If a list is provided by the donor, the receipt of the items will be acknowledged.

3) Securities:

Louisville Seminary can accept both publicly traded securities and closely held securities.

a. **Publicly traded securities:** Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's signed stock power (with appropriate signature guarantees) attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Finance Committee of Louisville Seminary. In some cases, applicable securities laws may restrict marketable securities; in such instance the Gift Acceptance Committee of Louisville Seminary shall make the final determination on the acceptance of the restricted securities.

b. **Closely held securities:** Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Gift Acceptance Committee of Louisville Seminary. However, gifts must be reviewed prior to acceptance to determine that:

   i) There are no restrictions on the security that would prevent Louisville Seminary from ultimately converting those assets to cash
   ii) The security is marketable
   iii) The security will not generate any undesirable tax consequences for Louisville Seminary.

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

4) **Mutual Funds:**
Mutual funds each have specific procedures that govern transfer and redemption of shares. A donor considering a gift from a mutual fund should contact the Office of Philanthropy and Stewardship at least four weeks in advance of the desired time of making the gift for specific instructions about how to initiate a mutual fund transfer. Louisville Seminary's Business Office is responsible for establishing brokerage accounts to facilitate gifts of mutual funds.

5) **Real estate:**
   a. Gifts of real estate may include developed property, undeveloped property or gifts subject to a prior life interest.
   b. Prior to acceptance of the real property, the gift shall be approved by the Gift Acceptance Committee of Louisville Seminary. Criteria for acceptance of the property shall include:
      i) Is the property useful for the purposes of Louisville Seminary?
      ii) Is the property marketable?
      iii) Are there any restrictions, reservations, easements, or other limitations associated with property?
      iv) Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
      v) Does the environmental audit reflect that the property is not damaged?
   c. Prior to acceptance of real estate, Louisville Seminary shall require an initial environmental review of the property to ensure that the property is not contaminated with environmental damage. In the event that the initial inspection reveals a potential problem, Louisville Seminary 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.
   d. Where appropriate, a title binder shall be obtained by Louisville Seminary prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

6) **Remainder interests in property**:
Louisville Seminary will accept a remainder interest in a personal residence, farm or vacation home subject to the provisions of the above paragraph on real estate. 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, Louisville Seminary may use the property or sell it. When Louisville Seminary receives a gift of the remainder interest, expenses for maintenance, real estate taxes and any property indebtedness are to be paid by the donor or primary beneficiary.

7) **Oil, gas and mineral interests**:

a. Louisville Seminary may accept oil and gas property interests, where appropriate. Prior to acceptance of an oil and gas interest the gift shall be approved by the Gift Acceptance Committee.

b. Criteria for acceptance of the property shall include:

i) Gifts of surface rights should have a value of $20,000 or greater.

ii) 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)

iii) The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate

iv) A working interest is rarely accepted. A working interest may only be accepted where and when there is a plan to minimize potential liability and tax consequences.

v) The property should undergo an environmental review to ensure that Louisville Seminary has no current or potential exposure to environmental liability, general paid by the donor.

8) **Bargain sales:**

a. Louisville Seminary will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of Louisville Seminary. All bargain sales must be reviewed and recommended by the Gift Acceptance Committee and approved by the Board of Trustees.

b. Factors used in determining the appropriateness of the transaction include:

i) Louisville Seminary must obtain an independent appraisal substantiating the value of the property, paid by the donor.

ii) If Louisville Seminary assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.

iii) Louisville Seminary 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.

iv) Louisville Seminary must calculate the costs to safeguard, insure and expense the property (including property tax, if applicable) during the holding period.

B. Planned or Deferred Gifts:

Planned (or deferred) gifts are gifts of which the benefit to Louisville Seminary will not accrue until a later date, usually after the death of the donor and/or one or more named beneficiaries. Prospective donors who are considering planned gifts should consult with the Office of Philanthropy and Stewardship regarding the proper structuring of such a gift. Any planned giving agreement that requires execution by Louisville Seminary shall first be reviewed and approved as to form and substance by the Vice President of Philanthropy and Stewardship (or his/her designee).

