

Commentary and Suggestions for completing the Gift Acceptance and Use Policy Including a Completed Sample Policy

Preamble

Up until now, few congregations have ever considered the necessity of creating a gift acceptance policy, much less a gift “use” policy. Yet, many of us have heard stories of congregations who’ve experienced a significant period of discord due to receiving an unexpected, large monetary gift from a deceased congregational member. Too often there are unyielding, differing opinions on how the gift should be used, exacerbated due to having the money ‘in hand’.

Due to current age demographics, it’s apparent that over the next 10-15 years there will be a significant increase in the passing of congregational members through heaven’s door. As such, not only can we anticipate an increase in the frequency of memorial gifts being made, but Lutheran Foundation Canada also tells us to expect a significant increase in the number of larger estate gifts. For this reason, congregations are encouraged to create policies now, in anticipation of, but prior to receiving such gifts. It is hoped that strategic, clear thinking in advance of receiving such gifts, will allow your policy to be “mission-driven” rather than “money-driven”.

Some congregations are already anticipating such gifts, and have requested sample gift acceptance policies on which to base their own. Unfortunately, of the few policies found within LCC, none sufficiently cover all aspects of gift acceptance and use. To assist congregations wanting to have a policy of their own, Lutheran Foundation Canada has written a comprehensive policy that congregations could simply adopt, after a few edits and additions. Many sections are boilerplate (complete), although some will require significant decisions and further writing by the congregation. Congregations are free to use the suggested policy in its entirety, or edit as they feel necessary.

The purpose of this document is to provide commentary, rationale, and guidance for each section of the suggested Gift Acceptance and Use Policy, attempting to address issues in a plain and practical manner.

Also provided as an appendix, is a sample policy in its completed form, with those sections requiring congregational decision and input having also been incorporated.

It is our prayer that this process and the completed policy will be a blessing to your congregation.

Introduction

From time to time congregations have been blessed to receive a special, extraordinary gift from a congregational member or member family. In anticipation of future gifts, this policy will outline possible concerns related to accepting gifts, and provide solutions to alleviate these concerns. In all cases, the wellness of the congregation is foremost in mind, as is concern for the individual member. It is hoped that by having an approved “Gift Acceptance and Use Policy” in place, members will be better informed and have a guideline on which to base future gifts.

Included in this section are facts related to current gift giving practices within Lutheran Church Canada, as reported by Lutheran Foundation Canada. It is hoped that if congregational members are made aware of future gift potential, they will see the value in creating a policy in advance of receiving such gifts.

Fund Definition

Although this section outlines how the fund will be established, that is, using memorial and planned gifts, this is also your opportunity to name the fund. The name could include the name of the congregation, or use some biblical reference. Examples include:

- The St. Paul Lutheran Memorial Fund
- The Trinity Lutheran Planned Gift Fund
- The Mission and Outreach Opportunity Fund

Although this policy as it’s currently written combines memorial and planned gifts into one fund, congregations may chose to create a “Memorial Fund” separate from their “Planned Gift Fund”. Or, they could have only one fund, but keep track of what portion of the funds are “memorial funds”, as opposed to “planned gift” funds, particularly if they are used for different purposes.

Fund Benefits

The primary benefit of having such a fund, is to allow the congregation to share the gospel of Jesus Christ in ways they were previously unable to do. As a congregation, you are called to share the gospel of Jesus Christ within your community and the world. But how do you do that when so many things you’d like to do require funding? A fund such as this will allow the congregation to provide services they previously could not have considered, such as providing transportation for seniors to congregational events, funding or hosting a community program, or giving funds for international missions through LCC.

There is also compelling rationale for creating a fund to which all members may contribute. Addressing this in practical terms, the following may be said. Each of God's children is special, whether young or old, rich or poor, shy or out-going. As a consequence of each person's circumstance, some people have a large circle of friends or family, whereas others do not, some are actively involved within the life of the congregation and others are not. There are even those associated with the congregation that are rarely seen because they live in a nearby care home. Yet each is a valuable member of the congregation, as a forgiven and cherished child of God.

