

## **CUMC Policy for Donated Funds (Gifts, Bequests, Memorials, and Trusts)**

### **I. Purpose**

This policy applies to all gifts donated to CUMC as cash, checks, tangible personal property, stocks, or trusts but not given as part of pledging or for general fund expenses. The policy applies to gifts whether or not a specific purpose for the use of the gift has been specified.

Donations or restrictions on donations that are contrary to the ministry and mission of CUMC or that would violate IRS regulations on charitable donations will not be accepted. CUMC reserves the right to refuse any gift.

### **II. Fund Categories**

**Restricted Funds** - Restricted funds are funds that have a user-imposed restriction placed upon the use of the funds prior to the gift. These can be used only for the purpose that was stated at the time the gift was made. Funds that are restricted may be permanently restricted or temporarily restricted.

Permanently restricted funds may never be used for any cause other than that specified. For instance giving to be invested to generate income, provide scholarships and education or endowments would be permanently restricted. Temporarily Restricted Funds may be used after their restrictions are met. For instance giving to a Youth Mission Trip would usually be a temporarily restricted gift. It must be used for the trip, but after the trip is over, any funds remaining could be used for other causes. Any temporarily restricted funds remaining may be redesignated by Finance after the stated purpose has been fulfilled.

**Designated Funds** - Designated Funds are those upon which no restrictions were placed by the donor, but which the church has designated for a particular purpose by vote of Finance or Administrative Council. These funds can be redesignated by Finance or by the Administrative Council.

**Pastor Discretionary Funds** – Designated Funds that may be used exclusively for assistance of the needy at the discretion of the Pastor. These funds may never be used for the Pastor or Pastor's family. The Pastor shall confidentially document and record distributions from the fund showing the types of assistance provided during any given year. All funds shall be requested from the Treasurer using the normal expense approval system. Individual distributions from the fund are limited to \$500 or less without advance written approval from Finance or Administrative Council.

### **III. Administration of Funds**

In order to ensure these fund accounts are used in the manner intended, Trustees and Finance will have responsibility for expenditures from the gift fund accounts. Day-to-day responsibilities

will be handled by the Gift Fund Team. This team will be co-chaired by Trustees and Finance, with representation from the Ministry Teams and Pastoral staff. The Gift Fund Team will review all new gifts, bequests, memorials, and trusts. The team will be responsible for reviewing their acceptability and agreeing with the Giver on how they will be used.

The Trustees and Finance team, working with the Financial Secretary and through the regular church financial systems, will insure that the receipt and expensing of gifts is tracked, that gifts are spent as agreed upon by the giver and the Gift Fund Team, and that unspent amounts are tracked. Any donor restriction can be modified by a majority vote of a CUMC Charge Conference to a similar fund should the original restriction become difficult to fulfill in light of changing circumstances of the community or the church.

The Trustees will ensure that any recognition that the giver requests and is agreed upon by the Gift Fund Team is implemented, and that an annual accounting of gifts is provided in the Charge Conference Report. This recognition will be based on the CUMC Gift Form, which Finance will pass to Trustees, and will adhere to the CUMC confidentiality policy. The CUMC Gift Form is required for all gifts of \$1,000 or more.

Any gift intended to establish a new fund must be approved in advance by Finance and must be funded with a minimum of \$1000. All gifts which are Restricted for the purchase of a specific item or items which have been agreed upon by the Giver and the Gift Fund Team will be directly assigned by Finance to the responsible staff member and/or ministry team for their use in purchasing the specified item. All normal expense approval procedures shall be followed. Finance will insure that the gift is used in the manner agreed upon.

Our goal is to set up a limited number of Designated Fund accounts to simplify the gifting process. Donors will be able to make gifts of any size to existing funds, and larger expenses can be paid for out of these accounts. Examples of such accounts are Music, Adult Education, Children's Ministries, Youth Ministries, Missions, and Pastor Discretionary Fund.

Gifts of publicly traded securities (stock, mutual funds, bonds, etc.) and tangible personal property (jewelry, art, etc.) will be accepted subject to approval by the Gift Fund Team. These types of gifts will be liquidated immediately unless otherwise recommended by the Gift Fund Team and approved by Administrative Council. Gifts of Real Property (land, buildings, etc.) carry special risks and expenses. The Gift Fund Team shall advise Finance on whether to accept these gifts. Considerations shall include but not be limited to: appraisals, title, insurance, taxes, mortgages liens & notes, environmental remediation and litigation.

Gifts which are not designated or restricted for specific items, including all non-restricted bequests, memorials, and trusts, will be placed in existing or new Designated Fund accounts as noted above. These accounts will be administered by Trustees and Finance. The Gift Fund Team will evaluate all expenditure requests, with input from assigned staff members and/or ministry teams. For expenditures up to and including \$5,000, the Gift Fund Team will approve expenditure requests. For expenditures greater than \$5,000, the Gift Fund Team will obtain the recommendation of the Ministry Teams and make a recommendation to the Administrative Council for final approval.

The Gift Fund Team may give blanket approval to specific funds and specific staff members and/or ministry teams to spend a specific amount within the calendar year, within the constraints agreed upon by the donor(s) and Gift Fund Team. After approval, the assigned party will implement the expenditure as approved. All normal expense approval procedures will need to be followed. At the end of each calendar year, all staff members and ministry teams who have made expenditures from gift fund accounts will provide an actual expenditure record to the Gift Fund Team.

In order to not impede the purchase of items that are needed quickly, the Gift Fund Team will establish procedures to deal with routine and/or non-controversial items without waiting for their next meeting.

Other responsibilities of the Gift Fund Team include:

1. Serving as needed as a point of contact for donors or potential donors
2. Advising Finance on whether gifts which CUMC may not want to receive should be accepted.

#### **IV. Exclusions to this policy:**

1. All “in-kind” gifts (i.e., physical items which are donated for use by the church)
2. Giving which is part of an annual pledge or specified to be used for the general fund including loose plate giving.

# GIFT FORM

This form should be completed for all gifts of cash, checks, stocks, or trusts, as specified by the CUMC Policy for Donated Funds. If no form is completed, the donation shall be treated as if the donor wished to be treated as anonymous; however, a record of the donation will still be kept by Finance. All gifts shall be administered in accordance with the CUMC Policy for Donated Funds.

Donor's Name and Address \_\_\_\_\_  
\_\_\_\_\_

Amount of Gift \_\_\_\_\_ Date \_\_\_\_\_

Form of Gift:  Cash  Check  Stock  Other

Detail of Stock or Other \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Gift in honor or memory of: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Purpose:  General Ministry of the Church  Specific Purpose

Fund Name or Brief Name for Purpose of Gift: \_\_\_\_\_

Detail of Specific Purpose: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If the gift is restricted to a specific purpose, can the remainder be used for the general ministry of the church after that purpose is fulfilled?  Yes  No

Would you like to be recognized for this gift?  Yes  No If Yes, how? \_\_\_\_\_

Signature of Donor \_\_\_\_\_

Signature of Church Representative Receiving Gift: \_\_\_\_\_

Signature of Board of Trustees Representative: \_\_\_\_\_