

Bridgeway Church Giving Guidelines

At Bridgeway Church, we realize that one of the most meaningful expressions of trust in God and love for people is financial giving. When we give, God is delighted, others are helped, and we are strengthened. In our giving, we want to move beyond being faithful to being extravagant. We are eager to experience the happy benefits of generosity:

“Remember this: Whoever sows sparingly will also reap sparingly, and whoever sows generously will also reap generously. Each man should give what he has decided in his heart to give, not reluctantly or under compulsion, for God loves a cheerful giver. And God is able to make all grace abound to you, so that in all things at all times, having all that you need, you will abound in every good work.” 2 Corinthians 9:6-8

As you read these questions and answers, please remember that they generally address *tax-related issues*, not whether the gift is encouraged or biblical. We encourage sacrificial giving even when the IRS does not recognize it as tax-deductible! However, Bridgeway Church (a 501c3 non-profit organization) will accept, handle, and attribute donations in accordance with all applicable laws and IRS regulations.

Are my donations tax deductible?

Generally, donations to one of the following funds or other official church projects will be tax deductible:

1. **General Fund:** to support the general operation and ministry of the church
2. **Assistance Fund:** to assist individuals with emergency needs (benevolence)
3. **Short Term Missions:** to support local and global mission trips/projects
4. **Church Planting Residency:** to support church planting projects

However, there can be donations to these funds that won't be tax deductible, or about which you'll have to get advice from your tax advisor.

Will I receive a receipt or annual statement for my donations?

Each January, you'll receive a statement listing all donations made by check or electronic payments during the previous year. If you donate cash and would like this included on your annual statement, you'll need to put your cash donation in an offering envelope with your name and address on it.

I'm trying to plan my end-of-the-year giving. Will a donation be included on my annual statement as long as I make sure my check is dated Dec. 31 or earlier?

The date we attribute to receiving a donation depends on when you *give* us the donation, not on when you date the check. To qualify as a tax-deductible donation for a certain year's tax return, the donation must be **1)** placed in the offering no later than Dec. 31st, **2)** hand-delivered to the church office no later than Dec. 31st, or **3)** mailed and post-marked by Dec. 31st. As long as a mailed donation is post-marked by Dec. 31st, we can attribute it to that year even if we don't receive it until after Jan. 1st of the next.

Can I donate money to Bridgeway Church to help those in need? Are these donations tax deductible?

Absolutely! We have established an Assistance Fund to help people in need. Just write "Assistance Fund" in the memo portion of your check. Non-directed donations to this fund are tax-deductible.

But what if I know that "Howard" needs help, and I want the donation to help him out?

Please do so! However, since your gift is really to an *individual* and not to the *church* (meaning, you'd be pretty upset if we didn't give the money to Howard), it isn't tax deductible. In this case, we'd encourage

you to simply give the money directly to Howard. (However, if you want to remain anonymous the church can deposit your check and write a church check to Howard as a service to you -- but you won't see that donation as tax-deductible on your annual statement.)

Wait, I'm confused. We have an Assistance Fund, and donations to it are tax-deductible, but when I want to help Howard with his rent, it's not?

Exactly! The issue here is *who you're giving the money to*. When you donate to a *fund* you are "releasing" the money to be used by the overseers of the fund in accordance with the policies of the church. The money is a donation to the *church* to further its tax-exempt purposes and is therefore tax-deductible. However, *gifts to individuals* (whether it's your Aunt Edna's birthday gift or rent money for Howard) are not tax-deductible. If the IRS sees that you are donating to the church, but *really want it to go to Howard*, it assumes you're just using the church as a pass-through to get a tax-deductible receipt for your personal gift. Even though Howard is helped, the *gift* is considered a "directed gift" and non-deductible.

OK. So how do I make sure Howard gets help, and still make a tax-deductible donation?

There's the key! If you know of someone who needs financial assistance, you are welcome to recommend that he be given help from the Assistance Fund, *whether or not* you have ever donated money to the fund.

If you'd like to give money to the fund so that it's there to help people like Howard when the need arises, please do so! Just DO NOT designate your donation for a specific person (either by writing their name on the check, attaching a note to the check, or making a verbal request). The key is to keep your donations to the fund and recommendations for the use of the money *entirely separate*. Please do not donate to the Assistance Fund with the expectation of it being considered tax-deductible if you also expect it to assist a particular person.

*See Assistance Fund Policy Statement below

What about donations that are not to one of the official church funds? Are they tax-deductible?

