

Designated Gift Policy for Cherry Log Christian Church (updated August 20, 2013)

Purpose of the policy:

The purpose of this policy is to establish guidelines that will facilitate the acceptance and in rare cases the refusal of designated gifts offered to the church by members, non-members, individuals or organizations. The policy is intended to facilitate consideration and decision of acceptance/rejection of the offered gift, so that the offering donor perceives the church as being appreciative, considerate and competent in its decision process. Appropriate action and effective communication with the donor should express our appreciation through words and timely action. The size, nature and complexity of the offered gift may dictate a longer decision process for some than others.

Definition of types of gifts and what gifts are covered by this policy:

This policy applies only to designated gifts, gifts of in-kind services, gifts of tangible property/assets.

Undesignated gifts of cash are not subject to the approval process in this policy. The principles set forth in this policy should however apply to all offered gifts. Examples of undesignated gifts of cash would include a member's or non-member's regular contribution to the general fund or a member/non-member making a cash donation to the general fund. Gifts/contributions of cash to the Building Fund, although designated for the Building Fund (either for principle only or interest only), are not included in the designated gift category. Because cash contributions to the General and Building Funds are governed by the existing church budget and governance process, a specific policy for these undesignated funds is not required.

Designated gifts are those made by the donor for a particular purpose. For example, a donor can offer a cash donation specifically designated to be used for a specific purpose such as, for VBS, for a specific outreach project or to purchase a particular piece of equipment for ministry use. These offered gifts, with exceptions noted, require consideration and approval/rejection to be assured the use of funds for the intended purpose are in keeping with the purpose and mission of the church.

Gifts of in-kind services involve potential liabilities, conflict with personnel policies and practices and other potential issues and therefore require consideration and approval under this policy. For example, an offer by an accountant to do the annual church audit, while welcome, requires investigation and oversight prior to approval to assure the audit will meet our standards and needs, confidential information is not at risk, etc.

Gifts of tangible property, for example, stocks, bonds, real estate, equipment, furnishings, require consideration to assure the use of the gift is in keeping with the mission of the church, liquidity so the church can dispose of the property without penalty, and issues of future financial or other liability.

Gifts offered through the Legacy Partner Endowment Fund will be governed by the Legacy Partner Fund Administrators in accord with the Legacy Gift Fund Policy.

Principles that apply to approval/rejection of offered Designated Gifts, Gifts of tangible property and gifts of in-kind services:

To be accepted the offered gift:

1. Should be in keeping with the mission and purpose of Cherry Log Christian Church.
2. Should not cause the church to incur added risk or liability, financial or other.
3. Should not commit the church to making uneconomic expenditures at the time of receipt or over time.
4. If a gift of stock, bond, real estate, personal property for resale (example, automobile), the gift should be readily liquid so it can be easily converted to cash.
5. If a gift of furniture or equipment, for example, tables and chairs for the Fellowship Hall, sound system equipment, TV set, the offered gift should be reviewed for compatibility with existing furniture and equipment, likelihood of unreasonable maintenance cost, potential safety issues and similar concerns.

Approval Authority: The new Constitution and By-Laws govern in this area. The following is intended to be in line with the CBL.

Designated Gifts of cash:

Designated gifts of cash, with extensive precedent will not require approval. We have a history of receiving designated gifts for outreach, for music, Celebration Fund, Building Fund and other. Such gifts will continue to be accepted by the Treasurer and Church Administrator as they have been in the past. If changes to traditional practice are desired, the appropriate Committee and Council will recommend change to the Board.