When a gift is received by a congregation, either a lifetime or estate gift, each of the above attributes may in some way affect the monetary value of a gift. Often a gift is larger from a wealthy individual, from someone with no surviving family, or from a person well-connected within the congregation due to a significant number of memorial gifts from extended family and friends. This in no way lessens the intrinsic value of a smaller gift. We read in Mark 12,

"Calling his disciples to him, Jesus said, "Truly I tell you, this poor widow has put more into the treasury than all the others. They all gave out of their wealth; but she, out of her poverty, put in everything—all she had to live on." (Mark 12:43,44)

God's Word tells us that it is not the size of the gift that is important, but how or why the gift is given.

With this in mind, it seems unjust that a gift from one person may be sufficient to purchase a sofa set for the fireside room, whereas another's gift may only purchase a side table or coffee urn. As sinful beings, we naturally think that one gift is of greater worth or merit than another, while knowing in our hearts we should be equally appreciative and thankful for every gift. This problem is further compounded when memorial nameplates are attached to gifts purchased with specific memorial funds, or families provide gift items with memorial nameplates attached.

(Consider the implications of this scenario....A family decides to replace the "make-shift" tables used in the congregation's board room, and unbeknownst to the church council, purchases a beautiful, solid oak conference room table which they present at the next board meeting. The church would feel strongly compelled to accept it, even though the board room was previously used for other activities that required the rearrangement of the old "make-shift" tables.)

One final issue associated with specific monetary gifts being used to purchase specific items, is the purchased items must be of the appropriate value to match the amount of each monetary gift. This causes two problems - items are purchased simply because their cost matches the amount of the monetary gift, and, when more expensive items must be purchased for the congregation, there is no source of funds from which to make such a purchase.

Given the above concerns, when a memorial gift is being considered by a member or a member family, they should be discouraged from making purchases on their own accord, and should instead consider gifts to the Congregational Memorial and Planned Gift Fund. The church council will then have a source of funds from which to purchase special items for the church.

Sources of Funding

It is a common enough occurrence for congregations to receive memorial gifts from family and friends given in honour of deceased members, and as such, we can anticipate that the frequency of such gifts will increase substantially over the next 10-15 years simply due to an aging demographic.

Contrarily, many congregations are very surprised when they receive a large estate gift from a departed member. Encouraging such gifts is the primary mandate of Lutheran Foundation Canada, and over the last 5 years the Foundation has reported over \$10 million in such future estate gifts designated for LCC congregations. Congregations should be aware that the average amount of an estate gift is \$50,000, although some estate gifts are much larger.

Estate gifts are a wonderful opportunity to thank God for the many blessings a person receives over their lifetime. For many, the thought of giving from their estate has never occurred or been suggested to them, and they are excited by the opportunity once they're aware of it. Congregations are encouraged to invite the Foundation to present their seminar on Christian Estate Planning, which promotes planned giving, as well as many other important aspects of estate planning.

Gift Acceptance

The old adage of "Never look a gift horse in the mouth" is all too often the common response by congregations when being offered, or having received, an extraordinary gift from a member. Obviously this is not in reference to the Sunday morning offering, but rather, related to gifts that have "conditions" attached to them. In fact, Canada Revenue Agency reserves the right to revoke the charitable status of a congregation if they accept and receipt gifts that CRA deems inappropriate. As a registered charity there are certain guidelines that must be followed in order for charities to retain their charitable status. Examples of such gifts that are either inappropriate or problematic are as follows:

- A member suggests their congregation provide a bursary to a student attending Concordia University, and gives a gift of \$5000 towards establishing the bursary. The donor's daughter is the student designated by the congregation to receive the bursary gift. (This would not be viewed as a gift by CRA.)
- A member donates a parcel of land on which significant drilling has occurred over the years. Prior to the land being used or sold by the church, it may require a certified Environmental Assessment and Remediation Plan followed by removal of hazardous contaminants, which could be costly. (It would be better to have the member sell the property and donate the cash.)
- At the time a member wrote his will, there was a need for a new roof on the sanctuary. His will stipulated a gift of \$40,000 "to replace the roof on the sanctuary", but unfortunately the roof was replaced two years prior to his death. (The congregation may only accept the gift if

they plan on holding the gift for 20 or 30 years until a new roof is once again needed, or they get a 'variation' from the court to accept and use the money for other purposes.)

