

# First United Methodist Church, DeKalb, TX

## Designated Gifts Policy

Policy Effective Date: October 1, 2016

### **Philosophy of Giving**

DeKalb First United Methodist Church (DFUMC) accomplishes its mission by accepting offerings—charitable contributions—from its constituents and donors. Givers are strongly encouraged to tithe and to support first and foremost the operational budget (general budget) of the church. The church receives designated giving, when approved, in areas that are in harmony with the mission of the church. While DFUMC accepts enduring or endowment gifts for special purposes, the intention of the church is to utilize its resources to further its mission immediately.

### **Integrity and Confidentiality**

DFUMC handles funds with a high standard of integrity and accountability. We seek to achieve the standards and best practices of the General Council on Finance and Administration of the United Methodist Church in regards to financial stewardship and to the Book of Discipline of the United Methodist Church. All donations are recorded in the Financial Administrator's records and reported to the Finance Committee and Church Council. It is the intention of DFUMC to maintain donor confidentiality unless permission is specifically granted by the donor.

### **Donation Receipts**

DFUMC will provide any donor a summary statement of recorded donations upon request. All donors will receive a contribution statement in January for the previous year's donation that lists individual donations along with the date of reception. In compliance with IRS regulations, DFUMC does not receipt the value of donated labor or Goods. Recognizing that a charitable contribution is unconditional and without personal benefit to the donor, DFUMC does not refund contributions.

### **Definitions of Designated Funds**

There are three types of designated funds received by the church:

1. *Solicited Designated Funds* are those funds for which there is a congregation wide effort to request and collect funds for a special project or purpose.

2. *Unsolicited Designated Funds* or restrictive contributions are those funds that have been given for a specified purpose by an individual contributor, but in which no approved campaign is in progress.
3. *Memorials* are those contributions that are given in memory or in honor of someone.

### **Designated Gifts Policy**

Each of these types of designated funds are collected, accounted for, and disbursed according to the following guidelines:

Solicited Designated Funds: Include those projects, activities, or items approved by Church Council as well as those special offerings requested by the District or Conference Offices.

1. Before any designated funds are solicited, the Church Council shall approve the collection of such funds.
2. Any request for solicitation of designated gifts must be made verbally or in writing to the Finance Committee which shall recommend to Church Council, and shall be accompanied by:
  - a. The purpose of the fund. Why is the fund needed and how will it further the church's mission?
  - b. A procedure for the disbursement of the fund. How will the money be spent? How can the designated fund be closed?
  - c. A plan for the disposition of excess contributions. If no plan is stated, all monies in excess of the needed amount will be shared with the broader mission of DeKalb First United Methodist Church.
3. Collected designated funds shall be given to the Financial Administrator for accounting and depositing into the designated funds account. The account title shall state the intended purpose of the funds.

Unsolicited Designated Funds: Include those funds for which no request has been made of the general congregation for contributions.

1. Unsolicited designated funds shall be given to the Financial Administrator for accounting and depositing into the designated funds account. The account title shall state the intended purpose of the funds.
2. In the case the funds correspond to a previously created fund the funds will be deposited into the corresponding account.

3. Disbursement of funds will be the responsibility of the corresponding ministry area to which the fund is designated. If no such area exists the Senior Pastor in conjunction with Church Council shall assign placement of the funds.
4. The restriction of such funds may be lifted by the donor or donor's representative, with a written or oral waiver. Should the original restriction become difficult to fulfill in light of changing circumstances of the community or church, the Church Council may modify or lift the restriction in order to share with the broader mission of DFUMC.

Memorials: Include those funds given in memory (or honor) of someone. Funds received can be restrictive or unrestrictive.

1. Memorial gifts shall be given to the Financial Administrator for accounting and depositing into the Memorial Fund. Restrictive gifts shall be titled according to its purpose and assigned to a subaccount of the Memorial Fund. Unrestrictive gifts shall be assigned to the general Memorial Fund.
2. The restriction of such funds may be lifted by the donor or donor's representative, with a written or oral waiver. Should the original restriction become difficult to fulfill in light of changing circumstances of the community or church, the Church Council may modify or lift the restriction in order to share with the broader mission of DFUMC.
3. The Senior Pastor, in conjunction with Church Council, shall decide the disbursement of the general (unrestrictive) Memorial Funds.

### **Refused Donations**

DFUMC reserves the right to refuse any donation for any reason. To ensure that all gifts are effectively used, no gift will be accepted which is unduly restrictive, likely to result in a net loss for the church or designated for a purpose outside of the mission of the church. Church Council shall have final authority in deeming donations unacceptable.

### **General Disclaimer**

The Church Council of First United Methodist Church of DeKalb, TX reserves the right to remove any designations or restrictions on gifts when it is in the best interest of the church to do so. At the point in which a designated gift fulfills its purpose any remaining amount shall be shared with the broader mission of DeKalb First United Methodist Church.