

Gift Acceptance and Use Policy for the Congregational Memorial and Planned Gift 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 congregations have 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 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 and other organizations for which they have a passion. It’s also been reported that since 2008, estate or planned gifts presently totalling almost \$10 million dollars, have been established and specifically designated by donors as future gifts to congregations of Lutheran Church-Canada. 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 being \$50,000.

These are compelling reasons for congregations 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 congregations to establish policies which not only govern the acceptance of such gifts, but establish in advance how such gifts will be used by the congregation. It is hoped that by having an approved “Gift Acceptance and Use Policy” in place, congregations will be better prepared to receive such gifts as blessings to their 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

The Congregational Memorial and Planned Gift Fund is an accumulation of monetary gifts given to the congregation as either memorial or planned estate gifts.

Memorial Gifts

Memorial gifts are gifts given in honour or memory of a deceased congregational member from family members or friends. Quite often, family members request those attending memorial or funeral services who wish to make a gift, that in lieu of flowers a gift may instead be made to the congregation's memorial fund.

Planned 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. Whereas gifts given during a person's lifetime are given from a person's income or savings, planned gifts are given from the total accumulation of worldly blessings given by God over their lifetime. For this reason planned gifts, usually a portion of the estate residual, tend to be much larger gifts than a congregation would normally receive from a member.

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 the congregation 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 given 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 to should the congregation use a portion of received gifts for work beyond the church itself. 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 Congregational Memorial and Planned Gift Fund allows both large and small

monetary gifts to accumulate 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 Congregational Memorial and Planned Gift 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 Congregational Memorial and Planned Gift 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 Congregational Memorial and Planned Gift Plan Fund in place, provides a wonderful opportunity for congregational members to contribute into the plan, either with memorial funds or with estate gifts.

Most congregations and individuals are familiar with memorial gifts, but many individuals are unfamiliar with gifts contributed from their estate, often called a planned or legacy gift. There are many methods by which an estate gift may be given, including:

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, that will not only give you peace of mind, but be a blessing to surviving loved ones.

Gift Acceptance

Unless stated otherwise by the donor, all extraordinary gifts received by the congregation will be placed into our established “Congregational Memorial and Planned Gift 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 violates any provincial or federal laws
- Any restrictive clause that may bring unwarranted pressure or embarrassment on the congregation, a member, or its Board of Directors
- 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 cannot be completed for any reason as determined by the congregation’s board of directors, the remaining restricted contributions will be used where most needed.

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, memorial plaques are discouraged, unless they simply indicate the item was purchased with funds from the Congregational Memorial and Planned Gift Fund. Names of congregational members should never be included on a memorial plaque.

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 Congregational Memorial and Planned Gift Fund, it's suggested a committee be struck to establish detailed policies related to Fund Management, specific to the current needs and goals of the congregation. These policies would 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.

Fund Allocation Policy

As stated earlier, prior to receiving any funds a policy should be created for how these funds are to be used. If a portion of the gift capital is to be used immediately, where should it be used, and in what proportion? What are the current needs of the congregation? Will this change over time? Should a set portion of any extraordinary gifts immediately be given in support of missions – given as a “thank” offering to God for His many blessings? This would give the congregation an opportunity to support missions with funds that were not expected. Whether gift capital or earnings, allocations may include a combination of: mortgage or capital requirements, local mission, and external outreach missions. There is a wonderful opportunity for our congregation to make a difference to ministries beyond our doors.

Fund Investment Policy

With only one or two gifts, the capital portion of the congregation's fund may be substantial. How and where should these funds be invested? If congregational members are directly managing the investment of these funds, there could be potential issues regarding conflict of interest. Furthermore, given potential market volatility, these same individuals may be held unfairly accountable by other congregational members for the loss of funds should investment markets decline.

For a nominal administration fee, Lutheran Foundation Canada provides investment management services to LCC institutions and congregations, including selection of investment managers and professional auditors, quarterly investment reviews, regular reporting, and the annual disbursement of earnings as directed by the congregation. Congregational and institutional assets are pooled into one investment fund, creating economies of scale which significantly lower investment management fees. The Foundation has developed and published an Investment Policy Statement, that is strictly reviewed and adhered to by the investment

managers, outlining specifics of:- risk allowance, asset mix targets and ranges (fixed income to equity markets), and investment market restrictions.

Capital Fund Spending Policy

Having allocated a portion of gifts into the Capital Fund, further decisions will be needed on how or when these funds can be used. What restrictions should be placed upon the spending of the capital fund? If the capital funds are invested wisely until they are needed, a further source of income will be investment earnings. Should these investment earnings be distributed as per the guidelines established for memorial and estate gifts, or simply be re-invested for fund growth and future use?

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 our 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 blessing 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 our Congregational Memorial and Planned Gift Fund in place, individual members, and the congregation, will be encouraged to share God's blessings with others.