

Charitable Contributions

Gift Acceptance Policy for North County Church of Christ

INTRODUCTION

North County Church of Christ is a qualified charitable organization exempt from federal income taxes under Internal Revenue Service (IRS) Code Section 501(c)(3). Contributions to the church are deductible for federal income tax purposes under the rules and regulations established under the current provisions of the Internal Revenue Code.

TYPES OF CONTRIBUTIONS

Generally speaking, a contribution to the church is either 1) undesignated, which supports the yearly budget of the church through our General Fund, or 2) designated giving, which supports other approved funds or projects of the church (which may or may not be part of the yearly budget). The purpose of this policy is to set forth how both kinds of gifts will be treated in order to be considered a tax-deductible contribution. For purposes of this policy, the following terms are used:

- **Tax-Deductible Contribution** – a gift of cash or property given to a qualified organization by a donor who receives no tangible benefits from the gift and gives up full control of the gift for the organization to use for its purpose and mission.

- **Undesignated Gift** – A gift that is given without designation. The yearly budget is funded primarily through undesignated gifts, and as such, donors are encouraged to give without designation.

- **Designated Gift** – A gift that is designated for a specific fund (other than the General Fund) or ministry project. Designated giving will be accepted only for funds or special projects that have been approved by the Elder Team and the Finance Team.

FUNDS AND DESCRIPTIONS

- **General Fund** – The General Fund includes all undesignated gifts from our weekly tithes and offerings and is used to support the ministry of the church. Each year, the Finance Team prepares a yearly budget that is approved by the Elder Team. This budget will guide the disbursement of funds from the General Fund.

- **Missions Fund** – The church, in the exercise of its religious purposes and mission, has established a Missions Fund to provide resources for the church, church members, or other worthy persons or organizations spreading the gospel of Jesus Christ. The fund can also provide resources to church members or other worthy individuals for short-term mission trips or support of long-term missions. The administration of the fund, including all disbursements, is subject to the control and discretion of the Missions Team, Finance Team, and the Elder Team. The Missions Team may consider recommendations from anyone, but in no event is the team bound in any way to honor the recommendations. Donors will not be permitted to recover a contribution on the grounds that the team failed to honor the donor's recommendation.

If the church is directly supporting an individual missionary (the missionary is not supported through an outside sponsoring church/mission agency), the missionary will be required to periodically report what funds he or she received from the church and provide a report explaining where/how the money was spent. This is to verify that the funds are being spent to carry out the mission and purpose of the church. This is also necessary for the church to fulfill its legal obligation (as a non-profit entity) to “maintain discretion and ultimate control” of funds sent.

The church recognizes that spreading the gospel is the primary purpose of the church and has established this fund as an ongoing fund. Should, at any time in the future, the Elder Team choose to close this fund, all money in the fund at that time will be moved into the General Fund of the church.

- **Benevolence Fund** – The church, in exercise of its religious and charitable purposes, has established a Benevolence fund to assist persons in financial need. The administration of the fund, including all disbursements, is subject to the control and discretion of the Benevolence Team, Finance Team, and the Elder Team. The Benevolence Team may consider recommendations from anyone, but in no event is the team bound in any way to honor the recommendations. Donors will not be permitted to recover a contribution on the grounds that the team failed to honor the donor’s recommendation.

The church recognizes that assisting persons in financial need is a continuing mission of the church and has established this fund as an ongoing fund. Should, at any time in the future, the Elder Team choose to close this fund, all money in the fund at that time will be moved into the General Fund of the church.

Also, the Benevolence Team or church should record the required Internal Revenue Service documentation for benevolence requests. The following documentation for benevolence requests should be recorded for accurate record keeping:

1. A complete description of assistance.
2. The purpose for which the aid was given.
3. The church or Benevolence Team’s objective criteria for disbursing assistance under the Benevolence Fund.
4. How the recipients were selected.
5. The name, address, and amount distributed to each recipient.
6. Any relationship between a recipient and officers, directors, or key employees or substantial contributors to the church.

- **Facility Fund** – The church, in the exercise of its religious purposes, has established a Facility fund to provide for the future needs of the church for major repairs, major remodeling, expansion, or construction or purchase of facilities for the church. The church welcomes contributions to the fund. The administration of the fund, including all disbursements, is subject to the control of the Finance Team and the Elder Team. The church may consider recommendations from anyone, but in no event is the church bound in any way to honor the recommendations. Donors will not be permitted to recover a contribution on the grounds that the church failed to honor the donor’s recommendation.

The church recognizes that planning for future needs is a practice of good stewardship and has established this fund as an ongoing fund. Should, at any time in the future, the Elder Team choose to close this fund, all money in the fund at that time will be moved into the General Fund of the church.

