

Wesley Methodist Church Policy on Designated Funds

Definition

Designated Funds are donations received from third parties by the Church to be used only for purposes specified by the donors (A list of Designated Funds and their specified purposes are listed in the Finance Manual, Appendix M).

Receiving Specified Donations.

1. All specified donations are to be promptly reported to the Director of Administration (DA) and Finance Manager (FM) offices.
2. These donations would be subject to the Church's Policy on Prevention of Money Laundering and Terrorist Funding.
3. These are to be processed and expended accordingly as specified. Specified donations are to be expended accordingly:
 - i. To respective internal MCO expenses
 - ii. To organizations supported by the Church

Criteria for Designated Funds to be to be Set Up

1. The donation received cannot be channelled or utilized within a period of 6 months.
2. The minimum sum for setting up of such Funds will be in excess of \$100,000.00

Setting Up Designated Funds

1. DA and FM will consult with the Pastor-in-charge (PIC) and Chairman of the Finance Committee to determine if the specified donation is to be accepted. During this period of consultation, the donation will not be banked in and will be held by FM in Church Safe. Such decisions are to be made within 2 months of the Church receiving notification of the intended donation.
2. The PIC and Chairman Finance Committee will after taking into account the relevance of the specified donation to the Church, will at their full discretion keep or return the designated donation to the donor.
3. Donors may wish to remain anonymous but any specified donations that are not in line with the Church's values and objectives will not be accepted or banked in.
4. Where a donor has made a donation in excess of \$100,000.00 without specifying any specific purpose, the PIC or Director of Administration may, if deemed appropriate, check with the donor whether the donation was for specific purpose. Otherwise, the donation will be accepted as a general donation.

5. All specified donation in excess of \$100,000.00 must be reported at the Finance Committee and LCEC for record and accountability. The specified donation is to be thereupon banked in and disbursed for its intended purpose, as approved by the Finance Committee, as soon as is possible. If such donations cannot be disbursed within 6 months, the Finance Committee will recommend that a Designated Fund be set up for its disbursement.
6. All Designated Funds are to be approved by LCEC and its specific purposes recorded and listed in the Finance Manual, Appendix M.
7. If any part of the Designated Fund cannot be expended within 5 years, the Finance Committee will, in consultation with the donor or the appointed representative(s), recommend that the balance amount be reclassified as a general donation and will be disbursed at the full discretion of the Church or for it to be utilized in a manner closest to its intended application. The donor will be required to acknowledge to the above terms.
8. All Specified Donations that are set up as a fund are to be acknowledged by the PIC/DA by registered letter to the donor.
9. It is the responsibility of the FC to review regularly the status of such Designated Funds and recommend its application first within the Church and if its purpose cannot be applied within the Church, an external organization or need should be identified so that the funds can be utilized.