The answer to that is "Yes," "Maybe" and "No." (We'll tell you up front that if your gift falls into a "Maybe" or "No" category, you'll need to get advice from your tax counsel before claiming it as a deduction on a tax return.) Let's look at some examples:

Example: *I want to give a donation to a missionary.*

Yes, it's tax-deductible, but not through Bridgeway Church: If the missionary is with a mission agency (like Pioneers, YWAM, Wycliffe, etc.) send the money to the mission agency, and you'll receive a tax-deductible receipt from that agency.

It may be tax-deductible: Sometimes the church will take on a project like a mission trip. Since it is a pre-established project of the church, donations to that project will be tax-deductible even if they are directed to an individual going on that mission trip. On rare occasions, Bridgeway Church will choose to function as the sending agency for an individual missionary. Gifts for that missionary will be tax-deductible since the church has taken on that missionary as a church project, and through accountability and reporting with that missionary maintains control of the use of the funds.

No, it's not tax-deductible: If the missionary is *not* with an agency and has not been "taken on" as a church project, it's a directed donation (gift) to an individual. You should give the money directly to them and not through the church. Obviously, the individual can't provide you a tax-deductible receipt. (If the missionary also goes to our church, but you wish to remain anonymous, the church office will deposit your check, and write a church check to the missionary as a service to you -- but you will not see the donation on your annual statement as a tax-deductible donation.)

Example: *I like the ministry that "George" is doing and want to financially support him.*

Yes, it's tax-deductible, but not through Bridgeway Church: If George is with a ministry that can issue a tax-deductible receipt for your donation, you should send your donation directly to that ministry, and not to Bridgeway Church.

It may be tax-deductible: If Bridgeway Church oversees George's ministry as a project of the church, your donations will *most likely* be tax-deductible. However, even if Bridgeway itself supports other ministries, that does not give us the ability to accept tax-deductible donations on their behalf. In order for Bridgeway to accept tax-deductible donations for a ministry or project, it must have full administrative and financial control of that ministry or project.

No, it's not tax-deductible: If George is not with a tax-deductible organization, your donation should be given directly to George as a gift -- not to Bridgeway Church.

Example: *I like "Joe", who works for the church, and want to give him a financial gift.*

No, it's not tax-deductible: On behalf of Joe, thanks! However, you should give the gift directly to Joe for two reasons:

1. Since it would be considered a directed gift to an individual, and not to a church project or fund, there's no tax advantage in giving it through the church. If you want to remain anonymous, we can receive the funds and pay them to Joe, but...
2. Since Joe is on the church payroll, Joe *and* the church would have to pay employment taxes on your gift.

If you want to give the gift anonymously, you can mail a money order or give the gift through a mutual friend (or leave cash under his doormat, or send a singing telegram or . . . well, you get the idea).

Example: *I want to give one of our pastors, "Herb", a financial gift.*

No, it's not tax-deductible: You're welcome to do this (and Herb thanks you!) but be aware that since pastors are considered self-employed by the IRS, a gift to him may be subject to self-employment taxes, so it matters how you characterize your gift. If you are giving because "the church doesn't pay him enough, so I want to help out," the IRS might consider this as income to a pastor, and not a gift to someone that you simply want to bless.

If you want to give a gift to one of our pastors, simply give the gift directly to him, without any indication that it is because you want to make sure he receives adequate income or financial help. Your gift will not be tax-deductible, and his tax counsel will help determine if it is taxable to him.

Example: *What about the check I wrote to register for that seminar last October? Is that tax-deductible?*

No, it's not tax-deductible: Purchases of books, CDs/tapes, or payments for seminars and other services through the church are not tax-deductible. If you paid by check for these purchases/services, you'll most likely see it stamped "non-deductible."

It may be tax-deductible: In certain cases, expenses related to volunteer or charitable services may be tax deductible if detailed personal records are kept -- consult your tax advisor for information on this. Also, payments made toward one's own mission trip may be considered tax-deductible as long as the trip is a project of the church and the church remains in control of the funds and determines how they are used for the trip.

What do I do about those “Maybe” categories when it comes to my tax return?

Our determination of whether a donation is tax-deductible or not isn't a guarantee that the *IRS* will consider a donation tax-deductible in an audit. You should get advice from your tax counsel before you claim that donation on your tax return. We will let you know if we think your donation falls into a “maybe” category.

***Assistance Fund Policy**

Bridgeway Church, in the exercise of its religious and charitable purpose, has established an Assistance Fund to assist persons in financial need. The church welcomes contributions to the fund. Donors are free to suggest beneficiaries of the fund. However, such suggestions shall be deemed advisory rather than mandatory in nature. The administration of the fund, including all disbursements, is subject to the exclusive control and discretion of the church (as administrated by the Benevolence Committee). The church 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 mere suggestions or recommendations. 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. Checks should be made payable to the church, with the notation that the funds are to be placed in the Assistance Fund. 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.

Revised 8/18