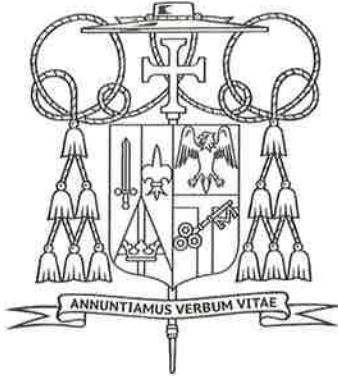


JOHN STOWE, OFM, CONV.



BISHOP OF LEXINGTON

General Executory Decree Promulgating the d
Gift Acceptance Policy
as Administrative Directives for the Lexington Diocese

In virtue of my pastoral office as Bishop of the Diocese of Lexington in Kentucky, I hereby issue this General Executory Decree (c. 31) promulgating the revised the **Gift Acceptance Policy** as administrative directives of the Diocese of Lexington.

The Gift Acceptance Policy is to be promulgated by its publication in electronic format at www.cdlex.org. The provisions of this policy shall become effective July 1, 2019 for purposes of implementation and binding August 1, 2019, for purposes of full compliance within the Diocese of Lexington, any particular legislation, directives or instructions to the contrary notwithstanding.

Given at the Chancery, Lexington, Kentucky this 1st day of July 2019.

Most Reverend John Stowe, O.F.M. Conv.
Bishop of Lexington

Karen Abbey
Chancellor

2019:AD011



CATHOLIC DIOCESE
OF LEXINGTON

Roman Catholic Diocese of Lexington, KY

Gift Acceptance Policy

July 1, 2019

SECTION 1 – RATIONALE FOR SOLICITING AND ACCEPTING GIFTS

The Catholic Diocese of Lexington solicits and accepts gifts for purposes that will help the organization further and fulfill its mission.

SECTION 2 – ADVICE TO PROSPECTIVE DONORS TO SEEK COUNSEL

The Catholic Diocese of Lexington urges all prospective donors to seek the assistance of personal legal and financial advisors in the matters relating to their gifts, including the resulting tax and estate planning consequences.

SECTION 3 – FACTORS IMPACTING SOLICITATION AND ACCEPTANCE OF GIFTS

Donations and other forms of support will generally be accepted from individuals, partnerships, corporations, foundations, government agencies, or other entities, subject to the limitations as outlined below. When considering whether to solicit or accept gifts, the diocese will consider the following factors:

- **Values:** Does the acceptance of the gift compromise any of the core values and/or mission of the Catholic Diocese of Lexington?
- **Compatibility:** Is there compatibility between the intent of the donor and the Catholic Diocese of Lexington's use of the gift?
- **Primary Benefit:** Is the primary benefit to the Catholic Diocese of Lexington or to the donor?
- **Consistence:** Is the acceptance of the gift consistent with best practices?
- **Form of Gift:** Is the gift offered in a form that the Catholic Diocese of Lexington can use without incurring substantial expense or difficulty?
- **Effect on Future Giving:** Will the gift encourage or discourage other gifts?

SECTION 4 – TRANSACTIONS THAT MAY REQUIRE LEGAL COUNSEL REVIEW

Review by legal counsel obtained by the Catholic Diocese of Lexington may be engaged when appropriate. Review by counsel is recommended for:

1. Gifts of marketable securities that are subject to restrictions or buy-sell agreements.
2. Documents naming the Catholic Diocese of Lexington as trustee or requiring the Catholic Diocese of Lexington to act in any fiduciary responsibility.
3. Gifts requiring the Catholic Diocese of Lexington to assume financial or other obligations.

4. Transactions with potential conflicts of interest.
5. Gifts of property which may be subject to environmental or other regulatory issues.

SECTION 5 – TRANSACTIONS THAT GENERALLY DO NOT REQUIRE LEGAL COUNSEL REVIEW

The Catholic Diocese of Lexington will generally accept gifts without review for the following areas:

1. Cash in any form, including by check, money order, credit card or via online.
2. Marketable securities (not subject to restrictions or buy-sell agreements).
 - a. Marketable securities may be transferred electronically to an account maintained at one or more brokerage firms or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached.
 - b. All marketable securities will be sold promptly upon receipt unless otherwise directed by the Catholic Diocese of Lexington's Finance Council.
 - c. In some cases, marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift and in those instances, the Catholic Diocese of Lexington will decide to accept the restricted securities.
3. Bequests and Beneficiary Designations.
 - a. This category includes Trusts, Life Insurance Policies, Annuities, and Retirement Plans.
 - b. Donors are encouraged to make bequests to the Catholic Diocese of Lexington in their wills and to name the Catholic Diocese of Lexington as the beneficiary.

SECTION 6 – TRANSACTIONS THAT MAY BE SUBJECT TO CHANCERY PRE-AUTHORIZATION

Certain forms of gifts or donated properties may be subject to review prior to acceptance. In these cases, the Director of Development has authority to make the decision and if needed, will consult with leadership of the diocese. The Diocesan Finance Council may be consulted in cases of a gift coming with certain restrictions or placing burdens upon the diocese, with the Bishop making the final determination of acceptance. Examples of gifts subject to prior review include, but are not limited to:

1. Tangible Personal Property.

a. Donations of tangible personal property shall be reviewed under the following considerations:

- 1) Does the property further the Catholic Diocese of Lexington's mission?
- 2) Is the property marketable?
- 3) Are there any unacceptable restrictions imposed on the property?
- 4) Are there any carrying costs of the property for which the organization may be responsible?
- 5) Is the title/provenance of the property clear?
- 6) Will the property require maintenance/repair that negates the benefit of the donation?

b. Donations of vehicles shall be assessed by a qualified mechanic prior to the acceptance of the vehicle as a gift.

2. Life Insurance.

a. The Catholic Diocese of Lexington will accept gifts of life insurance with the Catholic Diocese of Lexington named as both beneficiary and irrevocable owner of the insurance policy.

b. The donor must agree to pay, before due, any future premium payments owed on the policy.

3. Real Estate.

a. All gifts of real estate are subject to review.

b. Prior to acceptance of any gift of real estate other than a personal residence, the Catholic Diocese of Lexington shall require an initial environmental review by a qualified environmental firm.

c. In the event that the initial review reveals a potential problem, the diocese may retain a qualified firm to conduct an environmental audit.

d. Criteria for the acceptance of gifts of real estate include:

- 1) Is the property useful for the Catholic Diocese of Lexington's purposes?
- 2) Is the property readily marketable?
- 3) Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
- 4) Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
- 5) Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?

e. Donations of real estate, both personal and commercial, shall be assessed by a qualified inspector and an official valuation shall be obtained from the appropriately qualified assessor/governmental entity prior to accepting the property as a gift.