Designated gifts of cash not involving real property:

Designated gifts of cash for a new or non-traditional ministry that does not involve real property will be investigated by the committee(s) where the gifts might be used and the committee will recommend approval/rejection for final action to the Approving Council Chairs. The following are examples:

- a non-member offers to contribute \$40,000 per year for three years to provide food and clothing to needy children in the Cherry Log community or a member offers to contribute \$70,000 per year for three years to hire an Associate Pastor. This type gift does not involve real property but affects virtually all other aspects of church policy and raises multiple questions to be resolve before an appropriate decision to accept or reject can be made. Offers involving these type issues will be referred to the Moderator who will either refer to the appropriate Committee or Council for research and development of a recommendation or, if multiple complex issues are involved, the Moderator will appoint an Ad Hoc committee with representatives from all affected parties to expedite research and recommendation. Depending on the size and complexity of the potential issues, this could be as simple as asking one Committee to review or as complex as requiring an Ad Hoc committee with multiple members. When gifts over \$1000 or for any gift creating a new policy or setting or changing a precedent, Board approval is required. In some cases Congregation approval may be required.

Designated gifts of real property:

Designated Gifts under \$1000: Designated gifts of real property and gifts of cash designated to purchase real property fall under the jurisdiction of the committee that is affected. The involved committee will be responsible for investigating and recommending approval of this type gift to the 3 Council Chairs.

Designated Gifts over \$1000: Gifts over \$1000 or gifts of any size that involve creating a new policy or changing or setting a precedent will require Board approval. In some cases Congregation approval may be required. The Council Chairs are responsible for getting input from all Committees/Councils affected by the proposed gift and incorporating that input into their decision or recommendation. For example, a proposed gift of an emergency generator would require input from the Property Committee. A proposed gift of an addition to the Little White House would require input from multiple committees, including those ministry committees potentially affected.

Undesignated gifts involving real property:

Undesignated gifts of real property (stocks, bonds, real estate and other) will be evaluated by the Trustees for acceptance or rejection based on principles enumerated above and any other relevant information. Although the use of the funds, when realized will go into the General Fund, because the gift is in a form other than cash, the Trustees will need to evaluate acceptability to assure no unwarranted cost or liability adheres to the offered gift. When accepted, the Trustees are responsible for converting this type gift to cash.

The Need for Appreciation and Speed:

When a potential donor offers a gift affected by this policy they have already given the matter serious thought, most likely very prayerful thought. It is important that the church communicate to the potential donor our appreciation for their offer. It is also important that we respond in a timely manner to the donor regarding our acceptance or rejection of that offer. Our goal should be to respond to simple offers within ten business days and to complex offers within 20 business days. The Moderator should assure the donor that the offer is being handled by the appropriate decision making body and will communicate with the donor that we appreciate the offer and are responding promptly, effectively and appropriately to that offer.

Designated Gift Policy Decision Tree

Evaluated by the Minister and the Moderator:

- 1 Determine type of gift
 - a. Designated cash gift to purchase real property, pay for services
 - b. Designated gifts of in-kind services
 - c. Gifts of tangible property/assets (stocks, bonds, real estate, etc.)
- 2 Determine whether there is a need for approval; fits the definition of designated gift, gifts made by a donor for a particular purpose
- 3 Determine who has the approval authority; appropriate path to approval
 - a. Specific committee approval?
 - b. Cross committee approval?
 - c. Cross committee—Council chairs approval?
 - d. Cross committee—Council chairs—Board approval?
 - e. Cross committee—Council chairs—Board—Congregational approval?
 - f. Trustees?

Acceptance/Refusal Criteria Used by the Approval Authority Group/Groups:

Cash for real property/services	In-kind Service	Property/ Assets	
X	X	X	In keeping with the mission/purpose of CLCC
X	X	X	Matches the goals/objectives of the approval authority group/groups
X			For a new or non-traditional ministry
X	X	X	Does not cause added risk or liability, financial or other
X	X	X	Does not hold the potential for conflict of interest
	X		Does not conflict with personnel policies and practices
X		X	Does not cause uneconomic expenditures at time of receipt or over time
		X	Should be readily liquid, easily converted to cash, disposed of without penalty
X		X	Compatible with existing property
X		X	Reasonable maintenance cost
X		X	Not have potential safety issues

Other issues: appreciation, speed