- A book collection is made to the congregation, with a stated value of \$15,000. As it turns out, the collection is only of interest to very few individuals, only one of whom is willing to pay \$2000. (Although this may not be the Fair Market Value in the eyes of the donor, according to CRA, given a free and open market, this would appear to be the value for receipting purposes.)
- A gift of \$500,000 is made to the congregation, provided they use the funds within three years to build a new sanctuary; otherwise they keep \$100,000 and \$400,000 must be returned, for distribution to other charities. (This would be deemed a revocable gift and therefore unacceptable by CRA.)

Gifts such as described above may be unusual, but are not as rare as you may think. If there is some question as to the monetary value of a gift, this should be agreed upon before accepting the gift. There are rules to which charitable organizations must adhere, or they risk CRA withdrawing their charitable status.

Gift Recognition

Consider this situation:-

A beautiful metal art sculpture is purchased for \$1500 in memory of a loved one, and the surviving family provides a small plaque with a memorial inscription for mounting on the wall beside the artwork. Everyone knows the plaque is not to highlight they've purchased a gift, but rather to keep the memory of the departed soul 'alive' in the minds of surviving family members and others.

Unfortunately, mounting such a plaque could initiate further requests for memorial plaques, for either past or future gifts given to the congregation. Scripture also tells us that gifting should not be publicized, but done privately. For this reason, memorial plaques should not be used.

Receipts should be issued for the Fair Market Value (FMV) of a received gift as soon as possible. For cash gifts the FMV is obvious, but for many other gifts the FMV may not be so obvious. For example, when someone gifts a fully paid-up insurance policy, do you receipt the payout amount, the listed Cash Surrender Value on the policy's statement, or the Fair Market Value as determined by an actuary? If there is a question regarding the receipt value, congregations are encouraged to call a Foundation Gift Coordinator, CRA, or the Canadian Council of Christian Charities for an answer.

Fund Management

“Well done, good and faithful servant! You have been faithful with a few things; I will put you in charge of many things.” (Matthew 25:21)

The money within your congregational fund has been entrusted to your congregation by donors or donor families. This thank offering to God, made to your congregation, comes with a great responsibility. This money is not to be simply placed into an account for safe keeping, but rather, it should either be used or invested for God’s purposes. As considerable thought and planning should be exercised to determine how to effectively make the best use of these gifts, it’s suggested a committee of 4-5 people be created to develop and propose recommendations for approval by the congregation, for each of these fund management issues:

Fund Allocation

The first question most people ask when a large, undesignated, monetary gift has been received by a congregation is usually, “What will we do with the money?” Congregational needs differ greatly, and so too will policies on how gifted funds should be used. For congregations with large mortgages, there may be an expectation that the entire gift should go to reducing the mortgage. Hopefully, many would agree that paying down a mortgage doesn’t directly contribute to the mission and ministry of a congregation.

There’s a great advantage to planning the fund allocation percentages in advance, as you can focus on the percentages rather than on the dollar amounts. Usually this leads to clearer, mission-driven thinking, rather than money-driven decisions. It’s suggested that congregations consider three areas where gift funds could be used, and allocate a percentage of every gift to: Local Ministry, Capital Fund or Mortgage, and external missions. It’s strongly recommended that gift funds NOT be used to cover operating expenses, as this should be a function of the congregation’s normal stewardship.

Local Ministry could include special outreach programs within your congregation that directly support your local community in some way. Or it could even include your congregation contributing towards a community program that is in need of funds.

If the congregation has a mortgage, a portion of every gift could go towards paying the mortgage down. If there is no mortgage, funds could be invested into a Capital Fund, with the earnings reinvested or used to fund other programs, until such time the money is needed.

