10 PRACTICAL CHARITABLE GIVING TIPS FROM THE GUIDE TO CHARITABLE GIVING FOR CHURCHES AND MINISTRIES
Trust with generous givers is built on truthful communication about giving opportunities. Trust is enhanced by the faithful administration of gifts. Timely and accurately-prepared gift acknowledgments are also part of the trust equation.

Some gifts received near the end of a calendar year qualify for a gift acknowledgment for that year; some do not qualify for a gift acknowledgment until the subsequent year. A charitable gift is considered made on the “date of delivery”—when the gift is considered complete.

When providing gift acknowledgments, a church must always indicate whether or not it provided any goods or services to the giver in exchange for the gift. Otherwise, the IRS may deny the giver’s charitable deduction.

If payments are made to a church to receive something in exchange, the transaction is more in the nature of a purchase. When one transfer comprises both a gift and a purchase, only the gift portion is deductible.

Some gifts, such as gifts of services and the rent-free use of property, do not qualify for a charitable deduction. Thus, a charitable gift acknowledgment should not be provided to a giver in response to such gifts.

Noncash gift acknowledgments should identify the name of the giver, the date of the contribution, and a detailed description of the property. There is no requirement to include the value of contributed property on the acknowledgment.

It is very important for a church to have a carefully structured gift acceptance policy. This will help a church’s staff and givers understand what gifts will or will not be accepted, as well as any necessary due diligence related to the gifts.

While a church governing board may designate and undesignate unrestricted net assets, only givers can impose gift restrictions on when or how a gift may be spent.

A gift for a specific purpose that is more narrow than the overall purposes of a church creates a giver-imposed gift restriction.

A giver’s intentions must always be honored because the giver’s relationship with the church fundamentally relies on trust.
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