

# Ministry Helps

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ARKANSAS BAPTIST  
STATE CONVENTION



## **BENEVOLENCE FUND POLICY**

### **Sample Policy for Receiving and Spending Benevolence Funds**

High Road Baptist Church adopts this policy, (date), in order to comply with legal standards of charitable contributions. Some examples of legal compliance are:<sup>1</sup>

- *“The contribution is unconditional and without personal benefit to the donor.”*
- *“The contribution is made ‘to or for the use of’ the church.”*
- *“The value of personal services is never deductible as a charitable gift.”*
- *“No deduction ordinarily is allowed unless the church exercises full administrative control over the donated funds to ensure that they are being spent in furtherance of the church’s exempt purposes.”*

1. High Road Baptist Church, in the exercise of its religious and charitable purposes, has established a **Benevolence Fund** to assist persons in financial need. The church welcomes contributions to the fund.
2. Donors are free to suggest beneficiaries for the fund or of their contributions to the fund. However, such suggestions shall be deemed **advisory** rather than mandatory in nature.
3. The administration of the fund, including all disbursements, is subject to the exclusive control and discretion of the church-elected **Benevolence Committee**.
4. The **Benevolence Committee** may consider suggested designations, but in no event is it bound in any way to honor them, since they are accepted only on the condition that they are merely nonbonding suggestions or recommendations.
5. Donors will not be permitted to recover a designated contribution on the ground that the church failed to honor the donor’s designation.
6. Donors wishing to make contributions to the **Benevolence Fund** subject to these conditions may be able to deduct their contributions if they itemize their deductions on their federal income tax return. The church cannot guarantee this result, and recommends that donors who want assurance that their contributions are deductible seek the advice of a tax attorney or CPA.
7. Checks should be made payable to the church, with a notation that the funds are to be placed in the church **Benevolence Fund**.

<sup>1</sup> Church and Clergy Tax Guide 2003, Hammer, pp. 274-5, [www.iclonline.com](http://www.iclonline.com)

