



Restricted Fund Policy

(Approved by the Elder Board - 02/10/2009)

Definition of a Restricted Fund

A restricted fund is created when a donor imposes a stipulation on a gift that limits its use to a specified purpose. Restricted funds must be accounted for separately from gifts given to the organization in furtherance of its general purposes. If any restricted funds are used for purposes other than the one specified, the donor (or heir) may be entitled by law to ask for return of the gift, even years later.

Definition of Designated Account

A designated account is created when the local church's governing body votes to use assets for a particular purpose. Because the stipulation for its particular use was made by the church itself, that stipulation (or designation), can be changed by the action of the body that put it in place. There is no other party involved as in the case of the receipt of restricted gifts.

Restricted Fund Policy

Designated accounts will be created by the Elder Board to meet a particular need. Funds given to a designated account are unrestricted, which means that when the need no longer exists or it is no longer prudent to maintain assets in that designated account, the assets will be returned to the general fund upon approval of the congregation.

Restricted funds will be created only after the Elder Board has voted to accept a restricted gift along with any stipulations placed on that gift by the donor. Restricted funds will only be used for the specified purpose unless the donor grants permission in writing to use it in another way.