



## Gift Acceptance Policy

Giving is an act of worship. Wildwood United Methodist Church (the “Church”) is blessed with generous membership whose gifts of cash, tangible assets and service to the Church reflect a deep understanding of stewardship as described in the Holy Bible.

The primary objective of this Gift Acceptance Policy is to describe the types of gifts that the Church can accept and how those gifts will be utilized in compliance with The United Methodist Book of Discipline and all applicable laws. The Policy was also developed with a focus on protecting the Church’s status as a 501(c)(3) charitable organization and helping to ensure that members’ gifts to the Church are deductible as contributions for U.S. Federal income tax purposes. The Church intends and will endeavor to use gifts in the manner the donor wishes, but donors should be aware that the Church must retain the right to determine how the funds will be used for gifts to be tax deductible.

### **GIFT CATEGORIES**

**Unrestricted Gifts:** Unrestricted gifts (sometimes referred to as undesignated gifts) are donations made to the Church without stipulation by the donor. These gifts, which account for the majority of the Church’s receipts, are added to the Church’s General Fund and directly support the Church’s mission as reflected in its ministry budget. The budget is funded primarily through such unrestricted gifts and donors are encouraged to give in this manner. Unrestricted funds allow the Church to address its most pressing needs and ministry expenses, as reflected in the annual budget approved by Church Council.

**Restricted Gifts:** A gift that a donor stipulates is to be used for a specific purpose is, in accounting terminology, a “restricted” gift (sometimes less formally referred to as a designated gift). Restricted gifts are accepted by the Church for ministries and programs that have been approved by the appropriate Church administrative bodies. Although the Church encourages gifts that are unrestricted in order to fund the operating budget, it does not wish to discourage donors from responding to God’s stewardship call in the manner that best suits them. Thus, the Church will accept, under the policies outlined below, contributions that are designated to fund specific ministries, programs or components of the operating budget. However, the church, in its sole discretion, may decline any restricted gift.

**CHARITABLE CONTRIBUTION REPORT:** Periodically (currently quarterly) the Church will provide to individual donors a record of their year-to-date giving in a Charitable Contribution Report. Non-cash gifts, including gifts of publicly traded stock and mutual funds, will also be acknowledged by a separate letter sent to the donor. It is the Church’s intention to provide donors with their year-end Charitable Contribution Report no later than January 31 of the following year.

### **THE CHURCH’S GIFT ACCEPTANCE POLICY**

- 1) All unrestricted gifts will be credited to the Church’s General Fund in support of the annual operating budget.
- 2) Gifts designated by the donor to be applied to a specific program sponsored by the Church but not included in the General Fund operating budget will be credited to the previously established non-



operating fund account that is used to fund that program. Examples of such programs include Community Assistance Ministry, Food Pantry, Beyond the Walls, etc

3) Gifts to a specific ministry, program or expense category shown in the annual operating budget may be utilized to offset the related expenses but will not increase the approved budget. In effect, such gifts cover the first dollars expended in that category. Any such funds received in excess of the associated costs incurred will revert to the General Fund and be applied to other budgeted costs.

4) Any new restricted funds must be approved in advance by the Finance Committee or Trustees as appropriate. For restricted gifts that have been approved, the Church administrative personnel will contact the donor to better understand and document the donor's intentions.

5) The Church cannot accept gifts that are to be re-directed to another nonprofit organization that is not supported by the Church. Instead, the Church encourages its members to make such gifts directly to the organization that the donor wishes to support.

6) Once accepted by the Church, gifts may not be returned to the donor, as this would be counter to the basic definition of a charitable contribution and could possibly have tax implications to the donor and create issues with the Church's status as a 501(c)(3) organization.

**GIFTS OF STOCK, REAL ESTATE OR OTHER TANGIBLE ASSETS:** The Church will accept gifts of publicly traded stocks and mutual funds. Donors should contact the Church Administrator for information on how to make such gifts. Stock and mutual fund gifts are sold immediately upon receipt. Donors of stocks and mutual funds should consult with a tax professional to determine the amount of their federal income tax deduction. The Internal Revenue Service prohibits the Church from valuing a non-cash gift. Proposed gifts of illiquid assets (non-publicly traded stock, real estate, etc.) must be approved by the Trustee Committee.

**EXPENDITURES ON BEHALF OF THE CHURCH BY ITS MEMBERS:** Church members will sometimes ask to receive a contribution credit for items purchased for the Church's ministries rather than asking that such costs be reimbursed. The Church will issue a letter acknowledging the non-cash gift. The member may then use the letter and their purchase receipts for tax deduction purposes. Alternatively, the member may be reimbursed for the cost of the purchased items and then make a cash contribution to the church in that amount.

**GIFTS DESIGNATED TO INDIVIDUALS:** Gifts designated to a specific individual do not qualify as charitable contributions under IRS regulations. However, gifts that are made to the Church's general benevolence fund that may be used to help individuals do qualify as a charitable contribution.

**PERSONAL SERVICES:** The Church relies heavily on volunteers to help fulfill its mission, and volunteerism has a high intrinsic value to the Church. U.S. Federal tax laws, however, do not permit the value of donated personal services to be deductible. Donations of this type are not reported on the Charitable Contribution Report.

**YEAR OF CONTRIBUTION:** Under IRS regulations, a donation delivered in person must be delivered to the Church no later than December 31 to be deducted in the year then ended. A donation mailed to the



Church must be postmarked no later than December 31 of that year. (The check date does not determine deductibility in either instance.) Gifts of stock must be received in the Church's brokerage account no later than midnight on December 31. Thus, if a contribution is delivered to the Church after December 31 or received by the Church with a postmark later than December 31 or delivered to the Church's brokerage account after December 31 it will be reported in the following year's Charitable Contribution Report.

**EXCEPTION TO NO-REFUND POLICY:** If a fund has been temporarily created for a special purpose (such as a capital campaign) and monies are collected in excess of costs ultimately incurred, the excess monies will be administered in the manner announced at the time the fund was created. If no such disposition of excess funds was specified, the monies will revert to the Church's General Fund.

**FINANCE COMMITTEE DESIGNATIONS:** The Finance Committee may recommend to Church Council that annual operating budget surpluses be "designated" for future purposes that the Committee believes fulfill the Church's mission. Funds designated in this manner are treated as unrestricted funds as the Church can also approve the removal of this designation depending upon various factors.

**CONCLUSION:** The Church respects and is grateful for each donor's decision to give as led by our Lord. The Church must, however, reserve the right to decline contributions that are not related to its mission, not in the best interests of the Church, or not qualified for tax purposes. The Church also reserves the right to amend these policies at any time.

Adopted 9/19/2022