

Diocese of Sioux City

Gift Policy Statement

The Diocese of Sioux City formally establishes administrative policy statements which officially commit the Diocese to a position which will protect: 1) the best interests of the donor, 2) the official representatives of the Diocese of Sioux City, 3) the welfare of the Diocese itself, and 4) the administrators charged with management related to the Office of Stewardship and Development.

- 1) The Finance Council of the Diocese of Sioux City advises the Bishop on matters of fiduciary responsibilities and management of the affairs of the Diocese. When meeting in this capacity, all by-laws and governing ordinance of the Diocesan Corporation are observed.
- 2) Finance Council Board Members may be asked, on a case basis to meet and review aspects of a planned gift offered to the Diocese of Sioux City. Committee counsel in this capacity is to be considered advisory and in no way binding upon the actions of the Bishop who alone bears ultimate fiscal and spiritual responsibility for his See.
- 3) A. Gifts are sought and accepted only for programs, positions and purposes, which are in conformance with the laws, theology, philosophy, teachings and doctrines of the Roman Catholic Church and The Diocese of Sioux City.
B. The Diocese will not accept gifts which could result in the violation of any laws or regulations, including gifts which bear with them discrimination based upon race, color, ethnic or national identity, handicap, age or gender; or inhibit the Diocese from seeking gifts from other donors.

C. A committee of Diocesan Staff, called the Gift and Development Committee, made up of the Director of Administrative and Fiscal Services, Director of Finance, and Director of Stewardship and Development may accept gifts of cash, art, securities or other personal property and residential or commercial real estate. (subject to restrictions in Section 3.0 below)

D. The Diocese may not accept any assets, which are considered unmarketable unless the assets can be used directly by supported Catholic organizations within the Diocese. Generally, the Diocese will not accept gifts that involve actual or potential liability that could represent a future detriment upon the general assets or resources of the Diocese. For example: real estate with substantial mortgages, or environmental hazards, or substantial operating costs beyond the asset's inherent ability to cover such risks or costs.

E. Prior to accepting any gift of property in excess of \$5,000.00, other than cash or publicly traded securities, a qualified appraisal must be provided which meets the requirements of the Internal Revenue Code of 1986, as amended and any applicable Treasury Regulations or Revenue Procedures.

4) Conflict of Interest - The interest of the donor shall come before that of the Diocese. No program, agreement, trust, contract or commitment shall be knowingly urged upon any prospective donor which would benefit the Diocese at the expense of the donor's interest and welfare.

No agreement shall be made between the Diocese and any agency, person, company or organization on any matter related to investments, management, or otherwise, which would knowingly jeopardize the donor's interest.

- 5) Legal Counsel – Prospective donors shall be advised to consult with counsel of their choice in all matters related to deferred gift instruments such as drafting of wills, trusts, agreements, contracts or other. They shall be advised to consult with their attorney or accountant on matters related to the tax implications and estate planning aspects of a deferred gift agreement.

If a representative of the Diocese of Sioux City makes a referral to an attorney, it shall be understood that the attorney is retained to represent the donor/client's interests.

The Diocese of Sioux City shall consult with legal counsel in all matters pertaining to its deferred gift program and shall execute no agreement, contract, trust or other legal document with any donor without the service of legal counsel, except in cases where the documents have been preapproved by legal counsel.

- 6) Influence – Representatives of the Diocese of Sioux City shall exercise reasonable care to avoid pressure, persuasion, or undue influence when the representative is informing, counseling, and assisting the donor in gift planning concerns, including the exercise of prudent consideration of the donor's personal interests as well as charitable objectives.

All personnel employed by the Diocese of Sioux City to contact prospective donors or to promote the work of the church and Catholic education shall be paid a salary or fixed wage, but shall not receive commissions which could give such personnel a direct beneficial interest in any agreement.

- 7) Scope of Service – Services of representatives of the Diocese of Sioux City shall extend beyond the consideration of the Church to help donors remember whatever additional charitable interests they may have in other related entities of the Diocese.

- 8) Confidential Information – Finance Council Board Members are required to respect the confidentiality of all donor information.

