



DESIGNATED GIFTS POLICY FIRST UNITED METHODIST CHURCH of LAND O LAKES

The designated gifts policy of First United Methodist Church of Land O Lakes church is established, effective March 16, 2020, in accordance with those portions of The United Methodist Church Book of Discipline and the Internal Revenue Service of the United States of America tax code.

The United Methodist Church Book of Discipline, paragraph 258.4 (c) states, “The committee on finance shall establish written financial policies to document the internal controls of the local church. The written financial policies should be reviewed for adequacy and effectiveness annually by the committee on finance and submitted as a report to the charge conference annually.”

Additionally, paragraph 258.4 (e) states, “The committee shall recommend to the church council proper depositories for the church's funds. Funds received shall be deposited promptly in the name of the local church.”

Paragraph 258.4 (f) further stipulates that “contributions designated for specific causes and objects shall be promptly forwarded according to the intent of the donor and shall not be used for any other purpose.” This is subject to Judicial Council Decision 976.

Unrestricted Funds

The goal of First United Methodist Church of Land O Lakes, its Leadership Board and Finance Subcommittee Team is to encourage support of the ministries of the church through regular unrestricted tithes and offerings to the general operating budget of the church.

Restricted/Designated Funds

Designated giving is a monetary gift made to First United Methodist Church of Land O Lakes for a specified or “designated” purpose. In order to promote financial stewardship and to encourage support through a variety of giving options, Designated Funds may be established to provide funding for capital, emergency, or special needs outside of the annual operating budget.

Designated gifts can be given by any individual; however, an appropriate Designated Fund must be established before First United Methodist Church of Land O Lakes can accept a monetary gift for that specific purpose.

Only the Leadership Board or the Finance Subcommittee Team, as authorized by the Leadership Board, may establish a Designated Fund. Anyone may submit a request to the Leadership Board or the Finance Subcommittee Team for the establishment of a Designated Fund. The process to request and establish a Designated Fund will be:

1. Any member or ministry representative of First United Methodist Church of Land O Lakes may request the establishment of a Designated Fund for a specific purpose or ministry that is not supported in the General Fund budget.

2. The member or ministry representative must present a written request to the Finance Subcommittee Team detailing the following.
 - a. the purpose of the fund and how it furthers the mission of the church;
 - b. the procedures on how the fund will be used;
 - c. the procedures on how/when the fund will be closed;
 - d. the procedures for dispersing any money remaining in the fund after the goal has been reached and the fund is no longer needed; and
 - e. the plan for dispersing any money remaining in the fund if it is determined that the purpose of the fund has not been achieved and will be abandoned.
3. The Finance Subcommittee Team must approve the requested fund and then recommend the establishment of said fund to the Leadership Board for final approval. The criteria for determining if the fund will encourage “above and beyond” giving and will not detract from the support of the General Fund operating budget
4. If the Leadership Board does not approve a request for a Designated Fund, the fund cannot be established; therefore, First United Methodist Church of Land O Lakes will not accept a monetary gift designated for that purpose.
5. The Leadership Board has the sole authority to dissolve a Designated Fund established following the date of the enactment/approval of this Policy.

IRS Compliance of Restricted/Designated Giving

In an effort to make all gifts possible while complying with both the letter and the spirit of the Federal tax law regulations, the procedures for accepting designated monetary gifts will be:

1. First United Methodist Church of Land O Lakes will encourage all church members to support a Designated Fund over and above their regular tithing.
2. First United Methodist Church of Land O Lakes reserves the right to refuse or return any donation for any reason.
3. A donor’s designation for a monetary gift must be in writing.
4. Monetary gifts cannot be given to specific organizations unless listed in the "giving" menu of the church website or app or named for a special offering that will be for a specific time as determined by the Senior Pastor or Leadership Board.
5. Monetary gifts for unapproved organizations outside the church cannot be accepted. Donors will be encouraged to give directly to those organizations that they would like to support.
6. First United Methodist Church of Land O Lakes cannot accept gifts designated for individuals or designated for the benefit of a specific individual, and those gifts are not tax-deductible contributions in accordance with IRS regulations.
7. An exception to designated gifts for individuals will apply to short-term mission trips. A volunteer for a short-term mission trip is volunteering to help achieve a ministry or purpose of First United

Methodist Church of Land O Lakes. If the volunteer makes contributions to cover the costs of his/her trip, the contributions are tax deductible for income tax purposes as long as the entire time on the trip is dedicated to the mission ministry and is not combined with a vacation or other personal recreation or trip.

8. Monetary gifts received that are specified for a ministry or item that is supported by the operating budget will be deposited into the General Fund to be used at the discretion of First United Methodist Church of Land O Lakes in support of its planned budget for ministries and operations. The donor making such specific gift shall be advised of the deposit of his/her gift into the General Fund.
9. If a monetary gift is received that has been designated for a fund that has not been approved and established, the donor will be contacted by a designated representative informing him/her of this policy and encouraging the donor to change the gift to an undesignated one that will support the General Fund.
10. If the donor is unwilling to remove the designation, the gift must be returned to the donor accompanied by a letter from a designated representative explaining the reasons for non-acceptance.

Deductibility as Charitable Contribution of Restricted/Designated Gifts

In accordance with IRS regulations for deductibility, every designated gift given, even for a church-approved project or fund, needs to be given with the understanding that all contributions become the property of First United Methodist Church of Land O Lakes. As such, ultimately it is within First United Methodist Church of Land O Lakes sole discretion to determine how best to use all contributions to carry out its mission and whether or not to expend the gift for the designated purpose.

First United Methodist Church of Land O Lakes will make every effort to honor a donor's designation; however, First United Methodist Church of Land O Lakes shall maintain sole discretion and control over all contributions and the ultimate determination of how all donated funds are allocated. Therefore, in accordance with general tax rules, if the donor of a monetary gift wants the gift to be tax deductible, the donor must transfer control over the gift to First United Methodist Church of Land O Lakes.

A statement of rights under this policy shall set forth on all church materials relating to monetary donations, gifts, and fundraising events, such as (but not limited to) offering envelopes and event/fundraising flyers. All such or similar documents shall contain the following statement: All gifts to First United Methodist Church of Land O Lakes are conditional and subject to the "best interests of the church" standard set forth in the designated gifts policy.