**Why Every Charity Should Have a Restricted Gift Policy**

Every charity should have a restricted gift policy and make donors aware of the policy whenever soliciting or accepting restricted funds. The policy should state that the funds are being accepted on the condition they will be used for the specified purpose or project, unless that purpose or project has been completed, or for some reason cannot be completed, in which case the board may decide that the funds are to be used for another charitable activity. Without the donor agreeing to this condition at the time the gift is made, the charity may never use the funds for a different purpose or project. In addition, once the gift has been made, the donor has no further right to, nor authority over, the funds.

**Sample Restricted Gift Policy**

Spending of funds is confined to [church leadership/charity] approved programs and projects. Each contribution directed toward an approved program or project will be used as restricted with the understanding that when the need for such a program or project has been met, or cannot be completed for any reason as determined by the [church leadership/charity], the remaining restricted contributions will be used where most needed.