

Formulation Date: April 14, 2009

Long's Chapel United Methodist Church  
Designated (Restricted) Gifts Policy

I. Policy

It is the policy of Long's Chapel United Methodist Church to accept designated gifts and establish designated (restricted) accounts only under certain conditions, listed below.

"Designated gifts" are contributions made to a church with the stipulation the donations are used for a specified purpose.

II. Responsibilities

The Church Administrator will be responsible for receiving written requests for the establishment of a designated account.

The Finance Committee will be responsible for approving the establishment of a designated account. No money may be accepted for a designated purpose until the account has been approved by the finance committee.

III. Organization/Administration

a. Establishment of a designated account:

- i. A designated account may be established upon a written request to the church administrator and the approval of the finance committee.
- ii. The purpose of the account must be specific and must further the mission of the church. It must comply with all IRS rules and regulations.
- iii. A minimum opening deposit of \$100 is required.

b. Activity

- i. The finance committee will be responsible for reviewing distributions to ensure compliance with the account's purpose.
- ii. Expenses will always be applied to designated accounts first, if appropriate, before being charged to a budgeted expense account.
- iii. Upon fulfillment of the purpose of the account, the account will be closed, and any unused funds will be transferred to the general budget account or another account specified at the designated account's establishment.
- iv. When the account balance is less than \$100, it will be closed unless it has a periodically recurring purpose.
- v. If the account is inactive for six months and with no immediate plans for its use, it may be closed and funds transferred to the general budget account. Prior to closure, the establishing party will be notified, if possible, and finance committee approval will be required.

c. General church-restricted funds

- i. The church, in exercise of its religious and charitable purposes, has established a several designated (restricted) funds for various purposes. Those funds include, but are not be limited to:

1. Memorial Fund

The church, in exercise of its religious and charitable purposes, has established a memorial fund to honor the memory of deceased individuals. The church welcomes contributions to the fund in memory of loved ones. The administration of the fund, including all disbursements, is subject to the exclusive control and discretion of the finance committee or church council. The finance committee may consider recommendations from anyone, but the committee is not bound in any way to honor the recommendations. The church recognizes that the memorial fund is part of the continuing mission of the church and has established this fund as an ongoing fund. Should at any time in the future the church vote to close this fund, all money in the fund at that time will be transferred into the general budget of the church.

2. Building Fund

The church, in exercise of its religious purposes, has established a building fund to provide for the current and future needs of the church for major repairs, major remodeling, expansion, debt retirement, or construction 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 committee or church council. The church may consider recommendations from anyone, but in no event is the church bound in any way to honor the recommendations. 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 church vote to close this fund, all money in the fund at that time will be transferred to the general budget of the church