

Virginia Beach United Methodist Church

TEMPORARILY RESTRICTED ACCOUNTS POLICY

INTRODUCTION

In general, Virginia Beach United Methodist Church encourages donations be unrestricted and without conditions, as unrestricted donations allow the Church to use the funds where they are most needed. On occasion, a donor may request that their donation be restricted and used for a specific purpose. This type of donation is required to be recorded in a Temporarily Restricted account until used for its intended purpose.

POLICY

This policy provides guidance for managing Temporarily Restricted donations used for projects, events or activities.

PROCEDURES

1. If a donor wishes to impose a restriction on the donation that is not a current ministry or fund of the church, the Executive Director or Senior Pastor, with the direction of the appropriate committee or ministry, should determine whether to accept the donor's restriction. If the restriction fits within the Church's tax exempt purposes, its mission and vision, and fulfills the needs of the Church, it may be accepted. If the donation does not, the Executive Director will work with the donor to determine a more appropriate use for the gift.
2. The Church may wish to solicit donations for a specific purpose. To facilitate effective management of the funds requested, solicitation materials will include the following information:
 - a. Description of the project, event, or activity, the amount of money required, and the timeframe for the receipt of donations;
 - b. If donations are not sufficient to complete the project, event, or activity as described, how the funds will be used;
 - c. If donations exceed the amount needed for the project, event, or activity, how the excess funds will be used;
3. Temporarily Restricted donations are segmented from the General Fund, and all expenditures related to the designated purpose are charged against the appropriate account.

4. In the event that the designated purpose is no longer feasible, or has been completed, or for other good cause, or where there has been no activity (donations or expenditures) in the account over a two year period, the Finance Committee may direct the Executive Director to contact the donor(s) to determine an appropriate use for any remaining funds. If it is not possible to identify or to contact the donor(s), the Executive Director will make a recommendation to the Finance Committee to redirect such gifts to other appropriate ministries or projects in the General Fund and, if needed, close the appropriate Temporarily Restricted account.

5. To ensure good stewardship of the Church's resources, Temporarily Restricted donations for ongoing activities must be used prior to the use of General Fund donations.

Approved by Finance Committee

Date: May 15, 2019