

**TEXAS CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS**  
**DEPARTMENT OF PLANNED GIVING & TRUST SERVICES**  
**DOCUMENT & GIFT ACCEPTANCE POLICIES AND GUIDELINES**  
**(As adopted by TCA Board of Directors May 26, 2020)**

The Texas Conference Association of Seventh-day Adventists (“TCA”), a not-for-profit religious corporation organized under the laws of the State of Texas, encourages and accepts gifts, mainly through various estate planning documents, to or for the Texas Conference of Seventh-day Adventists (“the Conference”) for the purpose of fulfilling its mission.

The mission of the Conference is to empower members, pastors, churches and schools in its territory to share the gospel message of God’s great love for all.

TCA Board of Directors, officers, and staff have a fiduciary duty to ensure that TCA’s assets are used effectively and protected from potential risk, liability, and diversion to purposes other than those that further and fulfill the mission of the Conference. The following policies and guidelines shall govern the acceptance of gifts made to TCA or for the benefit of any of its ministries and programs.

I. Purpose of Policies and Guidelines

These policies and guidelines are adopted to provide guidance to prospective donors and their advisors when considering gifts to the Conference and its ministries through their estate planning, or by outright gifts.

The Conference is part of the world-wide Seventh-day Adventist Church. Any policies or guidelines contained herein that conflict with the Working Policies of the General Conference of Seventh-day Adventists (“GC”) and the North American Division of Seventh-day Adventists (“NAD”) are void insofar as they conflict with said Working Policies.

II. General Policies Relevant to All Gifts

a. Mission and Organizational Policy

TCA will only accept such gifts that are legal and consistent with organizational policy. Gifts shall only be accepted if they do not interfere with the mission and purpose of the Conference. No gift will be accepted if, under any reasonable set of circumstances, the gift would jeopardize the donor’s financial security.

#### b. Use of Legal Counsel

Legal documents shall only be prepared under the direction of Legal Counsel. TCA shall seek the advice of Legal Counsel in matters relating to acceptance of gifts when appropriate, including, without limitation, the following:

- i. Gifts of securities that are subject to restrictions or buy-sell agreements, particularly closely held stock.
- ii. Documents naming TCA as Trustee, or requiring TCA to act in any fiduciary capacity.
- iii. Gifts involving contracts, such as bargain sales or other documents requiring TCA to assume an obligation.
- iv. Gifts of or involving Real Property
- v. Transactions with potential conflict of interest.

#### c. Conflict of Interest

TCA will recommend to all prospective donors to seek the assistance of independent personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. Gifts are also subject to the provisions of other TCA policies, including adopted Conflict of Interest policies. TCA makes every effort to ensure that accepted gifts are in the best interests of the organization and the donor.

#### d. Restrictions of Gifts and Bequests

TCA will accept unrestricted gifts and/or bequests, and gifts/bequests for specific ministries, programs, and purposes, provided that such gifts/bequests are consistent with its stated mission, purposes, and priorities. TCA will not accept gifts/bequests that are too restrictive in purpose, those that are too difficult to administer, or those that are not consistent with TCA's mission. The final decision as to whether or not a gift will be accepted shall be made by the TCA Board of Directors upon recommendation from the TCA Trust Acceptance Committee.

#### e. Tax Compliance

TCA's policy is to comply with Internal Revenue Service reporting requirements and all other aspects of state and federal tax law. However, except for gifts of cash and publicly traded securities, no value shall be attributed to any receipt or other form of substantiation of a gift received. The donor will receive a letter describing the item donated. The donor, at their expense, should obtain an appraisal from which they will be able to assign a value of the gift for tax purposes.

f. Fees and Commissions

TCA generally does not pay “finder’s fees” or commissions to third parties in connection with any kind of gift to TCA. No officer, employee, or agent of TCA is or will be compensated in a manner that is dependent on the size or nature of the gifts made to TCA by any person.

III. Gifts Generally Accepted Without Review

- a. Cash. Cash Gifts are acceptable in any form, including by check, money order, bank card, wire transfer, or online.
- b. Marketable Securities. Publicly traded and marketable securities may be transferred electronically to an account maintained at TCA’s brokerage firm or delivered physically, with the transferor’s endorsement attached. All marketable securities will be liquidated upon receipt, unless otherwise directed.