Note: other funds for special projects may be created on a temporary basis as determined by the Elder Team and the Finance Team. Any money collected in excess of what is needed shall be returned to the General Fund.

GIFT ACCEPTANCE POLICIES

1) The church will not accept any Restricted Gifts whose use is restricted by donors. The church has no discretion in the management and disbursement of such funds. Whereas for Designated Gifts, the church will make every reasonable effort to honor designated gifts. However, according to IRS regulations, for a gift to be considered a tax-deductible gift, the church must “maintain full control” over how the gift is used.

2) The church will not accept gifts for ministries outside of the church asking to forward the donation to that ministry UNLESS the church has taken up an offering for a specific purpose for a specific time frame. The church encourages people to give directly to outside ministries that they would like to support.

3) The church is able to accept gifts of stock. Contact the Church Office for details on how to contribute stock. The value reflected on your contribution statement will be equal to the value of the stock when we receive it. However, the deductible amount allowed by the IRS depends on information that you should obtain from your broker, so please confer with your broker as to the exact value that you can deduct.

4) The value of personal services donated is not deductible as a charitable contribution. The church relies heavily on volunteers to fulfill its ministry. However, donations of this type cannot be reflected on the individual’s record of giving.

5) We have been asked if someone can receive “contribution credit” for items bought for the church’s ministries instead of being reimbursed. We are always grateful for the generous spirit of our people, and we want to do what we can to accommodate these requests. However, the church is required to establish an adequate financial paper trail to substantiate the gift. We ask these donors to save their receipts and submit a check request for the reimbursement which has been approved by the appropriate ministry leader. The donor can then, upon receipt of the reimbursement, choose to return the money as a contribution and designate it to the ministry that incurred the expense.

GIFTS TO INDIVIDUALS

Gifts designated to a specific individual do not qualify as charitable (tax-deductible) contributions under IRS regulations. Gifts designated as either a love offering or benevolence to a designated individual will be held until a decision is made as to whether the church can administer the funds. These gifts will not be reflected on the donor’s record of giving. Additionally, gifts which are decided upon and offered to individuals through the church are never considered to be loans and are given with no expectation of future repayment.

REFUNDING A CHARITABLE CONTRIBUTION

A charitable contribution (undesignated) will not be returned to the donor. To refund the gift would be contrary to the basic definition of a charitable contribution and could have possible tax implications to the donor and potentially cause a liability to the church.

Refunds on a designated contribution will be handled in the following manner:

- **Mission Trip Designation** – Gifts designated for individuals to cover mission trip expenses are considered tax-deductible only if the donor has the understanding that the designation is a suggestion, and the gift is ultimately under the control of the church to use as it deems necessary. Donors need to understand when they designate a gift for a specific individual, any funds given above and beyond what is needed for that individual will be used as the church deems necessary to further its mission and purpose. Therefore, no refunds will be given. This holds true if the donor is the person going on the mission trip. Although the gift was designated, refunding it may cause conflicts between those who gave and goes against the very definition of a charitable contribution.

- **Designated gifts for a fund or special project** – Every reasonable effort will be made to use the designated gift for the purpose in which it was designated. However, if the fund or special project no longer exists, the church will make every reasonable effort to contact the donors of such gifts. The purpose of this is to give the donor the option of re-designating the gift to a different fund (or to the general fund) or refunding it. The donor needs to be aware of the possible need to file an amended tax return if the gift is refunded and the deduction was claimed in a previous year. Obviously, this procedure is only appropriate for those donors who can be identified. For donations that cannot be identified, the Elder Team and Finance Team will decide how to use the funds.

CONTRIBUTION STATEMENTS

The church will provide to donors, at least annually, a record of documented reportable financial contributions received in accordance with rules and regulations required by the IRS. Non-cash gifts will be acknowledged by letter as described above, in compliance with IRS rules and regulations.

YEAR OF CONTRIBUTION

The IRS provides clear guidelines with regard to the date of posting contributions, which we follow carefully. All contributions received or postmarked by December 31 will be included in that year's contribution statement. If the contribution is received or postmarked after December 31, it will be included in the contribution statement of the year in which it is received/postmarked—regardless of the date on the check.

CONCLUSION

The church respects the donor's decision to give as led by the Lord. The above policies are meant to provide guidance to the donor and the church body as well as comply with the applicable tax laws. The church reserves the right to refuse contributions that are not related to the primary purpose of the church, not in the best interest of the church, or those not qualified for tax purposes. The church also reserves the right to amend these policies at any time. Please email the church at office@northcountycocfc.org for clarification or questions.