

## **RESTRICTED and UNRESTRICTED GIVING POLICY**

***RESTRICTED GIVING*** is defined as funds donated to an organization with definite stipulations and purposes attached whereby it may not be used otherwise ultimately giving the donor full control of the donation. They are permanently restricted to that purpose and cannot be used for other expenses of the nonprofit.

**When the organization does not have dominion and control of the gifted asset and may not freely use the donation, then the donation does not qualify as a deductible contribution.**

***UNRESTRICTED GIVING*** is defined as funds donated to an organization which have no restrictions and therefore may be used for any legal purpose appropriate to the organization.

**While donations may have a designation attached, the donor understands the donation becomes the sole property of the organization which retains all rights to utilize the funds at its discretion as it determines necessary to carry out its purposes, policies, and philosophies of ministry.**

**The donor further understands that all determinations for utilization of the donation lie within the authority of the Administrative Board.**

**In fulfillment of this purpose, the RHBC will make the following clause known to all donors through regular publication in its church bulletin and by attaching it to tax-deductible donation receipts produced.**

Our church will seek to spend all designated gifts for the purpose the donor desires, as long as that purpose is in keeping with the purposes, policies, and philosophy of the church. If the gift is designated to purchase products or secure special services, the administrative board reserves the right to select the vendor or provider of the services. The designated monies and any item of service purchased with these monies is the property of the church.

**Due to the complexity of the IRS laws and designations concerning *RESTRICTED* and *UNRESTRICTED* giving, the RHBC Administrative Board formally adopts the following policy:**

- 1. "Restricted Giving" will, under most circumstances, be avoided.**
- 2. Any form of "Restricted Giving" must undergo full consideration by the Administrative Board before the donation(s) is formally accepted by the organization. Any and all restrictions placed by the donor must be in writing. The Administrative Board will consider whether the giving with its restrictions is deemed necessary and acceptable.**
- 3. All stipulations must contain a clause determining proper disposal of assets in the event the restricted cause ceases to exist.**
- 4. Most "Restricted Giving" is non tax-deductible so consideration must be given to each gift and IRS laws pertaining to it.**
- 5. "Unrestricted Giving" allows the donor to designate their donation to a specified cause. However, the donation becomes the sole property of the RHBC upon receipt. While the RHBC will make every attempt to fulfill the desire of the donor, its use may be deemed necessary otherwise.**
- 6. "Unrestricted Giving" donors release themselves from any and all rights to determine the final disposition of their donation.**
- 7. When compliance is maintained in accordance with all guidelines concerning "Unrestricted Giving", the donation qualifies for a tax-deductible designation to the extent allowable by law.**

**Adopted by Admin Board – July 8, 2019**