

Eastside Christian Community Church

Gift Acceptance Policy and Procedures

1. Purpose of the Policy

ECCC encourages gifts from individuals to secure the future growth and missions of the church, including the needs of our preachers. These policies and guidelines govern the acceptance of gifts by the church and provide guidance to prospective donors when making gifts to the church. The provisions of these policies shall apply to all gifts received by ECCC for any of its programs or services.

2. Policy Statement

- a. No gifts will be accepted that cannot be used with the purpose and mission of ECCC.
- b. No irrevocable gift, whether outright or life-income in character, will be accepted if under any reasonable set of circumstances the gift would jeopardize the donor's financial security.
- c. The financial team will notify the deacon board of any potential significant gift or bequest (over \$10,000). The financial team will prepare monthly report on all donations for the deacon board and congregation.
- d. Donors should be advised of their own need for legal counsel to assist them in the process of making an unusual or significant gift. The ECCC shall avoid becoming involved in what can be interpreted as unauthorized practice of law.
- e. Every precaution shall be taken by the ECCC financial team to protect the privacy and confidentiality of the personal and financial information of each donor and donor's family. Permission must be obtained before any public acknowledgement is made of gifts received by the charity. The right of anonymity must always be respected.
- f. In all cases, any professional advisors such as attorneys or CPA's hired by ECCC must recognize their client is ECCC, and that they do not represent the donor. Professional advisors for ECCC will always seek to work with the advisors for the donor.
- g. Gifts shall not be accepted where the mental competency of the donor is in question. However this does not preclude a person acting in the capacity of attorney-in-fact from making a gift from the estate of the individual granting the Power of Attorney. In this event every consideration shall be given to the donor's charitable giving habits and financial condition to ensure that the gift is in the best interest of the donor and is carried out in a prudent manner. The donor's Power of Attorney must specifically grant the power to make charitable gifts.
- h. Investment considerations and gift considerations are in all cases to be evaluated separately, each on their respective merits. In no event shall the offer of a gift be tied in any way to an investment action or decision by ECCC.
- i. ECCC shall in no way compensate, whether through commissions, finders' fees, or other means, any third party for directing a donor to the charity.

- j. Donors of gifts other than cash will be told that ECCC gift acceptance policy requires a review of certain assets to ensure proper handling.
- k. The IRS requires that a charitable contribution receipt be issued for all donations \$250.00 or higher except in the situation where a donor requests to remain anonymous and requests no receipt.
- l. Only those individuals who have legitimate reasons to access confidential donor information are authorized to receive it. The right to access confidential donor information is based on the need of the service to have access to the information in order to perform his or her official duties.

3. Types of Gifts

- a. Current. Only current gifts are accepted.
- b. Acceptability and Tax Deductibility of Charitable Contributions. For a charitable contribution to ECCC to be acceptable to us and tax deductible to the donor:
 - 1) The gift it must not be restricted to use by or for a specific individual. The contribution must be given to the church, not to an individual.
 - 2) Once given, the gift must belong to and be the property of ECCC.
 - 3) We must have full administrative and accounting control over the gift, meaning that we must have complete discretion as to how the gift will be used to further our exempt purposes. If the donor would have control over the gift after the contribution has been given to the charity it does not qualify as a charitable contribution.
- c. Preferences. ECCC will try to honor donor preferences/suggestions; however, IRS rules, and ECCC policy, require that funds received, where a tax deductible receipt is issued, are totally under the control of the ECCC and must be used in the discretion of the deacon board for tax exempt purposes other than the donor's preference. ECCC has overall discretion and control over all gifts and other resources. A donor's preference, in connection with a gift, expresses a desire or suggestion which is advisory in nature. The preference does not restrict the use of the gift as to time or purpose.
- d. Preacher and Missionary Special Needs. Contributions made to these special need(s) funds, which are identified by a donor to go to a specific needy individual(s) within ECCC are not tax deductible. If a contribution was made to ECCC with the specific condition that the funds be used to help a specific individual, the donor could not receive tax-deductible benefit and the funds should either be returned to the donor, or the donor could identify the funds as a personal gift, where no tax-deductible receipt is given. To qualify for a charitable deduction, contributions must be made to ECCC without restriction, except for a suggestion or preference that the gift be used for a specific individual or purpose. It must be clear that ECCC has discretionary control over all funds received, where the donor is given a tax-deductible benefit. Giving preferences does not guarantee that a suggested recipient will be given a grant from the fund. The suggested recipient may not be

eligible for a grant from a specific fund or may decide not to apply for a grant in which case the funds will be converted to general fund.

4. Other Donation Issues

- a. Passing Gifts Through To Members. A donor may want to donate cash, a car, a personal computer or some other asset to a specific member. ECCC should not accept this kind of gift. The gift should go directly from the donor to the member, without going through ECCC, and would be considered a personal gift. Personal gifts are neither tax deductible by the donor, nor taxable to the recipient, within IRS limitations.
- b. Quid Quo Pro Contributions. A quid quo pro contribution is a payment made partly as a contribution and partly for goods or services provided to the donor by the ministry. A donor may deduct only the amount of the contribution above what the goods or services are worth.
- c. Change of Status, Refund or Transfer of Donated Funds. If the recipient decided not to receive the fund, the fund will be transferred back to the corresponding fund. ECCC must be assured by the recipient(s) or receiving programs that the funds will not be passed through to the original donor. Refund will not be issued unless the donor was in mental incapable state. Donor may change their suggestion before ECCC execute the fund transfer.
- d. Year End Postmarks. Donations must be received by the last Sunday of the year to qualify for a tax deduction in that year. Also, the check date must be for the current year. Donations with a January date will be held until January for processing.

5. ECCC Fund Management

ECCC has two special needs funds, the Preacher Fund and the Missionary Fund. The purpose of these funds is to provide their living expenses and support mission work. Please see below for the details of the budget. Donors may designate to a specific fund either with or without recipient preference. If preference is not specified, the fund will be equally distributed among the fund recipients; otherwise, ECCC will honor donor's preferences and use the amount to support the recipient. Once the recipient's budget limit is reached, the exceeding amount will be transferred to general fund. All thereafter donation will be kept in the general fund for that year. Each November ECCC deacon board will adjust the budget limits as part of the overall budgeting process.

Deacon Board made decision for 2014

Preacher Fund to be \$140K for our two preachers, each has \$70K as budget limit;
Missionary Fund to be \$90K for our three missionaries, each has \$30K as budget limit.

Date: Jan 2014

Basis: IRS Reg. IRC Section 501(c)(3)