

Gateway Friends Church

Contribution Policy

The mission of Gateway Friends Church (GFC), Diamond Bar, California is “to make and grow fully devoted followers of Jesus Christ among the unchurched people in the East San Gabriel Valley.” As a body of Christ, we believe the financial responsibility of the church is to be a wise steward of the resources God has entrusted to this body. The church is accountable to its membership to make sure the resources of the church are handled with the highest level of trust and integrity as possible. Ultimately, the church is responsible to God in the stewardship of its funds.

“This service that you perform is not only supplying the needs of the Lord’s people but is also overflowing in many expressions of thanks to God. Because of the service by which you have proved yourselves, others will praise God for the obedience that accompanies your confession of the gospel of Christ, and for your generosity in sharing with them and with everyone else.” (2 Cor 9:12-13)

Section I - Purpose

GFC is a qualified charitable organization exempt from federal income taxes under Internal Revenue Code 501(c)(3) and California Revenue and Taxation Code section 23701(d). As a charitable organization, none of its earnings may inure to any private shareholder or individual. Tax laws allow donors to “501(c)(3) organizations” to deduct contributions from income taxes. IRS may audit the 501(c)(3) organization any time during its life, particularly if IRS receives information regarding unlawful private enrichment or tax fraud. The ultimate penalty for violation of tax laws is revocation of its exempt status. The IRS may also assess monetary penalties for certain tax violations.

This contribution Policy is a tool to help GFC comply with the increasing federal and state government guidelines in operating a nonprofit organization. Also, a clear contribution policy can help GFC avoid potential conflicts or mistrust by providing straight forward and understandable instructions and guidelines on various contributions.

Section II - Undesignated Gifts and Offerings

Undesignated gifts are those gifts given without stipulation by the donor. These gifts are utilized to support the ministry of the church through regular Tithe and offerings, or offered by donors not designated for a specific purpose or ministry. These funds are used for the general operating budget of the church. The general operating budget is a comprehensive annual spending plan for the church’s ministries. Undesignated gifts and offerings comprise the majority of the church’s total receipts.

Section III - Designated Gifts

Individuals can give designated gifts for the ministry of the church. However, the specific ministry for a designated fund must be established by the Church Leadership (Pastoral and Elder Board) prior to receipt of the cash or cash equivalent designated gift. If the designated gift is a gift of property, not cash or cash equivalent, then the Church Leadership, through the deliberation of the Trustee Board of GFC, reserves the right to use the property for the church at its discretion. The Church Leadership and the Trustee Board will try to honor the intention of the donor, but reserves the authority to use or dispose of the property that best fosters the church's ministry. Designated funds are segmented from the general operating budget funds of the Church and are set up as Special Funds.

The process of establishing a Special Fund by the church:

1. The establishment of a designated activity requiring a Special Fund must be agreed upon by GFC Pastoral and/or Elder Board.
2. GFC Trustee Board must agree with the establishment of the requested Special Fund and will establish a specific account for the fund (Special Fund).
3. General membership consensus of the Church body must be established for matters required by the constitution of GFC prior to establishment of that Special Fund. If consensus is not reached, the Special Fund will not be established and the church will not accept any designated gift for that purpose.
4. Unless otherwise established by the Church Leadership, designated gifts received in excess of those needed to complete the designated project or at the time of dissolution of the activity for which the fund was established, will, by recommendation of the Trustee Board be diverted to another area of GFC need.
5. Trustee Board shall ensure proper ledger accounting when excess Special Funds are diverted to another area of GFC ministries.
6. A list of contributors and their contributions is maintained pursuant to Internal Revenue Service record-keeping requirements.

Section IV - Benevolence/ Compassion Fund

The church, in exercise of its religious and charitable purposes, can established a benevolence/ compassion fund as a Special Fund to assist persons in financial need. The church welcomes contributions to the fund; however, the administration of the fund is subject to the exclusive control and discretion of GFC's Senior Pastor, Chairman of the Elder Board and the Chairman of the Trustee Board. Disbursements of the Benevolence/ Compassion Fund will be deliberated by the Trustee Board based on the recommendations of the Senior Pastor and the Chairmen of the Boards. Although anyone can recommend the use of Benevolence/ Compassion Fund, the Senior Pastor and the Chairmen of the Boards are not bound in any way to honor the recommendations. Donors will not be permitted to recover a contribution because the committee do not agree to honor the donor's recommendation.