In the same way that congregation’s encourage their membership to return a portion of all God’s blessings to His church, congregations should lead by example. For every gift received, a portion should be allocated for use beyond the local ministry, either in support of District or Synod missions, or for any of the affiliated organizations of LCC. If the mortgage is small, or non-existent, congregations are encouraged to allocate a larger portion of funds to external missions.

Fund Investment Policy

With one or two larger estate gifts, and no mortgage, it's possible the congregation could have a significant amount of money allocated to the Capital portion of their Memorial and Planned Gift Fund. How and where should these funds be invested?

The goal of any investment is to minimize risk while maximizing investment return, usually two mutually exclusive goals. In some cases, the funds could be deposited in term deposits with your congregation's local bank and earn a small return. For those congregation's with financial planners as members, there may be a desire to invest with an investment manager, possibly even through a church member. The later of these options is strongly discouraged. With failing financial markets, congregational members may "blame" the Fund Committee for not "seeing the writing on the wall" before a significant financial downturn, and the subsequent loss of capital.

With a minimum deposit of \$25,000, Lutheran Foundation Canada can pool and invest your funds with other "custodial funds" they already manage for other congregations and LCC institutions. Using the combined expertise of the Foundation's Investment Committee, coupled with our detailed Investment Policy Statement (IPS) and our investment manager's own team, it's possible to get a "decent" investment return with minimum risk. Not only that, but because the churches funds are pooled with other funds, the overall management fees are far lower than when congregations invest smaller amounts on their own.

The Foundation's Investment Policy Statement details restrictions on the types of investments allowed, sets return benchmarks to be achieved, and gives detailed instruction on the allowable portions of equity to fixed income type investments, thereby managing overall risk. Congregations have two options to choose from, an equity/fixed income mix of 50/50 or a more conservative 25/75. Earnings in 2012 were 6.42% overall, after investment manager fees of about 0.5%, and Foundation administrative fees of 0.5%. Administration includes quarterly reviews by our Investment Committee, regular reporting and annual disbursements to the congregation, and full auditing and annual reporting. Congregations are encouraged to review the Foundation's IPS, and consider the custodial fund option for investment purposes.

Capital Fund Spending Policy

It's well and good to have money set aside within a Capital Fund, but what is its purpose, and when or how will the money be used? A Capital Fund is usually a fund set aside to cover the cost of significant repairs or replacement of permanent structures on your church grounds, often called "fixed assets". It's neither a "building fund" nor a fund to cover normal operating expenses. Uses might include refinishing the church hall floor, purchasing new chairs or pews, replacing a furnace, or putting on a new roof. If this fund has sufficient funds within it, the congregations may decide to allocate a larger proportion of gifts to local ministry or missions.

Keep in mind, that if the congregation has a large capital fund that's invested wisely, it has the potential to generate significant earnings as well. These earnings could either be distributed in

the same proportion as memorial and planned gift funds or be reinvested into the capital fund and used when needed. With only a 2% return on \$50,000, that's a \$1000 in earnings annually.

Summary

It is hoped that the contents of this document provides sufficient guidance and information to assist your congregation in developing their own Gift Acceptance and Use Policy.

As one final aid to your congregation, there is a "Completed Sample Policy" included as an appendix to this guideline. You will note that although the sample policy does not follow the recommended policy verbatim, most aspects of the recommended policy are somehow included. The goal is for congregations to develop a policy they'll call their own.

Assistance

For further assistance or information, or to invite a Foundation Gift Coordinator to present a seminar on Christian Estate Planning, please give us a call at 1-877-711-4438 or send an email to allen.schellenberg@lutheranfoundation.ca.

Appendix A

Completed Sample Gift Acceptance and Use Policy

Trinity Lutheran Church

Gift Acceptance and Use Policy

for our

Mission and Ministry Fund

“Each of you should give what you have decided in your heart to give, not reluctantly or under compulsion, for God loves a cheerful giver.” (2 Corinthians 9:7)

Introduction

From time to time our congregation has been blessed to receive a special, extraordinary gift from a congregational member or member family upon the occasion of their passing. Demographic studies indicate that due to Canada’s aging population, which includes the membership of LCC’s congregations, over the next ten to fifteen years there will be a significant increase in the number of people entering heaven. As such, it’s expected we may see an increase in the number of memorial gifts received by our congregations, given by family members and friends in memory of these sainted Lutherans.