IV. Certain gifts may be subject to review prior to acceptance.

- a. Closely Held Securities. Closely held securities, including debt and equity positions in non-publicly traded companies as well as interests in limited partnerships and LLC’s, or other ownership forms, can be accepted, provided that:
  - i. There are no restrictions on the security that would prevent TCA from ultimately converting it to cash;
  - ii. The security is marketable; and
  - iii. The security will not generate any undesirable tax consequences to TCA.

Advice of Legal Counsel shall be sought when making a final determination on acceptance of the gift and prior to being accepted by the TCA Board of Directors.

- b. Tangible Personal Property. Acceptance of gifts of tangible personal property shall be determined by the following criteria:
  - i. Does the property conflict with the mission of TCA?
  - ii. Will the property be related use? If so, are there any restrictions on the use of the property?
  - iii. If the property is not related use, is the property marketable? Will there be significant costs to sell the property?
  - iv. Are there carrying costs for the property? (Insurance, safeguarding, transport, etc.)
- c. Intellectual Property. TCA will accept intellectual property (creations of the mind - i.e., inventions, literary and artistic works, symbol/names/images used in commerce) that is consistent with its mission. All intellectual property

gifts must be reviewed and approved by Legal Counsel and accepted by the TCA Board of Directors.

- d. Life Insurance. TCA will accept gifts of life insurance where TCA is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
- e. Bequests, and Beneficiary Designations under Revocable Trusts, Commercial Annuities and Retirement Plans. TCA will generally accept gifts designating TCA as a beneficiary of the donor's estate or retirement plans. The services of the TCA Planned Giving and Trust Services Department shall be offered to assist with such gifts.
- f. Charitable Gift Annuities. TCA offers Charitable Gift Annuities through the Planned Giving and Trust Services ("PGTS") Department, subject to PGTS Department policy and NAD working policy. The minimum amount acceptable to fund a Charitable Gift Annuity from a first-time annuitant is \$20,000 and the annuity must be for the benefit of one or more of the areas of ministry within the Conference. If the donor has existing Charitable Gift Annuities with TCA, an additional Annuity may be accepted with a minimum amount of \$10,000.
- g. Charitable Lead Trusts and Charitable Remainder Trusts. TCA will accept designation as the remainder beneficiary for Charitable Remainder Trusts and the income beneficiary of Charitable Lead Trusts. TCA will not accept appointment as Trustee for Charitable Lead Trusts and Charitable Remainder Trusts. Potential Trustors may be referred to Western Adventist Foundation.
- h. Real Estate. Gifts of real estate, including developed property, undeveloped property, or gifts subject to a life estate, shall be reviewed by Legal Counsel prior to acceptance. TCA shall require an initial environmental review of the property to ensure that the property has no environmental damage or potential liability. TCA shall also obtain an independent appraisal, survey, preliminary title report, and title insurance prior to acceptance of gifts of real estate. Acceptance of gifts of real estate must be voted by the TCA Board of Directors. Further criteria for acceptance of real estate:
  - i. Will the property be useful for TCA programs/ministry?
  - ii. Does the property conflict with the mission of TCA?
  - iii. Will the property be for a related use? If so, are there any restrictions on the use of the property?
  - iv. If the property is not for a related use, is the property marketable? Will there be significant costs to sell the property?

- v. Are there any restrictions, reservations, easements, or other limitations associated with the property?
- vi. Is there debt on the property?
- vii. What are the carrying costs? (Insurance, property taxes, mortgages, notes, maintenance expenses, etc.)
- viii. For commercial property, the following documentation is required:
  - a) Annual Income Statements
  - b) Lease Agreements
  - c) Financial Statements
- i. Bargain Sales. TCA will enter into a bargain sale arrangement where the bargain sale furthers the mission of the Conference and subject to the terms above.
- j. Specialty Housing. TCA does not generally accept gifts of specialty housing, such as senior living facilities, student housing, or mobile home parks.

V. Guidelines for Estate Planning Documents

TCA is a 501(c)(3) organization and, as such, its funds should not be used for individual benefits that are not part of its charitable purposes. The purpose of the Department of Planned Giving & Trust Services is to assist the giver in the support of the mission and ministry of the Conference. Therefore, the following guidelines have been established regarding the preparation of planned giving documents for members who desire to support the mission through their estate plans.

