

### **Preface**

The following Gift Planning Policy Statement outlines the objectives and policies of the Louisiana Baptist Foundation (the Foundation) pertaining to its gift planning program and is set forth in order that:

1. There is a clear understanding on the part of the Board of Trustees (the Board), staff, and donors of the objectives and policies of the Foundation.
2. The donors are given guidance and limitations regarding the acceptance, management, and distribution of gifts by the Foundation.

### **Objectives of the Foundation**

The objectives of the Foundation are to (i) encourage the making of gifts, (ii) educate on tax and legal techniques and advantages of making gifts, and (iii) accept, manage, and distribute gifts primarily for the benefit of ministries.

### **Policies of the Foundation**

#### **General Provisions**

- A. The phrase “ministries” as used herein shall refer to (i) organizations or causes affiliated with or supported by the Louisiana Baptist Convention, Southern Baptist Convention, or other state Baptist Conventions; (ii) Baptist churches cooperating with the Louisiana Baptist Convention; and (iii) other Christian faith-based organizations.
- B. The Foundation shall not accept, manage, or distribute funds to organizations whose activities are contrary to Baptist beliefs.
- C. Any gift accepted by the Foundation must substantially benefit one or more ministries.
- D. All gifts must be for the benefit of organizations described in Sections 170(c), 170(b)(1)(A), 2055(a), or 2522(a) of the Internal Revenue Code, as amended.
- E. If a beneficiary ceases to exist or begins to engage in activities contrary to Baptist beliefs, the Board may select an alternate beneficiary with similar purposes and objectives.
- F. The Foundation shall evaluate each prospective gift to determine if the conditions comply with the Board’s gift planning policy statement and approve or refuse said gift accordingly.
- G. The Foundation shall administer the gift in accordance with the Uniform Prudent Management of Institutional Funds Act, La. R.S. 9:2337.1 *et seq.*, as amended.
- H. All laws, rules, and regulations pertaining to the particular gift shall regulate and control the acceptance, management, and distribution of the gift.
- I. The Foundation shall provide the donor such written acknowledgments, disclosures, and other documentation necessary to substantiate the gift for tax purposes.
- J. The Foundation shall have full and complete authority to manage, control, liquidate, invest, and reinvest the assets comprising the gift in any and all securities deemed prudent and approved by the Board within its investment policy statement, as amended.

- K. The Foundation shall have the right to collect from the gift such fees or expenses as outlined within the Foundation's Disclosure Statement, as amended.
- L. Gifts of immovable property (real estate) must comply with the following requirements:
  - a) An on-site inspection and review of pertinent records satisfactory to the Foundation.
  - b) An environmental, engineering, and/or regulatory assessment satisfactory to the Foundation, if reasonable or warranted.
  - c) A title examination satisfactory to the Foundation.
  - d) A qualified appraisal in satisfaction of IRS gift substantiation requirements.
  - e) An evaluation of the carrying costs (e.g., insurance, fees, taxes, etc.) satisfactory to the Foundation.
- M. Except for future gifts, the Foundation shall not accept corporeal movable property other than money, negotiable instruments, and securities (e.g., household items, jewelry and gems, objects of art, collectibles, vehicles, boats, and aircraft, firearms, animals, consumable things, etc. will not be accepted).

### Endowments

- A. The Foundation shall manage and invest the principal (contributions and any reinvestment of income) in perpetuity.
- B. The Foundation shall distribute the net income derived from the investment of the principal, in accordance with the distribution policy approved by the Board, at least annually to the beneficiaries named in the gift agreement.
- C. The Board, by a three-fourths majority, may release or modify a restriction of an endowment if such has become unlawful, impracticable, wasteful, or impossible to achieve, if the restriction impairs the management or investment of the funds, or if, because of circumstances not anticipated by the donor, a release or modification of the restriction will further the purpose of the endowment.

### Donor Advised Funds

- A. The minimum amount to establish a donor advised fund (DAF) shall be \$500.
- B. In order to meet any minimum annual distribution that may be required to qualify as a DAF, the donor must notify the Foundation no later than December 15<sup>th</sup> of the year in which the distribution is to be made. If a distribution is required and no recommendations are received from the donor, the Foundation shall make a distribution in the required amount to the Louisiana Baptist Convention designated for the Cooperative Program.
- C. The donor, as the initial advisor, may give written recommendations to the Foundation concerning distributions to be made from the DAF.
- D. The donor has the right to name in writing a successor advisor to continue making recommendations for distributions from the DAF. Any successor advisor shall have the right to name in writing a successor to themselves.
- E. The distribution recommendations by the advisor are not binding on the Foundation. The Foundation will make a good faith effort to inform the advisor if a recommendation is denied.
- F. Upon the death of the last advisor, any remaining balance of the DAF shall be distributed according to the instructions included in the gift agreement. If no instructions are received from the donor, the Foundation shall use the remaining balance for the benefit of the Louisiana Baptist Convention designated for the Cooperative Program.

## IRA Charitable Rollovers

- A. A donor may establish an IRA Charitable Rollover Account (Rollover Account) to accept and distribute a Qualified Charitable Distribution (QCD) from a retirement plan.
- B. The donor will direct the distribution of the funds in the Rollover Account to one or more organizations within twenty-four (24) months of the initial QCD. The donor may provide a written schedule to distribute the funds over this period. Any remaining funds not distributed within this period shall be used for the benefit of the Louisiana Baptist Convention designated for the Cooperative Program.
- C. Upon the death of the donor, any remaining funds in the Rollover Account will be distributed according to the instructions included in the gift agreement. If no instructions are received from the donor, the Foundation shall use the remaining balance for the benefit of the Louisiana Baptist Convention designated for the Cooperative Program.

## Future Gifts

- A. The Foundation may assist a donor with the preparation of an estate plan if the donor stipulates a future gift to one or more ministries equal to at least 10% of the estate or other death benefit arising out of a contractual arrangement (e.g., life insurance, retirement plan, etc.)
- B. The Foundation may serve as the representative of an estate or trust only if the gift agreement substantially benefits one or more ministries.

## Charitable Gift Annuities

- A. The minimum amount to establish a charitable gift annuity (CGA) shall be \$5,000.
- B. A CGA must provide an income payout rate that is not greater than an actuarially prudent payout rate.
- C. The Foundation shall use the most recent rates established by the American Council on Gift Annuities as a guide for determining an actuarially prudent payout rate.

## Charitable Remainder Trusts

- A. The minimum amount to establish a charitable remainder trust (CRT) shall be \$50,000.
- B. A CRT must provide an income payout rate that is not greater than an actuarially prudent payout rate.

Approved June 27, 2023