Additionally, Lutheran Foundation Canada reports that more and more LCC congregational members are creating gifts within their estate to their home congregation. We’re told that since 2008, almost \$10 million dollars has been designated by Lutheran donors as future gifts to their home congregations. The Foundation also tells us that these estate gifts, given from a donor’s lifetime accumulation of assets, range in value from \$5,000 to \$250,000, with an average gift of \$50,000.

These are compelling reasons for Trinity to expect an increase in both the number and size of gifts over the next few years. In anticipation of such gifts, Lutheran Foundation Canada encourages us to establish policies which not only govern the acceptance of such gifts, but establish in advance how such gifts will be used by our congregation. It is hoped that by having an approved “Gift Acceptance and Use Policy” in place, Trinity will be better prepared to receive such gifts as blessings to our ministry, rather than as initiators of conflict or discord. In all cases, the wellness of the congregation is foremost in mind, as is concern for individual members.

As we think about God’s plan for us, we realize that all the blessings He has entrusted to our congregation should be used for His purposes. Transferring the blessings, is not about building bigger barns, instead we need to talk about building more ways to share God’s love. As we plan, let us pray to bear in mind that stewardship without mission is unnecessary, and mission without stewardship is impossible!

Fund Definition

Trinity's memorial and planned gift fund shall be known as, "The Mission and Ministry Fund".

All memorial and planned gifts will be allocated to this fund, unless designated otherwise by the donor.

Fund Benefits

"Therefore go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit,.." (Matthew 28:19)

God's word tells us what we are to do – and what should be the one purpose for our congregation. The greatest benefit of such a fund is for Trinity to have a source of funding to support mission and ministry beyond that which is normally done by the congregation. As a congregation, we need to be an example to our membership on how to be good stewards of the gifts God has entrusted us to manage. In the same way that congregational members are encouraged to give a portion of God's monetary blessings to the church, so should Trinity use a portion of received gifts for work beyond the our doors.

Allocating a percentage of every planned gift to support external mission and outreach beyond the congregation is an excellent way to demonstrate godly stewardship to our membership.

"Calling his disciples to him, Jesus said, "Truly I tell you, this poor widow has put more into the treasury than all the others. They all gave out of their wealth; but she, out of her poverty, put in everything—all she had to live on." (Mark 12:43,44)

God's Word tells us that it is not the size of the gift that is important, but how or why the gift is given. The Mission and Ministry Fund allows both large and small monetary gifts to accumulate and equally and collectively contribute towards the total value of the fund and towards the ministry goals of the congregation.

By having a repository for such gifts, it will hopefully eliminate the desire for surviving family members to purchase a gift for the congregation, which must be both suited for the church, and appropriately priced. It also eliminates potential feelings of ill will if a purchased gift, given by a family, is thought by them to be inappropriately displayed or acknowledged.

It's anticipated that our Mission and Ministry Fund could grow to a significant size. Putting policies in place ahead of time, without the pressure of having already received such funds, allows for clearer, strategic thinking and planning. Then if larger estate gifts do materialize, the decision of how these funds are to be used will have already been made.

Lastly, by having established the Mission and Ministry Fund, this may encourage more of our membership to consider such a gift within their own estate.

Sources of Funding

But since you excel in everything—in faith, in speech, in knowledge, in complete earnestness and in the love we have kindled in you—see that you also excel in this grace of giving. (2 Cor. 8:7)

Having a Mission and Ministry Fund in place, provides a wonderful opportunity for congregational members to contribute into the plan, either with memorial funds or with estate gifts.