1) **Bequest**

A bequest is a gift made to Louisville Seminary in a donor's will or revocable trust. Bequests may provide for a gift of a specific dollar amount, specific securities or accounts, particular pieces of real or tangible personal property, or a percentage of the estate.

Bequests may be given as unrestricted (undesignated) or restricted gifts. Undesignated gifts come to Louisville Seminary after the death of the original donor with no restrictions or designations for their use. Unrestricted bequests may be used for the general purposes of Louisville Seminary and can be applied to current needs. Unrestricted bequests are subject to policy terms in Section III. A. – Undesignated Planned or Deferred Gifts.

Such bequests shall not be recorded as gifts to Louisville Seminary 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.

2) **Retirement plan beneficiary designation**

Donors and supporters of Louisville Seminary shall be encouraged to name Louisville Seminary as beneficiary of their retirement plans. Such designations shall not be recorded as gifts 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.

3) **Life insurance**

For a gift of life insurance to be accepted by Louisville Seminary, the following criteria must be met:

a. Louisville Seminary must be designated irrevocable owner and beneficiary of the policy.
b. The policy is not a term policy, in whole or in part.
c. The policy should insure only the life of the donor, the donor's spouse, or another person roughly the same age as the donor and should be paid up policies.
d. If the policy is paid up at the date of gift, Louisville Seminary should record the gift as follows:
   i) if the donor is less than 65 years of age, the policy will be counted at the interpolated terminal reserve as a current outright gift.
   ii) if the donor is 65 years of age or older, the policy will be counted at the death benefit value.
   iii) Paid-up whole life policies of any amount may be donated.

e. If the policy is not paid up at the date of the gift, the following requirements apply:
   i) The policy must be whole life or universal.
   ii) For donor’s age 65 and older, the policy must have face value of at least $100,000 and, with regular premium payments, be paid up in five years or less.
   iii) For donors under the age of 65, the policy must have a face value of at least $250,000 and, with regular premium payments, be paid up in five years or less.

iv) Louisville Seminary should record as a gift the interpolated terminal reserve of the policy as of the date of the gift, not the policy's face value.
v) If the donor contributes funds to Louisville Seminary to cover future premium payments, such contributions shall be treated as gifts in the year made.
vi) If the donor does not continue to make gifts to cover premium payments on the policy, Louisville Seminary may continue to pay the premiums, convert the policy to paid up insurance, or surrender the policy for its current cash value. The Gift Acceptance Committee shall recommend a course of action to the Vice President of Finance and Administration, who will ultimately decide the matter.

f. In those instances where Louisville Seminary is named as the beneficiary, but not the owner, of a life insurance policy, the Office of Philanthropy and Stewardship should monitor this arrangement in a way similar to that of bequest intentions.

g. When the death benefit is paid from a policy in which Louisville Seminary is named a beneficiary, the difference between the proceeds received and any previously recorded gifts with respect to the policy (including interpolated terminal reserve and premium payments) shall be recorded as an outright gift.

h. The donor should state in writing the purpose or designation of the gift, if any, at the time the policy is donated.

4) **Charitable Gift Annuities**
Louisville Seminary does not offer Charitable Gift Annuities. We refer donors seeking this type of charitable instrument to local, regional and national organizations that offer this type of gift arrangement, which could then create a charitable arrangement to benefit Louisville Seminary.

5) **Charitable Lead Trusts and Charitable Remainder Trusts**
Louisville Seminary may accept designation as remainder beneficiary of the charitable remainder trust. Louisville Seminary will not accept appointment as trustee of a charitable reminder trust.

Louisville Seminary may accept a designation as income beneficiary of a charitable lead trust. The board of Louisville Seminary will not accept an appointment as trustee of a charitable lead trust.

<u>Section III – Additional Gift Acceptance Information</u>

A. Undesignated Planned or Deferred Gifts
Undesignated planned or deferred gifts ("estate gifts") are charitable donations that come to Louisville Seminary after the death of the original donor with no restrictions or designations for their use. Gifts include: a bequest from a will or a trust (either fixed dollar amount or a percentage); beneficiary designation from a retirement account; life insurance; or other gifts from a person's assets that are received after his/her lifetime.

