

# Above-budget fundraising and special gift policy example

Tithes and other gifts to are very much appreciated! This policy is to help us all understand our church giving system and identify some IRS restrictions.

- **Identifying gifts:** Please identify any above-budget or special gifts that you give in the church offering. Otherwise, your check will be returned. The church encourages the use of the envelopes for cash gifts and issues year-end giving summaries only for contributions given in this manner.
- **Tax deductions:** Gifts must go to the church or a charity recognized by the IRS, if the contribution is to be tax deductible.
- **Receipts:** In the event a contribution of over \$250 is made outside the envelope system, a receipt will be issued by the finance committee. Individual givers are responsible for the documentation and your fund-raising group is not authorized to provide donation receipts on behalf of the church.
- **Compassion and benevolence gifts:** Individuals or groups may request that money be dispersed from the compassion fund for special needs among church members. The compassion fund team will decide, in accordance with its guidelines, if and how much will be given. Contributions may be made to the compassion fund, but a donor cannot earmark a contribution to a specific person and receive a tax deduction. People may, and are encouraged to, give directly to others in need or to non-charity causes in which they feel called to help. Donations given in this manner are not eligible for a receipt or tax deduction.
- **Other gifts to individuals and pastors:** Any gifts earmarked for individuals, including pastors, are not deductible. These gifts should be given directly and not channeled through the church.
- **Gifts for mission workers:** Donations will be accepted for church-sponsored and/or recognized mission workers. The church controls use of those donated funds.
- **Large projects:** If an individual or group wishes to undertake a larger project (more than \$1,000), they may submit a request to the stewardship team for approval. If approved, gifts may be channeled through the church.
- **Gifts to givers:** If a tangible gift or service is given to givers, one must deduct the fair-market value of that gift or service. Examples are a meal purchased at a fundraiser or a service trip. If the value of a gift is not posted, check with the church administrator for this information.
- **Tax advice:** This guide doesn't represent any tax advice for you. If you have questions about a gift or its deductibility, please check with your tax advisor.