

**CONTRIBUTIONS POLICY* and PROCEDURES for
SPECIFIC PURPOSE FUNDS and
UNIFIED OPERATING BUDGET
Executive Summary**

- TBC's tax-exempt status is valuable to both TBC and its contributors. Precautions to protect it and tax-deductibility of contributions are prudent. The requirements of tax-deductible contributions are well-established.
- A contribution must be cash or property, must be unconditional without benefit to the donor, and the gift must include giving up any control over the contribution.
- A contribution must be properly documented. TBC is hereby establishing written policy and procedures for doing so.
- A contribution may be made to/for a tax-exempt entity, not an individual or family.
- TBC Church Family may approve Specific Purpose Funds:
 - Establish "designated" funds for specific purposes within the church
 - Sponsor or participate in "restricted" funds that "pass through" to another tax-exempt organization
- Contributions to approved Funds are welcomed.
- A contribution for an unapproved purpose will be returned if the donor does not authorize its use for an approved purpose.
- Additional Designated or Restricted Funds may be requested and must be approved at a Church Family meeting. A request must include specified information and be reviewed by the Treasurer and Trustees.
- A Designated Fund generally should not duplicate the purpose of a budget line item.
- Operating budget contributions should be made for the unified budget without indication of preferred use.
- Trustees recommend establishing the following Designated Funds:
 - Missions (including Fall Classic)
 - Youth Missions
 - Special Assistance Fund (merge Success and Scholarship) Adopted 3.30.2008
 - Love Offering (per authorized event)
 - Building and Mortgage Fund
- and the following Restricted Funds:
 - Annie Armstrong
 - Lottie Moon
 - Cooperative Program

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Frequently Asked Questions**

Q: Will this Policy have any impact on my regular tithe or contribution?

A: No, any contribution to TBC's Unified Budget will be collected and reported as in the past, and tax-deductibility will be the same.

Q: You mentioned "TBC's Unified Budget." Will I be able to make contributions for special purposes?

A: Yes. A small number of Specific Purpose Funds (SPF) are recommended for approval by the TBC Church Family; some procedures have been written or changed to assure that TBC is in compliance with requirements for tax-deductible contributions and tax-exempt status.

Q: I'm especially interested in Missions; how will those contributions be handled.

A: A Specific Purpose Fund will be established for Missions. A contribution may be made to TBC for it (or any SPF).

Q: If I give to the Missions SPF, will I be able to specify which Mission trip (or persons going on the trip) I wish to support.

A: You may ask the Missions Committee, which will be responsible for allocating monies in the Missions SPF, to consider allocating as you prefer; however, one key condition for a contribution to be tax-deductible is for it to be unconditional. The Missions Committee may take your request under advisement; however, the decision will ultimately be up to the Committee.

Q: I particularly want to support Youth Mission activities.

A: The conditions are the same as for "Missions" support above.

Q: Will I be able to make contributions to a specific item in the Unified Budget?

A: Any contribution directed to a specific use other than (1) the Unified Budget or (2) an approved SPF will be returned to the donor unless directed to one of these approved uses. Contributions to an SPF should be considered in addition to supporting the Unified Budget, which is approved by the Church Family after thorough discussion.

Q: I feel very strongly that TBC should make debt-reduction a high priority? If I can't give to the budget for that purpose, how can I make sure TBC accomplishes that objective?

A: The Trustees have recommended that the TBC Church Family approve a Specific Purpose Fund for Buildings and Mortgage, and donations to this SPF may be requested to be applied to debt reduction.

Q: How will love offerings be handled?

A: (For a ministry event)

TBC must approve and publicize the ministry event. Contributions must be made in an envelope with the donor's name and purpose noted in order to receive a charitable tax deduction receipt.

A: (For staff members)

TBC may approve a special one-time offering. If the donation is tax-deductible for the donor, it is reportable income to the recipient, and vice versa (if it is not reportable income to the recipient, it will not be tax-deductible for the donor.

Contributions may not be made to TBC for an individual or family unless there is an approved event or offering.

Q: I don't understand why we need this policy or SPFs and a procedure for each. We've never had problems or been audited.

A: It is in the best interest of TBC and its supporters to preserve TBC's tax-exempt status and tax-deductibility for contributions, as well as to ensure that monies received are for purposes consistent with the ongoing ministries of the organization.