

Securities and Gifts Procedures

First United Church of Arvada

DATING OF GIFTS

First United's procedures for determining the dating of gifts and the valuing of non-cash gifts abide by the Internal Revenue Service Code and are as follows:

- If a gift is in the form of cash (personal check or bank check), the gift date is the date postmarked on the envelope in which the check arrives, or the date on which the check is physically delivered to a representative of the church. However, if the check is post-dated, it cannot be considered a gift until that date arrives.
- If stock or other negotiable securities are received by electronic transfer, the gift date is the date the stock arrives in the church's account, not the day the donor instructs his/her broker to transfer nor the day the broker initiates the transfer.
- If stock or other negotiable securities are in certificate form, the gift date is the date on which the certificates and/or stock powers arrive in the mail (or are personally delivered), whichever is received last.

We always caution donors, or their representatives, not to sign stock certificates and not to mail stock certificates in the same envelope with stock powers. The safest method is to send the unsigned certificate(s) in one envelope and the signed power(s) in another, by Certified Mail.

VALUING OF STOCK

Stock and other negotiable securities are valued on the gift date, as described above.

Stock and other negotiable securities are valued in accordance with IRS Publication 561, Determining the Value of Donated Property. In summary, the value is determined by adding together the high price and low price of the security on the gift date (obtain this from the Wall Street Journal or <http://finance.yahoo.com/>), and dividing by two (2) to determine a mean price per share. This mean price per share is multiplied by the number of shares transferred to determine the total value of the gift. This gift value comprises the value added to the church's accounts. The actual price for which the stock is sold by the church's broker is not relevant to the gift value.

Valuation of donated stock for income tax purposes is the responsibility of the donor. First United does not provide tax instructions or advice.

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ACCOUNTING

The donor of stock or other negotiable securities must provide written instruction as to the purpose of the donation, Operating Fund Regular Pledge, Operating Fund Non-Fixed Pledge, or a specific restricted fund. If no written instruction is provided, the donation will be credited to the Restricted Endowment Fund to comply with church policy.

The value established for the donation will be entered into the Contributions by the Stewardship Board using the contribution codes established for Non-Deductible Securities. Donations of stock and other negotiable securities will not appear on individual contribution statements. The donation will initially be debited to account 01-1070 Securities on Hand in the Operating Fund.

As soon as practicable, the securities will be deposited to the First United account at TD Ameritrade. Upon transfer to TD Ameritrade the accountant will make a manual entry transferring the amount from 01-1070 to account 01-1071 Securities- TD Ameritrade.

- It is the intention that donated securities be sold as soon as possible.
- Upon sale, the accountant will make a manual entry as follows:
 - DR 01-1072 Cash Account - TD Ameritrade
 - CR 01-1071 Securities - TD Ameritrade
- Any difference in value between the sale amount (including commissions and fees) and the donation amount will be charged to the following:
 - Operating Fund: 01-4010 Gain or Loss from Sale of Securities
 - Restricted Funds: The EXPENSE account for the fund initially credited.
- The Treasurer will determine and initiate the transfer of cash between TD Ameritrade and the church checking accounts.
- Cash received from TD Ameritrade will be entered in Contributions using code 105 Cash from Securities.