

ASBURY UNITED METHODIST CHURCH of CORPUS CHRISTI

Designated Gifts Policy

Principles

The designated gifts policy of Asbury United Methodist Church of Corpus Christi ("Asbury CC") is established, effective __/__/2022, in accordance with those portions of The United Methodist Church Book of Discipline and the laws and related regulations set forth by the Internal Revenue Service of the United States of America.

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.

Tithes and Offerings

The goal of Asbury CC, its Administrative Council and Finance Committee is to encourage support of the ministries of the church through regular tithes and offerings to the general operating budget of the church.

Designated Funds

A designated gift is a monetary gift made to Asbury CC for a specified or "designated" purpose. 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 Asbury CC can accept a monetary gift for that specified purpose.

Only the Administrative Council based on the recommendation of the Finance Committee may establish a Designated Fund. Anyone may submit a request to the Administrative Council or the Finance Committee 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 Asbury CC 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 Committee or Administrative Council detailing the following:
 - a. the purpose of the Proposed Fund and how it furthers the mission of Asbury CC;
 - b. the scope of what the Proposed Fund may be used for;
 - c. the procedures on how/when the Proposed Fund will be closed;
 - d. the procedures for disbursing any money remaining in the Proposed Fund after the goal has been reached and the Proposed Fund is no longer needed; and
 - e. the plan for disbursing any money remaining in the Proposed Fund if it is determined that the purpose of the Proposed Fund has not been achieved and will be abandoned.
3. The Finance Committee must approve the Proposed Fund and then recommend the establishment of the Proposed Fund to the Administrative Council for final approval. The establishment of a Designated Fund should encourage “above and beyond” giving and not detract from the support of the General Fund operating budget.
4. If the Administrative Council does not approve a request for a Designated Fund, the fund cannot be established; therefore, Asbury CC will not accept a monetary gift designated for that purpose.
5. The Administrative Council has the sole authority to dissolve a Designated Fund established following the date of the enactment/approval of this Policy.

IRS Compliance Regarding Designated Gifts

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. Asbury CC will encourage all church members to support a Designated Fund over and above their regular tithing.
2. Asbury CC 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 qualified (as defined by the Internal Revenue Code then in force) organizations unless listed in the Approved Organizations Eligible to Receive Donations from Asbury CC (a list to be created and approved by the Administrative Council of Asbury CC) or named for a special offering that will be for a specific length of time as determined by the Senior Pastor or Administrative Council.
5. Monetary gifts for organizations not on the Approved Organizations Eligible to Receive Donations from Asbury CC cannot be accepted. Donors will be encouraged to give directly to those organizations.
6. Asbury CC cannot accept gifts designated for individuals or designated for the benefit of a specific individual, as 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 Asbury CC. 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 included in the adopted operating budget will be deposited into the General Fund. The appropriate budget line item will be increased by the amount of the designated gift. The donor making such specific gift shall be advised of the deposit of his/her

designated 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 Asbury CC's Financial Administrator informing them of this policy and offering the donor an opportunity to change the gift to an undesignated one that will support the ministries of Asbury CC. Alternatively, the donor may have the designated gift returned and may follow the process to request the creation of a Designated 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 of Asbury CC explaining the reasons for non-acceptance.

Deductibility as Charitable Contribution of 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 Asbury CC. Asbury CC will make every effort to honor a donor's designation. Asbury CC 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 IRS 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 Asbury CC.

Disbursement of Designated Funds

Disbursement of Designated Funds must be approved in accordance with the conditions set forth in the table within the Approved Designated Funds portion of this policy.

Payment of Apportionment Obligations

It shall be the policy of Asbury CC that no monies held in any of its authorized Designated Funds other than the Apportionments Designated Fund shall be used to pay for apportionment obligations to any organized conference(s) of the United Methodist Church, or its legal successors or assigns, without the prior approval of two duly appointed chairpersons of the following standing committees of Asbury CC: SPRC, Administrative Council, Board of Trustees or Finance Committee. No authorized check signers for Asbury CC shall sign any check disbursing apportionment obligations without verifying that such approval has been previously obtained.

Approved Designated Funds

Fund Name	Scope	Authorized Approvers	Fund Closing Requirements
Apportionments	Designed to paying the church's apportionment responsibility on an annual basis.	Finance Committee chair (and/or) Ad Council chair	Perpetual
Benevolence	Ad hoc community needs	Senior Pastor	Perpetual
Capital expenditures	Used to fund capital (\$3,000+) purchases for the church	Trustees chair and Ad Council chair	Perpetual
Celebrate Recovery Books and Supplies	Grant funds designated to be used for Celebrate Recovery books and supplies	Celebrate Recovery Ministry Lead and Ad Council chair	Until spent to zero
Debt Mortgage	Designed to the repayment of the Church's building debt principal and interest	Finance Committee	Perpetual
Food Pantry	Designated to Asbury's food pantry and other ministries focused on feeding those in need		Perpetual
Memorial		Administrative Council	Perpetual
Missions		Administrative Council	Perpetual
Scholarship		Senior Pastor	Perpetual
Branches Class	legacy Sunday School class funds		when spent to zero
Celebrations Class	legacy Sunday School class funds		when spent to zero
Seekers Class	legacy Sunday School class funds		when spent to zero