

DESIGNATED GIFTS

Tax-Deductible Designated Gifts

According to IRS regulations, a charitable contribution, in order to be tax-deductible, must be "to or for the use of" the charity, hereafter referred to as the church. The church must take full control of the gift, and retain and exercise discretion as to its ultimate use. It must decide *independently of the donor's wishes* whether the funds further its own charitable purposes and mission. The gift must be given toward a specific program, project, or ministry area of the church, not to an individual.

Non Tax-Deductible Designated Gifts

However, giving such discretion to the church may not be what the donor had in mind. For example, a church member wants to help a specific individual who has significant medical bills but no insurance. A gift given through the church, directed by the donor to be for a specific individual, is **not tax-deductible**. It does not qualify for contribution credit because the donor "controls" the gift. In these cases we ask the donor not to involve the church but give their gift directly to the individual.

Note: Donors may give to the benevolence ministry at Calvary, through Bible Fellowship or through the Family Care office, and receive contribution credit. The benevolence ministry seeks to meet needs like the one mentioned above. However, there can be no commitment or understanding that money will be used for any specific individual.

REMEMBER

In order for a gift to be considered tax-deductible it may only be given toward a specific *program, project, or ministry area*. We at Calvary recommend that the donor note the specific *program, project or ministry area* on the memo line of their check **and** on the "Other" line of their contribution envelope. The donor may also note on the contribution envelope a specific individual's name, if the donor wishes to **advise** (request) the gift for a specific individual. See samples below.

Allen M Fausch
Sharon L Fausch

66-30/531
461

4051

DATE 4-7-03

PAY TO THE ORDER OF Calvary Baptist Church \$100.00

One hundred dollars and no/100 DOLLARS

Quest

FOR Belgium Mission Trip

Look for: Micro Print, signature line, gray type and lineart, First Citizens Bank logo on back. If not present, do not cash.

Please fill in all information properly.

Advise: John Doe

Envelope No. 1234

General Tithes & Offerings \$ _____
Building/Land Fund \$ _____
Other Belgium Mission Trip \$ 100.00
(please specify)
Total Amount Enclosed \$ _____

Name Al Fausch
Address _____
Phone _____