



## Accepting Restricted Gifts

Treasurers, financial secretaries and stewardship committees can provide valuable assistance when congregations consider soliciting or accepting funds in support of specific projects or programs. Including the financial team as part of the decision-making process can help to ensure that restricted gifts are recorded, administered and reported in accordance with donor intent. Following is a list of planning considerations that might be raised by those responsible for financial oversight:

- Confirm that restricted gifts are consistent with the established mission, exempt purpose and written gift acceptance policies of the congregation. Restricted gifts should be made in the mutual best interest of the donor and the congregation, and their acceptance should be governed by gift acceptance policies.
- Does the congregation have capacity to fulfill donor-imposed time and/or purpose restrictions?
- How should the restricted purpose be described in gift solicitations, appeal return devices, gift acknowledgment letters and/or gift receipts?
- Consider providing sample language for gifts that might be received in the future through wills and bequests, beneficiary designations of life insurance policies or retirement plans, and other deferred gift arrangements.
- Has a process been developed for separately tracking restricted funds in the congregation's financial records?
- How will the financial team know when restrictions have been satisfied and that funds can be released from restriction?
- What are the requirements and timelines, both internal and external, for reporting status of funds raised and use of funds? Consider how potential requests for donor anonymity will be honored.
- If funds raised exceed the project/program needs, how will excess funds be handled? If possible, this circumstance might be addressed in the gift solicitation and acceptance process.
- Whenever possible, the financial team should review verbal and written communication used to solicit restricted gifts. A copy of written materials and description of verbal messaging should be maintained with restricted gift records.

It is recommended that conclusions about the considerations above be documented and included in records for each type of restricted gift. Some gifts can be difficult to administer, and organizations retain the right to decline some or all restricted gifts. With planning, however, many restricted gifts can effectively support new opportunities for ministry.

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