GFC recognizes that assisting persons in financial need is a continuing mission of the church and has set aside a budget for this ministry as a Special Fund and are subject to the process as a Designated Gift (Section III above).

The Trustee Board shall record the required Internal Revenue Service documentation for benevolence requests. The following documentation for benevolence/ compassion requests can be kept confidential but shall be recorded for accurate record keeping:

1. A description of the assistance.
2. The purpose for which the aid was given.
3. The Senior Pastor and the Chairmen of the Boards' objective criteria for disbursing assistance under the benevolence fund.
4. The name, address, and amount distributed to each recipient.
5. Disclose any potential conflict of interest relationship between a recipient and staff, board members, or substantial contributors to the Church.

Section V - Love Offering Gifts

GFC in exercise of its religious and charitable purposes, may established a love offering as a Special Fund. The purpose of the love offering is to honor laborers in the field. The church welcomes contributions to the fund. However, the love offering will be considered taxable income to the recipient. The administration of the fund, including all disbursements, is subject to the exclusive control and discretion of the Church Leadership and Trustee Board. The Trustee Board may consider recommendations from anyone, but is not bound in any way to honor the recommendations. Donors will not be permitted to recover a contribution because the committee failed to honor the donor's recommendation. Love offering gifts are considered a designated gift and are subject to the process and record keeping stated in Section III. GFC recognizes that the love offering Special Fund is part of the continuing mission of the church.

Section VI - Building Fund

The church, in exercise of its religious purposes, has established a building fund as a Special Fund for future expansion of the church building, grounds, and equipment. The church welcomes contributions to the fund as a Designated Gift. The administration of the fund, including all disbursements, is subject to the control and discretion of the Church Leadership and Trustee Board or the Building Committee when it is established. Anyone may make recommendations on the use of the Building Fund, but the Church Leadership, Trustee Board and/or the Building Committee is not bound in any way to honor the recommendations. Donors will not be permitted to recover a contribution on the grounds that the donor's recommendation is not honored. GFC recognizes that maintaining and planning for future expansion of the church building, grounds, and equipment is a practice of good stewardship and has established this fund as an ongoing Special Fund. Gifts for the Building Fund are considered a designated gift and are subject to the process and record keeping stated in Section III.

Section VII - Missions Fund

GFC, in exercise of its religious purposes and mission, considers being missions passionate as a core value of the Church. GFC has established a dedicated Missions Fund as a Special Fund to provide resources for the church, church members, or other worthy persons or organizations spreading the gospel of Jesus Christ. The Missions Fund can incorporate additional sub-accounts to provide resources to church members or other worthy individuals for short-term mission trips or support of long-term missions. GFC welcomes contributions to the Missions Fund or specific sub-accounts to provide resources for a mission trip. The administration of the fund, including all disbursements, is subject to the control and discretion of the Missions Committee. The Missions Committee may consider recommendations from anyone, but in no event is the committee bound in any way to honor the recommendations. Donors will not be permitted to recover a contribution because the committee failed to honor the donor's recommendation.

All gifts donated to the Missions Fund will be kept separated from other Church ministries and accounts. Designated gifts to the Missions Fund received in excess of those needed to complete the designated mission trip for which the fund was established, will, at the discretion of the Missions Committee be added to the general Missions Fund or diverted to sponsor another mission activity approved by the Missions Committee. The Pastor overseeing the Missions Committee or his designee shall maintain accounting of the Missions Fund and report all spending and balances of the Mission account to the Trustee Board for cross check, accountability, and financial reporting at Ministry Leaders Meetings, and annual congregational meetings. GFC recognizes that spreading the gospel is a primary purpose of the church and has established this Special Fund as an ongoing fund.

