

**North Fayette United Methodist Church**  
**Board of Servants**  
**Policies and Procedures**

**Appendix IV.E – Designated Funds Accounts and Holding Funds Accounts Policy**

NFUMC uses **Designated Funds Accounts** and **Holding Funds Accounts** in our accounting system to track and manage funds for specific purposes. These funds accounts are defined as follows:

'Designated Funds Accounts' are created by the Board to track and manage funds given to the church for a specific use in the ministry and missions of the church. These funds should be segregated from the general account, usually in a savings account, until requested and approved for use by the Board. Approved funds will then be transferred to the general fund for use. Designated Funds do carry over from one budget year to the next.

'Holding Funds Accounts' are used to track donations given to the church for outside groups where the entirety of the funds collected will be transferred to that outside organization. The Treasurer is authorized by the Board to create Holding Fund Accounts as needed to track donations and to dispense those donations to the designated organization once the giving period is over. In general, holding funds accounts will not carry over from one budget year to the next, except for giving that occurs near the end of the year with no opportunity to dispense the funds before year end.