

Contribution Policy

Statement of Policy

Volunteer contributions received as tithes and offerings from members will be the primary source of support for First Presbyterian Church of Houston ("FPC"). To ensure that all gifts accepted by the Church further the mission or goals of

FPC, do not conflict with the Church's ethical values and principles, and are accepted in accordance with sound business and fiscal practices, the Finance Committee will provide primary oversight to the acceptance of all Church contributions.

Donations to the Church will be accepted for unrestricted use or for any one of the restricted funds or programs that have been established. The Church may also accept a gift designated for a specific purpose for which no special fund has been established if it is within the scope of the Church's mission and approved by the Finance Committee. Unusual gifts, gifts that have conditions attached, or gifts that require the Church to assume an additional or a specific liability, must be reviewed by the Finance Committee before their acceptance.

Tax-Deductible Contributions

Section 170 of the Internal Revenue Code stipulates that a charitable contribution generally must satisfy the following six requirements to be deductible by the donor:

- Gift of cash or property
- Made before the close of the tax year for which the gift is claimed
- Unconditional and without personal benefit to the contributor
- Made "to or for the use of" a qualified organization
- Not in excess of the amounts allowed by law
- Properly substantiated

Contributions to FPC will be considered deductible (for income tax purposes) if they are given, with respect, to or for the use of the Church, including Church organizations, programs and ministry emphases. A contributor's intent to pass cash/non-cash gifts through the Church, to a named entity, individual or family will not be considered "deductible" nor included on the individual's contribution records. Any acceptance of a contribution to pass through to another entity, individual or family that would be an exception to this policy must be approved in advance by the Finance Committee. However, gifts designated to, or for the use of, an approved Church program or fund which is entirely administered and controlled as to its use by policies adopted by the Finance Committee, will be reflected on the donor's record of contribution if no "strings" are otherwise attached to the gift by the donor.

Unrestricted Contributions

Unrestricted contributions include those cash and non-cash gifts whose use is not restricted by the donor, even though their use may be limited in other respects, such as by the annual Church budget, by contract or by Finance Committee designation.

Leadership feels strongly that the General Operating Budget (unrestricted gifts) of the Church needs to be the primary source of giving to fund the ministries of FPC. Unified budget giving allows the entire Church family to participate together in the fulfillment of the ministry plans and programs for that year.

Restricted (Donor Designated) Contributions

A restricted (donor designated) contribution is one where the donor has specifically stipulated a purpose for which the gift can be used. Gifts of cash and other assets are reported as restricted support when they are received with

donor stipulations that limit the use of the donated amounts. Designated gifts will be reviewed by the Finance Committee to make sure such gifts are in the best interest of the Church's membership as a whole. The specific intent of the donation should be thoroughly documented, outlining appropriate policies and procedures for the administration, disbursement and accounting of such funds.

The Church will make every effort to meet the donor's imposed designation but the Finance Committee does reserve the right to use these funds for other needed ministry purpose(s) as it may deem appropriate. The primary reason for this reserved right is because a charitable contribution is a gift, and a gift is a transfer of all of a donor's "dominion and control" over the donated property. If after accepting a restricted gift, events occur which impact the ability to meet the donor's designation, then the donor will be notified.

Following, are the only special restricted offering accounts which have been approved by the Finance Committee for which designated funds can be received without further review by the Finance Committee:

- Presbyterian Women – funds used for women's programming and benevolences
- Senior Pastor Fund - funds are used at the discretion of the Senior Pastor.
- Associate Pastor Fund – funds are used at the discretion of the Executive Pastor
- BASIC class radio program – funds used to pay for Back to the Basics radio program
- KDO – Kids Day Out Program/Ministry – funds contributed by parents of children in the program to be used for the benefit of the KDO classrooms and staff.

Procedures for accepting designated gifts:

Gifts to ministry causes already authorized. If the gift is designated to a budgeted line item or cause already authorized by the Session, the gift can be accepted. Such gifts should be reported to the Finance Committee with the monthly financial package routinely provided to the committee. To the extent the gift does not exceed the budgeted item, the gift is not supplemental in nature (i.e. the gift goes toward the item included in the budget and there is no increase in the amount previously budgeted for such line item). If a single gift or multiple gifts designated to the same item exceeds the budgeted amount then the gift must be reviewed by the Finance Committee and the committee will determine on a case by case basis how to treat the gift.

Gifts to new ministry causes. If a gift or multiple gifts to one item is greater than \$1,000 and is designated for a new organization or purpose, then the Finance Committee will review the gift conditionally and determine whether to accept the gift. The church finance office can accept single or multiple gifts which are designated for a new cause or purpose if the aggregate gift is less than \$1,000 and should report such gifts to the Finance Committee with the monthly financial package provided to the committee. The Finance Committee will determine whether the supplemental expenditure from acceptance of a gift to a new ministry cause should be approved by session and the committee should consider the policy for approval of non-budgeted items when making such determination.

Contributions to aid with disaster relief or other situations that need an immediate response should be approved by either the Senior Pastor or Executive Pastor.

All approved restricted offerings (including funds from fundraising which is discussed below) will be maintained in a separate accounting fund (Temporarily Restricted Fund) until the balances have been expended for their intended use. All approved restricted offering account balances must be reported on a monthly basis as part of the normal Finance Committee review procedures.

Permanently restricted contributions are those that contain a stipulation that will always be present. The Church must maintain permanently restricted funds in perpetuity. With the exception of the following funds, permanently restricted funds are under the oversight of the Permanent Funds Committee:

- Deferred Compensation Fund – activity in this fund is reviewed by the Finance Committee
- Ewing Fund – activity in this fund is reviewed and approved by the senior clerk of the Session and is reported to Session.
- Carter Fund– activity in this fund is reviewed by the Finance Committee
- Building Maintenance Fund – the use and oversight of this fund is included in a separate FPC policy.
- Church Facility Maintenance Fund (from Gueymard estate) –the use and oversight of this fund is included in a separate FPC policy.

Fund Raising

Annual, recurring fundraising sanctioned by FPC includes the following –

Annual Stewardship Campaign
 Gifts for the King year-end campaign
 Planned Giving to Permanent Funds
 Memorial Gifts
 Youth Variety Show
 Advent Market
 Boy Scouts Christmas Greenery Sale

Our general policy is to discourage other single purpose or special fundraising. However, in cases where special fund raising is deemed appropriate, such special fundraising event by a ministry of FPC must be approved by the Finance Committee in advance of any promotion. Fundraising events for amounts in excess of \$5,000 must also have Session approval.

Designated Offerings

Offerings made on Communion Sundays and Christmas Eve are the only offerings that are routinely collected for a designated purpose other than the general funding of the church. Any other designated offerings must be approved, in advance, by the Finance Committee before a commitment of an offering is extended to an organization.