

Designated Gift Policy for Cherry Log Christian Church
Revised April, 2016

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, and the utilization/spending of those funds. 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. Once accepted it is important that the donor's wishes be followed, that confidentially, when requested, is honored and the funds be spent appropriately. It is also intended for the process to be transparent.

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. This is 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. 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.

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.

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.

Normal 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 a gift is offered which would require changes to traditional practice it should be handled as set forth in the paragraph below.

Unusual 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 responsible committee(s) 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 resolved 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 Trustees who will evaluate and make the decision.

Designated Gifts of real property over \$1000: Gifts over \$1000 or gifts of any size that involve creating a new policy or changing or setting a precedent will be evaluated by the Trustees and approved in accordance with the CBL.

All gifts involving real property:

Undesignated and designated 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 liquid stocks, bonds, and similar assets are accepted the Trustees, they are responsible for converting this type gift to cash. The property should be converted to cash as quickly as possible to avoid market timing risks.

On occasion gifts of real property, like a piano, computer for example, can be utilized as the donor intended, but later, for a variety of reasons, that property is no longer useful or appropriate for that purpose. At that point, since the property is now the property of the church, the church may sell, trade or otherwise dispose of the property. Donors should be clearly advised at the time the property is accepted that the property will become the owner of the property and will used or disposed of at the church's discretion.

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. All designated gifts that require special approval should be reported to the Moderator and she/he Moderator should assure that the appropriate person 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.

Spending designated funds

The intent of the church is for information and decisions regarding designated funds be transparent with clear understanding of who's responsible for spending decisions. The overarching consideration in decisions is that the funds be spend in accordance with donor's request, spent in a timely manner, consistent with intended use and, when requested, the anonymity of the donor be protected.

Spending designated funds is the responsibility of the committee the fund impacts. Attachment 1 lists funds and responsible committee/person. Beginning in 2016 the Church Administrator will send a designated fund monthly report to church officers. Committee Chairs will receive a report for their committee, Council Chairs for their Council and the Moderator and Finance Committee Chair will receive a report of all funds. For a committee the report will show each designated fund for which the committee is responsible, the balance at the beginning of the month, the amount of new gifts for the month, the amount spent that month from the fund and the ending fund balance. The Council report will show all for which the Council is responsible and the Moderator/Finance Chair reports will show all designated funds.

Each committee or person responsible for a fund will develop a plan for spending those funds. As new donations come into a fund, the responsible party will update the spending plan. The committee/person will advise their Council Chair and the Finance Committee of their designated fund spending plans. The report can be as informal as an email copied to interested parties. The Finance Committee will monitor designated funds during the year. The purpose is not to influence a committee's plans, but to avoid having funds not being spent to avoid developing into stagnant funds. Stagnant funds are defined, for the purpose of this policy, as funds that have not been spent, have remained unspent for a long period of time and the donor(s) cannot be identified, are no longer readily available, and determining appropriate use from donors is not practical.

Handling "stagnant" funds

Occasionally a fund will wind up with money that cannot be spent in strict accordance with the original desire/instruction of the donor. In these cases, the responsible committee or party will propose a plan to spend the money an alternate way that adheres as closely as possible to the donor's initial wishes. If it is easily possible to

talk with the donor(s) to request permission to use for the alternate plan, do so and develop a plan in keeping with the new request.

In some cases the number of donors may be large, time may have made it difficult to reconstruct original donor and amounts or other factors may have obscured history. In these cases, the responsible committee/person will develop an alternate plan that adheres as closely as possible to the original intent of the donor. The alternate plan will be reviewed by the Pastor and Moderator, who at times have information not readily available to the Committee/Council. Following review, the alternate plan will be published to the congregation using normal church publications (weekly news email, special email, Cherrylogue, etc.) at least twice. This notice will specify who the donor(s) should contact if they have objections to the alternate plan. If a donor or donors do come forward during this process to request modification to the alternate plan, the proposal should recycle through the committee and a revised alternate plan published. Following publication, if no objections have been made, the alternate plan will be submitted to the Board for approval.