Section VIII - Gifts to Individuals

Ordinarily, "designated gift" to an individual are not deductible and are not accepted by GFC. Since the intent of the donor is to make a transfer of funds directly to a specific individual rather than to a charitable organization, it does not comply with the Internal Revenue Code and the California Revenue and Taxation Code for "charitable organization." Gifts designated to a specific individual do not qualify as charitable contributions under these federal and state laws even if the funds are payable to GFC but earmarked for a specific individual. Gifts designated as a Benevolence/ Compassion Fund in Section IV, Love Offering Gift in Section V, or a Missions Fund in Section VII will not be accepted unless a decision was made to whether the church can administer the funds. Gifts to individuals will only be accepted and reflected on the donor's record of giving if:

1. Gifts to the benevolence/ compassion fund is provided to the Church, all funds given in checks are made payable to GFC only. The funds received are administered by the church who independently established the need for a recipient in accordance with Section IV above. Donor accepts and acknowledges the condition that the Senior Pastor and the Chairmen of the Boards have complete discretion to determine the recipient for the gift provided.
2. Gifts to the Love Offering is provided to the Church, all funds given in checks are made payable to GFC only. The funds received are authorized and administered by the church subject to the provisions and limitations in Section V above.

3. Gifts to the Mission Fund is provided to the Church, all funds given in checks are made payable to GFC only. Funds provided by donor in support of a mission team member are administered by the church and governed by the needs established by the Missions Committee. Mission Funds received by GFC to support a mission team member can be diverted for other missions related ministries at the discretion of the Missions Committee. Designated gifts to the Missions Fund are subject to the provisions and limitations in Section VII above.

Section IX - Stocks and Bonds Gifts

GFC can accept gifts of stocks and bonds. Donors should discuss this procedure and process with the Trustee Board. The value reflected on the donor's contribution statement will be equal to the value of the stock and/or bonds when it is received. However, the deductible amount for taxation allowed by the IRS and CA Board of Equalization will depend on the condition and value of the original purchase. The donor is advised to obtain the appropriate information from his/her broker or accountant on the value that can be deducted from taxes.

Section X - Non-cash Gifts

GFC may accept various non-cash gifts, provided that the gift is determined to be related to the purpose of the church and in the church's best interest. Per federal and state taxation requirements, GFC will acknowledge receipt of the gift in writing with a brief description of the item donated. GFC, however, is not responsible for appraisals and will not determine the fair value of donated property. It is the donor's responsibility to determine the fair market value of the gift. GFC will not estimate or reflect a value to the gift on the written receipt or donor's record of contribution.

Section XI - Electronic Transfer of Gifts

GFC are grateful for the generosity of donors to provide necessary resources for its ministry. For the convenience of the donors, the church has established an electronic fund transfer (EFT) service for contributions. There is, however, a service charge for the use of the EFT service. Since that fee is charged by a "for profit" company, the service fee is not deductible and will not be reflected on the donor's contribution statement.

Section XII - Expenses Incurred on Behalf of GFC as Gift

Expenses incurred cannot be exchanged for contribution credit in lieu of reimbursement. An individual may not turn in a receipt or provide a contribution envelop with a value equaling the value of goods for reimbursement even if receipt is provided. Individuals desiring to make such a contribution to the church must render a receipt, or bill, for goods purchased, or services rendered, to the church and receive actual payment. The individual wanting to donate that same amount to the church, must deposit the reimbursement payment from the church into their account, and write a check or other form of cash or cash equivalence to the church for the said amount. Then and only then can the church legally give a record of a charitable donation.

Section XIII - Personal Services or Use of Property Donation

The value of personal services donated or use of property is not deductible as a charitable contribution. GFC appreciates and honors those willing to provide services and the use of property to advance its ministry. However, donation of this type cannot be reflected on an individual's record of giving.

Section XIV - Contribution Statements

GFC will record and provide to donors annually a statement of cash contributions received in accordance with rules and regulations pursuant to federal and state requirements. Non-cash gifts will be acknowledged by written receipt as described in Section X above. Please contact GFC Trustees immediately if there are observed discrepancies found on the annual contribution statements.

Section XV - Year of Contribution

The Internal Revenue Service and the California State Board of Equalization provide clear guidelines about the date of posting contributions. 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 regardless of the date on the check when drawn.