1) All undesignated estate gifts less than or equal to $25,000 will go to the Annual Fund for general operating expenses (categorized as a non-repeatable gift).

2) Estate gifts greater than $25,000, unless otherwise designated by the original donor, will be distributed as follows:
    a. An amount equal to the donor’s most recent annual gift or 10% of the estate gift, whichever is greater, shall be made to the Annual Fund for general operating expenses.
    b. The remaining balance of the estate gift will be divided as follows:
        i) 30% will be placed in a capital reserve account in order to accumulate funds to cover capital renovation projects. All funds appropriated for use from this fund will require specific board approval.
        ii) 70% of the remaining balance will be placed in Louisville Seminary’s Unrestricted Endowment.

All undesignated estate gifts will be received in this manner, unless otherwise recommended by the Gift Acceptance Committee and designated by the Board of Trustees. Such designation may be considered for capital campaign expenses, particularly in the case of unexpected or non-booked undesignated estate gifts.

B. Cost Recovery/Administrative Fee on Restricted Gifts

In order to recover expenses incurred to raise, collect and administer contributions, Louisville Seminary charges a cost recovery/administrative allocation of 10% on restricted gifts, including gifts to endowments.

1) The policy applies to all monetary gifts received after May 31, 2022. It does not apply to payments on pledges or gifts from solicitations prior to this date.
2) When allowed, administrative costs are usually a part of the proposal budget for donations requested from foundations. Therefore, the 10% allocation is not taken out of these gifts. Additionally, a fee is not taken from regular distributions from trusts or other charitable foundations (such as designated funds at the Presbyterian Foundation or a community foundation) to which we do not apply for funds.
3) Monies that are designated for support of a specific student are not subject to this policy.
4) Money received for the Annual Fund or general operating expenses will not be subject to the 10% allocation.
5) This policy does not apply to gifts from donors that explicitly disallow indirect cost recovery. When donors disallow indirect cost recovery, appropriate documentation reflecting that requirement will be added to gift records/files.
6) The application of this policy and associated 10% cost recovery allocation will be independent of whether donor solicitation is written or verbal.

A copy of Louisville Seminary's Gift Acceptance Policy is published on the Louisville Seminary website. Fundraising materials for restricted gifts also state that a small portion of the restricted gift will go towards this.

C. Naming Policy Statement

1) **Purpose**

The purpose of this Naming Policy is to define how Louisville Seminary manages and approves the naming of a Louisville Seminary building, space, position, program or fund in honor of a donor (a "Naming"). Naming is one way in which Louisville Seminary acknowledges the generosity of donors.

In considering a Naming, Louisville Seminary shall exercise judgment regarding the individual or entity to be recognized. In general, Louisville Seminary shall not approve a Naming where, in Louisville Seminary's judgment:

a. The Naming is not aligned with Louisville Seminary's mission;
b. The Naming compromises Louisville Seminary's commitment to academic freedom;
c. Being associated with the Naming could compromise Louisville Seminary's reputation or is inconsistent with Louisville Seminary's values.

2) **Duration of Naming**

If not otherwise specified, a Naming is granted in perpetuity, except that, if the named entity ceases to exist, the naming period will conclude and Louisville Seminary will determine an appropriate way to recognize the original naming gift.

3) **Removal of Naming**

Notwithstanding Section III Item C.1. (above), Louisville Seminary reserves the right to terminate its obligations regarding a Naming if the Gift Acceptance Committee recommends, and the Board of Trustees determine:

a. it could cause damage to Louisville Seminary's reputation to maintain the Naming,
b. that the Naming is inconsistent with Louisville Seminary's values, or
c. the donor fails to fulfill the terms of the gift that is recognized by the Naming.

D. Endowed Funds

Louisville Seminary invites alums, parents, and friends to establish endowed funds at Louisville Seminary. Endowed funds invest a principal value to produce revenue. In turn, the revenue generated each year provides support for the purpose of the fund.

