

# Your Parish Gift Acceptance Policy

## Some Gifts Are Not Worth Accepting

We were recently contacted by a Parish Pulse reader whose parish had received a donation in memory of a parishioner's now deceased loved one. The donor's desired use for the funds did not align with priorities of the parish/parish council. Fortunately the parish has a gift acceptance policy. Nonetheless this episode caused some uncomfortable moments -- and probably wasted time that would have been better spent on other matters.

The key message here is that not every use of funds is in the best interest of the church and sometimes it's best to say "No, thank you." It helps then to have a written gift acceptance policy in place.

Some key points:

- **There is risk** with accepting some cash gifts. Following through on the designated use could cost more than the value of the donation. Or, the designation could not fit with the parish mission or, be unrelated to the tax exempt purposes of the church. Also, the effort to *track* the donation may be excessive relative to the amount of the donation.
- **Defining the use** of restricted funds lies with the donor. If those restrictions seem impractical for the parish, the parish council has the right to not accept (or negotiate) the terms of the donation.
- **Clarify who** (presumably the Parish Council or a sub-committee or a specific officer) has authority to accept a restricted gift on the behalf of the parish.
- **The terms** "restricted" gift or "designated" gift are often used interchangeably. However, some sources differentiate the term "designated" as those non-restricted (general) funds that are earmarked for a specific use *by* the parish council. Modifying such "designations" then lies solely with the Parish Council. Restricted use funds, once accepted, should have their purpose changed only with the permission of the donor.
- **In general**, it is advisable to avoid accepting "pass through" donations designated to benefit or be channeled to an individual.
- **To help guide donors** to restricted donations likely to be acceptable to the parish, maintaining a list of current restricted use funds and/or a wish list of future desirable projects may be helpful.
- **Solicitation implies acceptance.** When the parish solicits donations for say a building fund or a major renovation, the donations received in response should be considered restricted for that purpose.
- **If a restricted donation is accepted** it is imperative to track that donation. This doesn't require a separate physical bank account but rather a fund accounting on the parish financial statements.
- **If you have a policy it's important to use it.** (Was it necessary to say this?) But with turnover on parish councils it's important to include a summary of "policies" in PC orientation sessions and handbooks.

- **Some readers may say, "This is too bureaucratic for us. We're just a small church".** Perhaps. However we always counsel parishes to "organize for the size they want to be in the future".
- **The OCA Gift acceptance Policy** can be found [here](#). A sample church/parish gift acceptance policy can be seen [here](#).