

Eastside Apostolic Lutheran Church

Donation Policy

Last Updated: November 15, 2016

INTRODUCTION

Eastside Apostolic Lutheran Church is a qualified charitable organization exempt from federal income taxes under IRC Sec 501(c)(3). Contributions to the church are deductible for federal income tax purposes under the rules and regulation established under the current provisions of the Internal Revenue Code

UNDESIGNATED GIFTS

Undesignated gifts are those gifts given without stipulation by the donor. These gifts comprise the majority of the church's total receipts. They are relied on to fund the annual church budget.

DESIGNATED GIFTS

The church will accept designated gifts if they are specified for an approved project, ministry, or program administered by the church. Gifts to ministries, programs, or individuals not administered by the church cannot be accepted and should be sent directly to the organization or individual(s) you intend to receive the gift.

GIFTS TO INDIVIDUALS

Gifts designated to a specific individual do not qualify as charitable contribution under IRC regulations. Gifts designated as either a love offering or benevolence to a designated individual will be held until a decision is made as to whether the church can administer the funds. These gifts will not be reflected on the donor's record of giving.

Exception to this rule:

1. Gifts designated to an offering which has been authorized and will be administered by the church for an individual. These gifts will be acknowledged on the donor's record of giving. New designations will be initiated and authorized by the board of trustees who will complete, in its entirety, the "New Gift Designation Form." Any donations that exceed the need of a designation will be automatically moved to the general fund.

Note: Suggestions of individuals or families that are in need of assistance may be presented to church leadership without restriction. However if a gift is presented with a designation of an individual prior to the designation being authorized by church leadership, such a designation to the individual is now prohibited.

DESIGNATED GIFT RESTRICTION REMOVAL

Eastside Apostolic Lutheran Church reserves the right to remove any restrictions from any funds or offerings when it is in the best interest of the congregation to do so.

NON-CASH GIFTS

The church will accept most types of non-cash gifts, provided the gift is determined to be related to the purpose of the church and in the church's best interest. Per IRS regulations, we will acknowledge receipt of the gift by letter with a brief description of the item donated. The church

is not responsible for appraisals and will not determine the fair value of donated property. The estimated fair value of the gift will not be reflected on the letter or the donor's record of contribution. It is the donor's responsibility to determine the fair market value of the gift.

PERSONAL SERVICES DONATED

The value of personal services donated is not deductible as a charitable contribution as per Internal Revenue Code. The church relies heavily on volunteers to fulfill its ministry. However, donations of this type cannot be reflected on the individual's record of giving.

UNREIMBURSED EXPENSES INCURRED ON BEHALF OF THE CHURCH

In order to establish an adequate trail to substantiate gifts we ask donors to submit a check request for reimbursement. At this time we do not issue contribution credit for items bought for the church's ministries.

DONATION OF THE USE OF PROPERTY

Use of property cannot be claimed as a charitable contribution. The church may determine to accept the use of property in such cases where the donor understands no deduction is allowed.

CONTRIBUTION STATEMENTS

The church will provide, at least annually to donors, a record of cash contributions received in accordance with rules and regulations required by the IRS. Non-cash gifts will be acknowledged by letter as described above, in compliance with IRS rules and regulations.

YEAR OF CONTRIBUTION

The IRS provides clear guidelines with regard to the date of posting contributions, which we follow carefully. All contributions received or postmarked by December 31 will be included in that year's contribution statement. If the contribution is received or postmarked after December 31, it will be included in the contribution statement of the year in which it is received/postmarked regardless of the date on the check.

CONCLUSION

The church respects the donor's decision to give as led by the Lord. The above policies are meant to provide guidance to the donor and the church body as well as comply with the applicable tax laws. The church reserves the right to refuse contributions that are not related to the primary purpose of the church, not in the best interest of the church, or those not qualified for tax purposes.

REFERENCES

Are Designated Gifts for Individuals Tax Deductable? By Church Law&Tax:

<http://www.churchlawandtax.com/blog/2013/february/are-designated-gifts-for-individuals-tax-deductible.html>

Benevolence Fund – Why Every Church Should have One Properly Administered:

<http://www.freechurchaccounting.com/benevolence-fund.html>

Crosspoint church Bellaire – Contribution Policy:

http://www.cpointchurch.org/download_file/view/188/

Designated Fund Management: How to Handle Designated Contributions to the Church – by Keith

Hamilton: <http://www.lifeway.com/Article/pastor-church-administration-designated-contributions>

Handling Benevolence Gifts According to IRS Guidelines – by Keith Hamilton:

http://www.bivocational.org/BIVO/PastorsToday/Benevolence_Gifts_According_to_IRS_Guidelines.htm

IRS Publication 1828 – Tax Guide for Churches & Religious Organizations: <https://www.irs.gov/pub/irs-pdf/p1828.pdf>

IRS Publication 3833 – Disaster Relief: <https://www.irs.gov/pub/irs-pdf/p3833.pdf>

IRS Publication 526 – Charitable Contributions: <https://www.irs.gov/pub/irs-pdf/p526.pdf>

Restricted Offering vs. Designated Offering – by THE StartCHURCH Advisors:

<https://www.startchurch.com/blog/view/about-us>

Rules for Designated Gifts – by Frank Sommerville, JD, CPA:

<http://www.wkpz.com/content/files/Rules%20for%20Designated%20Gifts.pdf>