

### **Guidelines for Use of Large Unrestricted Gifts**

The Gift Policy adopted by Bishop and Council on October 26, 2017, provides the framework for acceptance of all gifts, including those for current use and those for endowment. Additionally, each fund type may or may not include donor restrictions.

Donor restrictions provide clear guidance as to the use of the funds. However, unrestricted funds are available for use in any matter and Bishop and Council requested additional clarity as to how the uses should be determined. The Finance Committee met and recommends the following guidelines in addressing the use of large unrestricted gifts.

- Large unrestricted gifts include any gift, whether given in one lump-sum or made as a pledge and paid over a defined period of time, greater than or equal to \$25,000.00.
- Large unrestricted endowed gifts will be invested with West Tennessee Endowment Corporation and earnings from such gift will be used for the general operations of the Diocese. Such gifts will be subject to the Spending Policy adopted by Bishop and Council on October 26, 2017.
- When the Diocese receives a large unrestricted gift for current use, it is important that the Diocese balance immediate needs with the need to maintain appropriate levels of savings for the future. It should be the goal of both the Finance Committee and Bishop and Council to set aside, at a minimum, 25% of all large unrestricted gifts for future use (which will continue to have no donor restrictions).
- Future use is intended to include emergency funding requirements or new mission-based opportunities for which additional funding is needed. It is not expected that funds saved from large unrestricted gifts would be used for the sole purpose of balancing the Diocesan annual budget.
- If Bishop and Council places a self-imposed restriction on any of the funds intended for future use, such restrictions will be noted in the Diocesan financial records. Self-imposed restrictions are not binding, however, and a future Bishop and Council retains the right to remove any such restrictions at any time.
- In instances where the immediate use of a large unrestricted gift is desirable, the Finance Committee recommends that Bishop and Council review not only the acceptance of such gift, but the specific use as well. The Finance Committee should review the project, make a recommendation to proceed (if the Committee is so inclined), and Bishop and Council will also review the project and vote on its merits. It is expected that Bishop and Council would either approve the recommendation or approve an alternative recommendation without further review from the Finance Committee.
- If no immediate project exists and the Finance Committee recommends accepting the gift as unbudgeted revenue, the Finance Committee and Bishop and Council should consider setting aside 50% of the gift for future use.

Adopted as amended by B&C on August 23, 2018

- These recommendations are guidelines and should not be considered the policy of the Diocese. The Finance Committee encourages the current and future Bishop and Council to adhere to the guidelines as closely as possible.

These guidelines were created on \_\_\_\_\_ and adopted by the Bishop and Council on \_\_\_\_\_.