

Community United Methodist Church

Restricted Gifts Policy

Effective Date: 2/28/2012

Origin: Finance Committee

1. **Intent of Policy** - The intent of this policy is to establish guidelines and procedures on how to handle restricted gifts.
2. **Scope and Extent of Applicability** – This policy will apply to all restricted gift funds received through any means.
3. **Definitions** – Restricted Gifts are those that are donated or raised for a specific purpose within the church, i.e. gifts for a new organ, or any other specific purpose outside of normal tithes and offerings.
4. **Rationale** – Funds received for restricted gifts may exceed or fail to meet the level of funding required for the planned need. Additionally there are times when the need is no longer present. This policy is intended to protect the church and provide guidelines for handling funds that are no longer needed or desired for the specific purpose for which they were received and/or excess funds received for a resolved need.
5. **Policy** – All Restricted Gifts will be used for the designated purpose unless it is determined that funds in the account are no longer needed for the designated purpose or the funds remain unused for a period of three years. The Trustees in collaboration with the staff and Finance Committee will return unused funds to the original individual or family who donated the money; or, if that is not possible or desired by the donors, re-designate the funds to an identified church need.
6. **Procedure:**
 - a. Funds received for a specific unbudgeted purpose will be posted by the Church Financial Secretary or Treasurer to a revolving or memorial account with a designation of the specific purpose for which given.
 - b. If the funds are being raised for a specific project, i.e. a mission trip or to buy a piece of equipment, the individuals doing the fund raising will establish and report to the Treasurer reasonable beginning and ending dates for the effort and the individual(s) responsible for requesting that the Treasurer disperse funds to meet the need.
 - c. At the end of the fund raising effort, funds that have not been dispersed (excess funds) may be re-designated by vote of the Trustees and the Finance Committee.

- d. If the need for which the funds were raised is determined to no longer be a need and individuals who donated funds are known, they will be contacted to determine if they want their donations returned.
- e. Memorial donations received without any specific restriction or designation will be posted to the Permanent Endowment Fund.
- f. All Revolving and Memorial Accounts will be reviewed by the Treasurer on an annual basis to determine if there are any funds that should be assessed for possible re-designation. Funds that have remained unused for a period of three years will be assessed for possible re-designation. A report identifying those funds will be made at the next Finance Committee Meeting.