

# [CHURCH NAME]

## Contribution Policy (Sample)

### **Introduction:**

[Church Name] is a qualified charitable organization exempt from federal income taxes under IRC Sec 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.

### **Undesignated Gifts:**

#### **What are undesignated gifts?**

Undesignated gifts are gifts given to an organization or church without stipulation by the donor. These gifts comprise the majority of the church's total receipts. They're relied on to fund the church's budget ministries and programs.

### **Designated Gifts:**

#### **What are designated gifts?**

Designated gifts are gifts given to an organization or church with stipulation by the donor. The church will accept designated gifts if they're specified for an approved project, ministry or program administered by the church. **Gifts to ministries, programs, etc. not administered by the church cannot be accepted and should be sent directly to the organization you intend to receive the gift.**

### **Gifts to Individuals:**

Gifts designated to a specific individual **do not** qualify as charitable contributions under IRC 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.

- **Exceptions to this rule:**

- Gifts designated to [Church Name]'s benevolence fund which is administered by the church. In this event, the church determines the recipient and these gifts will be acknowledged on the donor's record of giving.

### **Non-Cash Gifts:**

[Church Name] will accept most types of non-cash gifts provided the gift is determined to be related to the purpose of the church and in the church's best interest. Per IRS regulations, we'll acknowledge receipt by the gift by letter with brief description of the item donated. The church is not responsible for appraisals and will not determine the fair value of donated property. The estimated fair value of the gift will not be reflected on the letter or the donor's record of contribution. It's the donor's responsibility to determine the fair market value of the gift.

**Personal Services Donated:**

The value of personal services donated is not deductible as a charitable contribution. [Church Name] relies heavily on volunteers to fulfill its ministry. However, donations of this type cannot be reflected on the individual's record of giving.

**Contribution Statements:**

[Church Name] will provide, at least annually to donors, a record of cash 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 Contributions:**

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

**Conclusion:**

[Church Name] 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 current tax laws. [Church Name] 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. Please call the [Church Name] Administrator's office at (\_\_\_\_)\_\_\_\_\_ for clarification or questions.

**Signatures**

\_\_\_\_\_  
*Senior Pastor*

\_\_\_\_\_  
*Secretary*

Revised: \_\_\_\_\_