

CONTRIBUTION POLICY

RAINBOW MENNONITE CHURCH

Rainbow Mennonite Church (RMC) is exempt from federal and state income tax as a not-for-profit religious organization under Section 501(c)(3) of the Internal Revenue Code.

GENERAL CONTRIBUTION GUIDELINES

Following Christ's example, we are to be a responsible entity in our business affairs with our local, state and federal governments. RMC is funded by charitable contributions; therefore it is important for members, church staff and other donors to understand that there are some basic requirements that charitable contributions must satisfy in order to be tax deductible.

1. The contribution must be cash or property. The value of personal services is never deductible as a charitable contribution.
2. The contribution must be claimed by the donor as a tax deduction in the year it was made. A contribution is considered made at the time of delivery; if mailed, on the date postmarked.
3. The contribution must be unconditional without any personal benefit to the donor. Designation of an organization as a pass-through does not make the contribution conditional.
4. The contribution must be made to or for the use of a qualified tax-exempt organization. Contributions made directly to or designated for specific individuals or other entities that are not tax exempt are not deductible.
5. The contribution must be within the allowable legal limits as specified by the Internal Revenue Service.
6. The contribution must be properly documented both from the perspective of the church and the donor. RMC will provide a statement of contributions to donors annually. The use of a check for donations will allow RMC to properly identify the donor; cash gifts will not be identified to a donor unless the gift is identified by the donor.
7. RMC reserves the right to refuse to accept contributions that are not related to the mission of the church or are not in RMC's best interests.
8. RMC may receive contributions designated for individuals or other non-tax exempt entities and will identify those as non-tax deductible contributions in the annual statement of contributions to donors.

The following designated contributions are examples of what would be considered not tax-deductible:

- A contribution to the Deacon's Fund designating that a specific individual receive the assistance.
- A contribution designating a specific individual, whether or not a member of the church, as the beneficiary.
- A contribution designating an organization or fund that is not qualified under IRS rules as a tax exempt charitable organization.
- A contribution designated for a specific line item in the operating budget such as college grants (these should always have no designation made so they can be part of the general contributions for the operating budget).

DESIGNATED CONTRIBUTIONS

Designated contributions are those made to RMC for a specified purpose. These contributions are deductible as long as they are designated to a fund that has been approved by Council such as the Deacon's Fund, Building Fund, Stained Glass Fund, etc. RMC is required to use contributions to any approved fund for the specific purpose of the fund. These contributions are also deductible if they are designated to pass through to a recognized charitable organization such as MCC or Crosslines. Contributions designated for a fundraiser for a mission trip are deductible as long as the donation is not for a specific person participating on the mission trip. Contributions not designated to any specific purpose will be considered a general donation to RMC's operating budget.

CONTRIBUTION OF PROPERTY

RMC may accept donations of property after approval by Council. In these cases, it is the donor's responsibility to determine and document the appraised value of the contribution to support a tax deduction. Donations above a certain value require the donor to get a qualified appraisal. RMC will provide documentation acknowledging acceptance of the gift, date of ownership transfer and general description of the donated property. RMC will not provide any estimate of the value of property gifts.

PASS-THROUGH CONTRIBUTIONS TO TAX-EXEMPT/CHARITABLE ORGANIZATIONS

If the donor is making the contribution as part of a pledge/commitment to the charitable organization or needs/wants individual recognition for the contribution, the contribution should be made directly to the organization.

If the donor is making the contribution as a general donation and does not need/want individual recognition for the contribution, the contribution can be made through the church as long as there is an identifier on the donation to indicate the charitable organization targeted by the donor.