There is a growing awareness and consideration by Lutheran Church – Canada members, to include a “planned” or estate gift for ministry within one’s will. Many consider this a final opportunity to thank God for all the many blessings He has bestowed upon them during their lifetime. Most congregations and individuals are familiar with memorial gifts, but many individuals are unfamiliar with gifts contributed from their estate, which may include:

Outright Gifts of Cash	Gifts of Residual Interest
Charitable Remainder Trusts	Gifts of Life Insurance
Gifts of Real Estate	Gifts of Publicly-traded Shares
Gifts of RRSP’s/RRIF’s	Gifts of Personal Use Property
Charitable Gift Annuities	

Lutheran Foundation Canada provides free information and assistance to congregational members considering such a gift, as well as knowledgeable advice on other aspects of creating a comprehensive estate plan.

Gift Acceptance

Unless stated otherwise by the donor, all extraordinary gifts received by the congregation will be placed into our Mission and Ministry Fund. It’s recommended that members seek independent professional advice prior to making any significant outright or deferred gifts. As donors are sometimes unaware how certain gifts may adversely affect a congregation, the congregation reserves the right to decline a gift, under the following circumstances:

- Any gift that contains unreasonable conditions, liens or other encumbrances
- Any gift that presents exposure to unacceptable liability
- Any gift that could financially or morally jeopardize the donor or the congregation

- Any gift where an appropriate “fair market value” cannot be determined or will result in unwarranted or unmanageable expense for the congregation
- Any gift that could jeopardize the congregation’s charitable status
- Any gift that could improperly benefit a donor or other individual
- Any gift that holds a condition that is revocable in any way

Should a donor choose to restrict a contribution for use in a particular program or project, we will honour that restriction, with the understanding that when the need for such a program or project has been met, or it cannot be completed for any reason as determined by the congregation’s board of directors, the remainder of the restricted gift will be placed into the Mission and Ministry Fund.

Gift Recognition

God’s Word says, “But when you give to the needy, do not let your left hand know what your right hand is doing, so that your giving may be in secret. Then your Father, who sees what is done in secret, will reward you.” (Matthew 6:3,4)

With this verse in mind, gifts with memorial plaques are strongly discouraged.

For any gift received there should be a tax receipt promptly provided to the donor’s family or the donor’s estate. The amount of the receipt will equal the “Fair Market Value” of the gift, less any benefit to the donor. The receipt should be accompanied with an appropriately worded “Thank you” card or letter.

Fund Management

“Well done, good and faithful servant! You have been faithful with a few things; I will put you in charge of many things.” (Matthew 25:21)

Given the potential size of the Mission and Ministry Fund, a committee will be struck to develop and recommend policies for approval by the congregation. The committee members should keep in mind the current needs and goals of the congregation while developing these policies.

These policies will be sub-sections to this section, with each sub-section addressing slightly different issues related to management of the fund, including investment guidelines, encroachment and disbursement percentages, and how the funds should be used or allocated.

Individuals selected for this committee should be passionate about the work of the church, familiar with our own congregational needs, and have a vision for ministry.

Mission and Ministry Fund Allocation Policy

Rationale:

Funds received from memorials or estates should be allocated to assist the congregation in fulfilling those purposes which focus upon mission and ministry.

Statements:

If funds from a memorial or estate have been designated to a purpose which is contrary to or not in alignment with the congregation's constitution and doctrine, or which for any reason may not be deemed the best use of such funds, the estate will be notified to facilitate discussion and resolution.

Funds received from an estate which have not been designated to a specific purpose will be allocated as follows:

Targets:

Capital Fund	40%	(Refer to Capital Fund Policy)
Local Ministry	40%	(Refer to Local Ministry Policy)
District Missions and/or LCCFM	20%	(LCCFM means Lutheran Church-Canada Financial Ministries)
Unified/operating Budget	0%	

As circumstances and needs will vary, the above Targets may be modified by Council within the following Ranges:

Ranges (minimum and maximum)

Capital Fund	20-50%
Local Ministry	20-50%
District Missions and/or LCCFM	10-30%
Unified/operating Budget	0%

Accepted by Council: December 2011

Approved by Congregation: March 2012

Fund Investment Policy

With only one or two gifts, the capital portion of the congregation's fund may be substantial. If the capital portion of the Mission and Ministry fund reaches \$25,000, Trinity will invest these funds through Lutheran Foundation Canada, who have the willingness and experience in managing such funds on behalf of other LCC congregations and organizations.

