

NOTICE TO CHURCHES REGARDING GIFTS
TO BELHAVEN UNIVERSITY
THAT ARE DESIGNATED FOR INDIVIDUAL STUDENT SUPPORT

For your protection, it's important that the University notify you of Internal Revenue Service (IRS) regulations regarding a Church's gifts to the University that is designated to support a specific student.

If your Church's gift for the scholarship comes primarily from the family, it's possible that your Church could have its tax exempt status examined by the IRS, and the family could receive severe IRS penalties. Such concerns are not raised if the gift from your Church is designated for the general scholarship fund and not applied to a specific student, or if proper procedure is followed in supporting a specific student.

When a Church provides scholarship aid for a specific student, several concerns need to be addressed. For example, it's a violation of IRS rules if an offering is collected for the scholarship, and a substantial gift to that offering comes from the student's family. Similarly, it's a violation for a family to give money to a friend to put in a designated offering for that student. And, of course, it's a clear violation for a family to make a gift directly to the Church for such a scholarship.

On the other hand, it is quite appropriate under IRS guidelines for a church to support individual students from its operating budget, or take a special offering for such a scholarship during which the student's family does not contribute at an unusual level.

Please understand that we strongly encourage Churches to support the Christian education of students from within their congregation, both generally and specifically. But, for the protection of the Church and the family of the student, prudent care must be taken to ensure that IRS rules are not violated. You must take care that money given on behalf of a student is clearly a gift and is not in any way money that has come from the family that is being given through the Church rather than paid directly to the University.

If you are unclear as to the correctness of any gift, please feel free to contact Belhaven's Development Office and discuss the gift before sending it on behalf of a student. Our Development Office can be reached by telephone at (601) 968-5925, or by email at development@belhaven.edu.