- a. Wills.
  - i. TCA will assist individuals in the preparation of Wills where there is a minimum 10% charitable bequest to SDA entities, at least half of which must be for the support of the mission of the Conference. This charitable bequest requirement shall apply to all new documents, as well as any requests to update documents.
  - ii. Requests to name an officer of TCA as Executor shall not be accepted except in extreme circumstances and must meet the same criteria as those for Conference Managed Trusts. Authorization for an employee of TCA to accept appointment as Executor must be given by the TCA Trust Acceptance Committee and voted as an exception to the guidelines. In those cases where TCA does serve as Executor the standard Executor's Fee will be taken in addition to any bequest(s).
  - iii. TCA will not accept appointments as a Guardian or as Trustee of a Testamentary Trust.

- iv. Ten percent (10%) of any unrestricted bequests to TCA through a bequest shall be forwarded to the local church holding the membership of the deceased at the time of his/her death, provided that the church is a part of the sisterhood of churches recognized by the Conference.
- v. A minimum of two years between updates will be required to provide services at no cost. Updates requested less than two years after the execution of a previous document will be at the cost of the Testator/Testatrix and charged at the attorney's normal rate.
- vi. Self-Managed Revocable Trust Agreements. TCA will assist individuals in the preparation of Self-Managed Revocable Trust Agreements and all related documents where there is a minimum 15% charitable bequest for an entity(ies) operating under/supported by the Conference. Applicants estate should have a minimum of \$250,000 in assets. Assets to be included in determining the value of the estate shall include real estate, all cash/investment accounts, Notes Receivable, Life Insurance (other than term), precious metals (gold & silver, etc.), valuable works of art, and similar assets. A new valuation of the estate shall be determined each time a Trustor requests an Amendment to the Trust Agreement. If the Trustor(s) are requesting TCA to serve as Successor Trustee of a Self-Managed Revocable Trust there must be the same minimum 25% charitable bequest as required for a Conference Managed Trust.

b. TCA Managed Revocable Trust Agreements.

- i. TCA will assist individuals in the preparation of Revocable Trust Agreements and all related documents (Pour Over Wills, Powers of Attorney, Advance Directives) and serve as Trustee of such Trust Agreements where there is a minimum 25% charitable bequest for an entity(ies) operating under/supported by the Conference.
- ii. Applicants should be at least 55 years of age and have a minimum of \$250,000 in assets. Assets to be included in determining the value of the estate shall include real estate, all cash/investment accounts, Notes Receivable, Life Insurance (other than term), precious metals (gold & silver, etc.), valuable works of art, and similar assets. A new valuation of the estate shall be determined each time a Trustor requests an Amendment to the Trust Agreement.

c. Powers of Attorney. TCA Planned Giving & Trust Services personnel should only accept appointment as POA for a Trustor or Testator when there is substantial charitable intent and a compelling reason to do so. All appointments of TCA PGTS personnel must be voted by the TCA Board of Directors.

d. Enhanced Life Estate Deeds.

- i. Enhanced Life Estate Deeds should only be written for individuals 65 years of age and over.
- ii. ELE Deeds naming TCA shall only be written where the property is being deeded 100% to TCA, or to TCA as Trustee of the Grantors Trust Agreement.

e. Charitable Gift Annuities.

- i. TCA will accept applications for Charitable Gift Annuities (both 'Immediate' and 'Deferred Payment') from a new annuitant with a minimum gift of \$20,000.
- ii. The annuity must be for an entity(ies) operating under/supported by the Conference.
- iii. Rates for Charitable Gift Annuities shall be those as published by the American Council on Gift Annuities and all Annuities will be managed by the Southwestern Union Conference of Seventh-day Adventists.
- iv. If the donor has existing Charitable Gift Annuities with TCA, an additional Annuity may be accepted with a minimum amount of \$10,000.

f. Endowments.

- i. Individuals may donate any amount at any time to existing endowment funds.
- ii. Endowments are generally managed by the Southwestern Union Conference of Seventh-day Adventists ("the Union"); however, in some circumstances they may be managed by the Conference.
- iii. A new endowment fund established with the Union must initially be funded with a minimum of \$50,000.
- iv. A new endowment fund established with the Conference must initially be funded with a minimum of \$100,000.
- v. Any bequests left for the purpose of establishing an endowment fund must meet the same criteria. If the funds from the bequest do not meet the minimum requirement, those funds will be added to an existing endowment that as closely meets the intent of the donor as possible.

VI. Housing of Estate Planning Documents

It will be the policy of TCA to only house estate planning documents where TCA is serving as Executor or Trustee. All estate planning documents where TCA holds

no fiduciary responsibility shall be left in the possession of the owner of the document (Testator, Trustor).