Funds will be invested as per the Foundation's Investment Policy Statement (IPS), in keeping with the "Balanced Mandate", which allows for 50% equity and 50% fixed income investments.

Capital Fund Spending Policy

(See Page 7 for the approved Capital Fund Spending Policy.)

Local Ministry Spending Policy

(See page 8 for the approved Local Ministry Spending Policy.)

Capital Fund Spending Policy

Rationale:

The Capital Fund was created to support future needs of the land and buildings, and all assets which are considered as a permanent attachment to the land or building (Fixed Assets).

Furniture and equipment are considered Moveable Assets and typically are not included in Fixed Assets. However, where the amount of the replacement or repair cost of a Moveable Asset is large, it is appropriate to pay for such expenditures out of the Capital Fund.

The congregation does not obtain the services of a professional actuary to calculate or project the needs for Capital Fund expenses. Therefore, Council ensures that reasonably sufficient funds are on hand in the Capital Fund to handle emergency replacement or repairs of Fixed Assets, as estimated by the general life-span of the asset.

Statements:

The Capital Fund is to be used for repairs/replacement of Fixed Assets, and also for repairs/replacement of Moveable Assets where the cost exceeds \$500 for a single repair or replacement.

Maintenance contracts, regardless of the amount, are to be paid from the Unified Operating Budget, not the Capital Fund Budget.

The Capital Fund will have an annual budget for planned and anticipated expenditures. The Capital Fund Budget is recommended to the congregation for approval in the same process as for the Unified Operating Budget.

The balance of the Capital Fund should be maintained at no less than \$50,000 to meet emergency repairs or replacement of fixed assets. Upon dropping below \$50,000 as a result of emergency spending, planned spending from the Capital Fund Budget may need reassessment.

Earnings from investment of the Capital Fund through Lutheran Foundation Canada will be reinvested for further growth of the fund.

The Capital Fund should not be used to accumulate funds for the eventual replacement of the building. Such an eventuality should occur through a special fund-raising plan.

Accepted by Council: Dec.12/11
Approved by Congregation: February 2012

Local Ministry Fund Spending Policy

Rationale:

The Local Ministry Fund should be used to fund programs, materials and equipment needed to share the gospel of Christ to our local community.

Furniture and equipment used for regular and on-going ministry should not be purchased with these funds, unless needed for a new initiative by the congregation. .

If no specific programs are created within the church, this fund could be used to support needed programs within the community.

Statements:

The Capital Fund is to be used for repairs/replacement of Fixed Assets, and also for repairs/replacement of Moveable Assets where the cost exceeds \$500 for a single repair or replacement.

Maintenance contracts, regardless of the amount, are to be paid from the Unified Operating Budget, not the Local Ministry Budget.

The Local Ministry Fund will have an annual budget for planned and anticipated expenditures. The Local Ministry Budget is recommended to the congregation for approval in the same process as for the Unified Operating Budget.

It's understood that money within the Local Ministry fund may at times be spent. When gifts are received and money is available, the committee should make recommendations to Council on how the funds should be spent.

Accepted by Council: Dec.12/11
Approved by Congregation: February 2012

Summary

Giving is our joyous response to the many blessings we receive in our lifetime, both as individuals and as a congregation. As individuals part of good stewardship is to provide for our families and heirs, and as a congregation, to fund Trinity's congregational ministry. But if that's all we do, we are missing out on one of the most rewarding aspects of God's message.

God calls us to share the blessings He provides for us. There is no greater joy than using God's blessings to be a blessing to others outside "our family". Because God has supplied us with all we use and enjoy on this earth, our action of returning a portion of our blessings is really us saying "Thank you Lord".

It is hoped that by having Trinity's Mission and Ministry Fund in place, individual members, and the congregation, will be encouraged to share God's blessings with others.