

Charitable Contributions Policy

River Shores Church, Inc.

INTRODUCTION

River Shores Church, Inc. (herein after called the “church”) is a qualified charitable organization exempt from federal income taxes under IRS Sec 501(c)(3). Contributions to the church are deductible for federal income tax purposes under the rules and regulations established under the current provisions of the Internal Revenue Code. The church has full control of administering all contributions and funds through its constitution, by-laws, congregational meetings, Elders and Ministry Leader Team.

TYPES OF CONTRIBUTIONS

Generally speaking, a contribution to the church is either 1) undesignated, which supports the annual budget of the church and is called tithes and offerings, or 2) designated giving, which supports other approved funds or projects of the church (which may or may not be part of the yearly budget.) The purpose of this policy is to set forth how contributions will be treated in order to be considered a tax-deductible contribution. For purposes of this policy, the following terms are used:

Undesignated Contribution – A contribution that is given without designation. The annual budget is funded primarily through undesignated contributions, and as such, donors are encouraged to give without designation. Undesignated charitable contributions once made are never “refunded” to the donor under any circumstances. To refund the contribution would be contrary to the basic definition of a charitable contribution and could have possible tax implications to the donor and potentially cause a liability to the church.

Designated Contribution – A contribution that is designated for an approved specific fund or special project. Designated giving will be accepted only for funds or special projects that have been approved by the Elders and the Ministry Leader Team. Designated contributions for budgeted line categories (e.g. Assimilation, Missions, Outreach, Youth, Worship Arts, etc.) will be accepted and held for use for that purpose and will not increase or affect the annual budget. Memorial contributions will become part of the Tithes and Offering Fund unless designated for another approved fund or a budgeted line category.

The church will make every reasonable effort to honor designated contributions; however, according to IRS regulations, in order for a contribution to be considered a tax-deductible contribution, the church must maintain full control over how the contribution is used.

FUNDS AND DESCRIPTIONS

In the exercise of its religious and charitable purposes, the church has established the following funds:

Tithes and Offerings Fund – This fund includes all undesignated contributions from our weekly tithes and offerings and is used to support the ministry of the church. Any funds received without a designation will become part of the tithes and offerings fund.

Building Fund – The church has established a building fund to provide for the future needs of the church for major repairs, major remodeling, expansion, or construction or purchase of facilities for the church. The church may consider recommendations on building matters from donors, but in no event is the church bound in any way to honor the recommendations. Donors will not be permitted to recover a contribution on the grounds that the church failed to honor the donor’s recommendation. Should at any time the church congregation choose to close this fund, all money in the Building Fund at that time will revert to the Tithes and Offerings Fund of the church. Donations to the building fund should be designated as “building fund”.

Benevolence Fund - The church has established a benevolence fund to help qualifying individuals in need. The Elders will make the final determination on how much and which benevolence applicants will receive payments. Donations designated as “benevolence” will be used for these purposes.

Other Funds - Other specific or special project funds may be created on a temporary or permanent basis as determined by the Elders and the Ministry Leader Team.

If the total contributions received for a specific fund or special project exceed the amount needed for that project or purpose, the church reserves the right to use any such excess funds for the furtherance of other ministry activities as determined by the Elders and Ministry Leader Team.

OTHER POLICIES

The church will not accept contributions to ministries not associated or supported by the church unless the church has taken up an offering for a specific purpose for a specific time frame. The church encourages donors to give directly to ministries that they would like to support.

The value of personal services donated is not deductible as a charitable contribution. The church relies heavily on volunteers to fulfill its ministry.

We also cannot give “contribution” receipts for items bought for the church’s ministries instead of being reimbursed (i.e. donations in-kind). We therefore ask donors to submit a check request for approval and reimbursement. If the donor chooses to do so, they can then return the money as a contribution to the church and designate it to the ministry that incurred the expense.

CONTRIBUTIONS TO INDIVIDUALS

Contributions designated to a specific individual do not qualify as charitable contributions under IRS regulations. Contributions designated as either a love offering or benevolence to a designated individual will be held until a decision is made as to whether the church can administer the funds. These contributions will not be reflected on the donor’s record of giving.

MISSION TRIP CONTRIBUTIONS

Contributions designated for individuals to cover church approved mission trip expenses are considered tax deductible as long as the donor has the understanding that the designation is a suggestion and the contribution is ultimately under the control of the church to use as it deems necessary. Donors need to understand when they designate a contribution for a specific individual,

any funds given above and beyond what is needed for that individual will be used as the church deems necessary to further its mission and purpose. This holds true even if the donor is the person going on the mission trip.

CONTRIBUTION STATEMENTS

The church will provide, at least annually to donors, a record of cash contributions received in accordance with rules and regulations required by the IRS. The IRS provides clear guidelines with regard to the date of posting contributions, which we follow carefully. 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/postmarked—regardless of the date on the check.

CONCLUSION

The church respects the donor's decision to give as led by the Lord. The above policies are meant to provide guidance to the donor and the church body as well as comply with the applicable tax laws. The church reserves the right to refuse contributions that are not related to the primary purpose of the church, not in the best interest of the church, or those not qualified for tax purposes. The church also reserves the right to amend these policies at any time.

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