

**DESIGNATED FUNDS POLICY
CHURCH OF THE HOLY SPIRIT
January 2015**

Responsibility for Designated Funds

1. The Vestry is responsible for oversight of designated funds.
2. The Chief of Staff is responsible for enforcing established policies regarding designated funds and reporting these funds to the Vestry.
3. The Vestry may give individuals, including the Rector and/or other staff members, discretionary authority over the use of specific funds.

General Policies

4. CHS encourages *undesigned* giving so the church may have sufficient funds for normal operations. This will allow more freedom to use funds for advancing the purpose and vision of the church under God's guidance.
5. CHS discourages the giving of designated funds for line items in the general budget.
6. Requests for parishioners to make designated gifts should be limited to special projects that have been approved by the Vestry or those to whom the Vestry has granted discretionary authority.
7. Should someone wish to make a designated gift, CHS prefers that it be given out of God's blessings *above and beyond one's tithe*, rather than designating a portion of one's tithe for a particular purpose.
8. The receipt of designated funds does not automatically increase approved expenditures for that purpose.
9. Fund raising projects are specifically discouraged and must be approved by the Vestry or those to whom the Vestry has granted discretionary authority.

Policies on the Receipt of Designated Funds

10. Designated receipts shall not be deposited until reviewed by the Rector and a second person appointed by the Vestry. If the designation of the gift is clear and falls within budgets, projects or purposes already approved, then the gift shall be deposited. Otherwise, the Vestry or the person(s) to whom the Vestry has granted authority shall review the matter.
11. The Church Accountant shall ensure that the specific designation of a gift is properly recorded in the books after the funds have been approved.
12. Funds shall not be deposited which are designated for the personal benefit of specific staff members, except as previously approved by the Vestry or those to whom the Vestry has granted authority in such matters.
13. CHS shall seek written approval from donors to re-designate funds for another purpose, once the originally designated purpose has been fully funded, or expenditures for the originally designated purpose do not appear likely in the reasonable future.

Policies on the Expenditure of Designated Funds

14. The expenditure of any funds must have prior approval of the Vestry or the person(s) to whom Vestry has granted discretionary authority for such specific funds. This may be accomplished by means of the budgeting process, pre-established parameters or specific approval.
15. Gifts which are designated for line items already approved in the general budget shall be released into the general budget in order to cover those expenses. Should the amount of the designated gift exceed current year budgeted expenses, the remaining balance shall be carried over to the next year. The balance shall be released in subsequent years, in amounts not to exceed budgeted expenses for that year, until the entire gift is used for its designated purpose.
16. The expenditure of funds shall be driven by the vision and needs of the church and not by the existence of funds designated for a specific purpose.

Policies on the Reporting of Designated Funds

17. Specific fund balances shall be reported to the Vestry by the accountant on a monthly basis, including prior balance, changes and current balance.
18. The expenditure of designated funds shall be reported by the accountant each month in a manner acceptable to the Vestry.