1) Endowments may be designated for restricted use in any legitimate and approved program at Louisville Seminary (e.g., professorships, scholarships, awards, etc.). Endowments may be named in honor of individuals as specified by the donor and agreed to by Louisville Seminary.

2) Endowed funds must be governed by a written agreement executed by Louisville Seminary and the donor. This agreement must be approved and signed by both the President and the donor.

3) Endowed funds may be funded with outright contributions, including contributions pledged over a period of years (generally, the maximum amount of time to fulfill a commitment will be five years from the date of signing a gift agreement). Endowed funds may also be funded with deferred contributions from bequests, life insurance policies, retirement plan designations, and similar instruments and arrangements. Should a deferred contribution not meet the prevailing minimums for endowed funds, the Gift

Acceptance Committee shall recommend to the Board of Trustees a use for the endowed fund that most closely resembles the purpose set out in the endowed fund agreement.

4) Louisville Seminary shall hold and administer endowed funds subject to the provisions of applicable law and Louisville Seminary's Bylaws, as amended from time to time. The Board of Trustees shall oversee distributions from the funds.

5) Louisville Seminary distributes from endowed funds in a manner consistent with Kentucky's Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), and its policies and procedures regarding spending and distributions from endowment funds of Louisville Seminary, as amended from time to time by Louisville Seminary.

6) Should Louisville Seminary's Board of Trustees, in its sole discretion, determine that any condition or restriction of an endowed fund has become impracticable, unnecessary, incapable of fulfillment, or inconsistent with Louisville Seminary's exempt purposes or needs, the Board of Trustees may vary them so that it may fulfill an endowed fund agreement's purposes as nearly as possible (provided that such variance power is consistent with the terms of the fund agreement). Louisville Seminary will notify the donor, if living, of any such change, and will ensure that the donor receives appropriate recognition notwithstanding any such change.

7) All named endowments are subject to prevailing minimum amounts, as amended from time to time. See Appendix C for current Minimum Amounts for Named Endowments.

APPENDIX A

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.

APPENDIX B

The Donor Bill of Rights was created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits. It has been endorsed by numerous organizations.

THE 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 donation 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.

APPENDIX C

Minimum Amounts for Named Endowments

Commencement or Convocation Award - $25,000
An endowed fund, named for a donor or honoree, that provides an annual financial award to a graduating student at commencement or a current student at convocation (either Fall or Spring), based on characteristics or criteria established by the Dean of Community Life of Louisville Seminary, in consultation with the donor.

Endowed Tuition or Program Fund - $25,000
An endowed fund, named for a donor or honoree, that supports the general pool of tuition scholarships for students or a particular program or department at Louisville Seminary.

Endowed Tuition Scholarship - $200,000
An endowed scholarship fund, named for a donor or honoree, that provide the equivalent of one-year of tuition for one student each year.

Endowed Presidential Scholarship - $400,000
An endowed scholarship fund, named for a donor or honoree, that provides the equivalent of one-year of tuition, plus additional funding for living or other expenses, for one student.

Academic Professorship - $3 million
An endowed fund, named for a donor or honoree, that provides financial support for the compensation of a faculty member at Louisville Seminary, plus continuing education and research.

Should the minimum amount for an endowment not be met within an agreed timeframe between Louisville Seminary and Donor, gifts will be added to the general Unrestricted Endowment of Louisville Seminary, or expended for operating expenses of current programs and purposes that match the donor’s wishes.

Endowed funds created by testamentary transfer shall be administered in accordance with the donor’s wishes as set forth in a relevant testamentary document, provided that the donor clearly intends to establish an endowment and the intended use is not prohibited by law or Louisville Seminary’s Bylaws or other policies. In instances where a testamentary transfer occurs, and an endowed fund agreement is not on file or there are no living descendants of the donor to complete an agreement, the Office of Philanthropy and Stewardship will prepare a memo for the file, to be signed by the President, and confirms Louisville Seminary intends to administer the endowed fund in accordance with the donor’s wishes.

Donors who wish to establish an endowment fund not described above must consult with the Office of Philanthropy and Stewardship in advance of the gift. Such a fund must be approved by the Gift Acceptance Committee.