All information concerning prospective donors including names and addresses, names of beneficiaries, nature and worth of estates, amounts of provisions, etc., shall be kept confidential by the Diocese of Sioux City and its authorized personnel unless the donors grant permission to use selective information for purposes of referral, testimonial or example at the discretion of authorized representatives.

- 9) Authorization for Negotiation – Only staff members responsible for Stewardship and Development with the supervision and oversight of the Gift and Development Committee (see Section 3.0) and other personnel approved by the Bishop of the Diocese of Sioux City shall be authorized to negotiate on behalf of the Diocese of Sioux City with any donor in respect to gift annuities, trusts, life income agreements, life insurance and any other formal gift instruments that follow the format described in this program and are approved by the Diocese of Sioux City.

Any agreements that involve a legal obligation on the part of the Diocese of Sioux City or its agents which do not follow the terms described in this policy or are special agreements of any kind, will require the approval of the Bishop of the Diocese of Sioux City.

Any real estate, real property or hard-to-value assets exchanged for any agreement of any kind must be approved by the Bishop of the Diocese of Sioux City.

- 10) No gift annuity shall be issued in exchange for an amount of less than \$10,000 or for persons less than 60 years of age on the date of the agreement. Gift annuity agreements shall not be issued for more than 2 lives, and in a case involving more

than one life, shall have a \$10,000 minimum. All gift annuity rates will conform to the rates set by the American Council on Gift Annuities.

No charitable unitrust or annuity trust shall be written for less than \$100,000. The minimum payout rate is established by law at 5% and the maximum trust payout rate if the Diocese of Sioux City serves as trustee, without exception from the corporation, is 10%.

Any exception to these limitations shall require approval of the Bishop of the Diocese of Sioux City.

11) Investment of Funds – Funds received in exchange for a gift annuity for a life income contract, and funds placed in trusts administered by the Diocese for any of its appointed agencies shall be managed following consultation with the Finance Council. Investment practices shall comply with guidelines established and approved by the Bishop, after consultation with the Finance Council, utilizing the most competent professional advisory services available designed to best achieve the objectives first of the life income beneficiaries.

Funds from which the income is payable to a life income beneficiary shall not be commingled with other institutional funds. However, funds may be invested in a single investment fund so long as all income (and any losses) are allocated ratably and separate records are kept for all donor funds so invested. The Diocese shall not engage in self-dealing.

12) Payments – Payments on life income obligations shall be made monthly, quarterly, semi-annually, or annually as directed by the donor. Charitable gift annuity payments shall be made semi-annually at the end of the months of June and December or

quarterly at the end of the months of March, June, September, and December except as grandfathered by current contracts.

Payments shall be made and reported to the donor in the manner prescribed by the Internal Revenue Service regulations.

13) Disposition of Funds – Only upon the demise of the last life income beneficiary shall the principal amount of a deferred gift be released to or for the use of the Diocese, and/or a parish, school or ministry within the Diocese. Only the amount equal to the charitable remainder as determined by the Chief Financial Officer shall be released unless otherwise stated by the agreement.

14) A. The Diocese occasionally enters into agency transactions. Agency transactions are those, in which the Diocese acts as an intermediary between two or more other parties, and does not directly benefit from or provide benefits to other parties. Often an agency transaction may be one in which the Diocese receives a gift of stock into one of its accounts for the ultimate benefit of a related entity. Gifts of publicly traded securities accepted on behalf of related entities shall be sold upon legal title passing to the Diocese of Sioux City. The proceeds from the sale of the stock shall be paid to the related entity within a reasonable time period (usually 3 business days) after receipt of the cash proceeds from the respective broker.

B. Fees for Services – The Diocese of Sioux City shall not charge a fee for its services to the donor. If the Diocese of Sioux City provides sample or trust documents for the donor, there shall be no fee charged the donor for this service.

Because some Planned Giving Agreements involve annual tax return filings, periodic payments to life beneficiaries, and other administrative costs, the Diocese reserves the right to negotiate an administrative fee with the remainder beneficiary at the

termination of the Agreement. It is assumed the fee will be in the range of 5% of the final remainder interest.

*Approved by the Finance Council and the Bishop of the Diocese of Sioux City on
January 2016*