Confidentiality

When the donor of a designated gift requests that their donation be treated anonymously, that is the source of the donation is not be divulged, that request will be honored. Historically, most donors deal directly with the Church Administrator who is the one person in the church structure that has to know the who the donor is in order to account for the gift properly and issue appropriate tax forms. When the donor makes the original request for anonymity to the Pastor, Moderator or other church officer, knowledge of the gift should remain with that person and the Church Administrator. No church officer has the authority to require the Church Administrator to reveal the name of a donor who has requested anonymity, absent some unique compelling reason. The Moderator and Pastor must both agree such a reason exists before divulging a confidential name.

Our history is that donors will instruct the Church Administrator, at the time of the gift, if they desire the gift to be anonymous. If there is any question the donor should be asked. Any questions to clarify the donor's intended use of the gift should be made at the time of the gift. This will allow the Church Administrator to provide clear instructions to the responsible committee chair.

Attachment 1, Funds and Responsible Committee/Person

Date : 01/13/2016
Time : 1:21:54 PM

**Cherry Log Christian Church
Summary of Restricted Accounts - Portrait
January to December 2015**

Note: The Report Option to include Open Transactions is selected.

Accounts

Temporary Restricted

1-8008 - Blanket Sunday	Responsible Committee/group/person
1-8010 - Celebration Fund	Congregational Offering
1-8014 - Church	To Church Extension - principal
Usage/Building Repairs	Property
1-8018 - Education - Adult	Bible Study Class / Ida-Anne Clarke
1-8020 - Education -	
Youth	FYSH / Georgia Meyers
1-8022 - Fannin Food	
Pantry	donations by members sent to food pantry
1-8024 - Gilmer Food	
Pantry	donations by members sent to food pantry
1-8028 - Library Fund	Library Committee / Bill Thompson
1-8032 - Ministers	
Discretionary	David / Malinda
1-8034 - Mission -	
Outreach	Outreach Committee / Jane Carwell
1-8036 - Music Fund	Music Committee / Music Director
1-8038 - Little White	
House	Property Comm. repairs on LWH only
1-8040 - Organ Fund	Music in Memory Hugh Golightly
1-8042 - Parking Lot Fund	Property Comm. parking lot only
1-8044 - Special Events	Malinda - Special Uses
1-8046 - Week of	
Compassion	Congregational Offering
1-8058 - Starr Ministry	Outreach Committee / Jane Carwell
1-8060 - Tower Road	
Project	Outreach Committee / Jane Carwell
1-8061 - Fellowship	Fellowship Committee / Tim Anderson
1-8063 - Men's Chorale	Bob Clarke / Music Committee
1-8066 - Wednesday	
Night Meal	Adult Ed / Wednesday Night Dinner
1-8071 - Christmas	
Offering	Congregational Offering
1-8072 - Easter Offering	Congregational Offering
1-8073 - Reconciliation	
Offering	Congregational Offering
1-8078 - Stephen Ministry	Bobbie Cherry & Peggy Cleveland
1-8080 - Celebrate Early	Robin Norsworthy / Music Committee
1-8084 - Legacy Partners	
Expense	Ida-Anne Clarke

1-8086 - Stewardship	Stewardship Committee / Robin Norsworthy
1-8088 - Flooring Project	Inactive
1-8090 - Jill's Quilts	Jane Carwell
1-8092 - Emotions	
Anonymous	Hal Doster
1-8096 - Labyrinth	Cindy Avens / Richard Zelley
1-8098 - Garden for	
Others	Sharon Meek
1-8100 - BeNuts Peanuts	Jane Griffin & Julie Pugh
1-8102 - Bibles	donor
1-8104 - Renaissance	
Dinner	to go to Ministers Discretionary
1-8106 - Energy	Trustees
1-8108 - Mentoring	Donor
Total Temporary Restricted	