

PLANNED GIVING PROGRAM

&

LEGACY OF FAITH FUND

FOR

EASTMINSTER UNITED CHURCH

POLICIES AND PROCEDURES MANUAL

ORIGINALLY APPROVED JUNE 2000

(Approved: November 11, 2003)
(Last reviewed: October, 2014)

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INTRODUCTION & GENERAL OVERVIEW

In 1998 a group of interested congregational members investigated the creation of a Planned Giving Program and Fund. The idea was to create a *Trust Fund* in which monies for the future well-being of Eastminster could be held and a *Program* to educate and promote this to our congregation.

This Fund, known as the Legacy of Faith Fund, was approved by the Official Board Executive in May 1999 and by the Official Board in June 1999. The Policies & Procedures Manual was approved in June 2000.

The overall purpose of this Fund is to provide financial security for, and resources to enhance, the Ministry and Mission outreach of Eastminster United Church (hereafter referred to as EUC) *for tomorrow*. In this way it is distinct from memorial funds which tend to address more immediate concerns.

This is a local initiative of EUC. Monies raised at EUC will be used entirely for our own purposes and needs as *determined and approved by the congregation*. The United Church of Canada has established guidelines for the administration of such a Fund, which we will follow.

The Standing Committee on Stewardship (Stewardship Committee) is responsible for the promotion of Planned Giving and the Legacy of Faith Fund. One member of the Stewardship Committee will always be a member of the Legacy of Faith Committee (described herein).

It is important to note that Planned Giving is a benefit to both the donor and to EUC. There can be significant tax advantages for the donor, while EUC benefits in increased opportunities for valued ministry.

More details of these and other subjects are contained in succeeding parts of this manual.

This manual was originally prepared by the Legacy of Faith Committee of EUC to publish Policies and Procedures relating to the Planned Giving Program and Fund of EUC.

Its purpose is to provide congregational members and adherents of EUC with a clear understanding of:

- what "Planned Giving" is
- the value of this Program and Fund to EUC
- the Policies and Procedures for Planned Giving at EUC.

The manual will be kept current through regular reviews by the Finance Committee.

In addition to the enclosed policies and procedures, all matters regarding the Legacy of Faith Fund will be governed according to the Congregational Bill of Rights (Appendix A).

STATEMENT OF PURPOSE

Purpose of Planned Giving

Many people who belong to a congregation want to assist the congregation to expand its Mission and Ministry. An important way to do this is through Planned Giving.

There are several reasons why people give a Planned Gift to the church, but the main reason is that they believe their gifts will make a difference. They believe the church has been important in their lives and wish to give something back.

In addition, there are significant Income Tax and Estate Planning advantages to an individual who makes a Planned Gift to the church. Information about these advantages is available through the Canada Revenue Agency, your tax planning professional or the United Church of Canada website.

A Planned Gift is a gift that one makes to EUC from accumulated resources or assets rather than from regular income. Planned Giving therefore *does not* and *should not* take away from regular givings which are meant to support ongoing EUC programs and operations.

Planned Giving is meant to ensure the *long-term* financial security of EUC. This is to be accomplished through the accumulation of resources to provide support for necessary ministries and programs and capital projects approved by the congregation.

Planned Giving options fall into two general categories: Deferred and Current. A comprehensive list of each category includes the following:

Deferred:

- Bequests in Wills
- Life Insurance
- Gift Annuities
- Charitable Remainder Trusts

Current:

- Interest-free Loans
- Cash
- Transfer of Property (such as Real Estate, Bonds or Publicly Traded Securities)
- Stripped Bonds
- Named Endowments

Details of these various options can be obtained from professionals in this field. As well, a series of brochures on these topics is available from the church office or the United Church of Canada website.

Purpose of Legacy of Faith Fund

The overall purpose of the Legacy of Faith Fund is to provide financial security for, and resources to enhance, the ministry and mission outreach of EUC for tomorrow.

Specifically this means the Fund will be used for "ministries and programs" and "capital expenditures" (including, but not limited to, emergency repairs to the church building and property), as approved by the congregation.

It is important to note that this Fund is distinct from existing memorial funds of EUC.

Purpose of Legacy of Faith Committee

The Stewardship Committee is responsible for the promotion of Planned Giving and the Legacy of Faith Fund. The Board of Trustees is responsible for the day-to-day management and investment of the monies in the Legacy of Faith Fund. Applications for the use of Legacy of Faith Funds are reviewed upon receipt by an Ad Hoc Committee convened specifically for that purpose, which is called the Legacy of Faith Committee.

Due to the technical nature of many of these options and the fact that the Federal Department of Finance will make changes and updates, EUC strongly advises that any congregational members looking to develop their own plans further, seek professional advice from their lawyer, chartered accountant, financial advisor, insurance broker, etc.

FOLLOW-UP PROCEDURES FOR PLANNED GIVING ENQUIRIES

Congregational members and adherents interested in learning more about Planned Giving should contact the Church Administrator or any member of the Stewardship Committee.

The following outline procedure has been adopted for those interested in making a gift to the Legacy of Faith Fund:

- Contact the Church Administrator or a member of the Stewardship Committee
- The Church Administrator or Committee member will ensure individuals are made aware of the purpose of the Legacy of Faith Fund and its place within the Stewardship Program of EUC.
- The Church Administrator or Committee member will provide copies of this Policies & Procedures manual and brochures.

Congregational members and adherents may also contact United Church of Canada Planned Giving representatives if they wish. The name of the representative for our area is also kept by the Church Administrator.

All contacts are held in the strictest confidence. Again, we highly recommend seeking advice from your estate, tax, insurance or investment planning advisor.

MANAGEMENT RESPONSIBILITIES

Management Principles

The following management principles have been adopted for the Legacy of Faith Fund.

- Funds shall be invested wisely by the Board of Trustees in compliance with the Trustee Act of Ontario and the EUC Investment Policy.
- Funds shall be used in accordance with the intentions of the Legacy of Faith Program.
- There will be an annual review of the Legacy of Faith Fund by an independent auditor or review team appointed by the Church Council.
- The report of this audit/review shall be presented to the congregation.
- Any disbursement of Legacy of Faith monies must be in accordance with the disbursement policy approved by the congregation.
- Any changes to the disbursement policy must be approved at a congregational meeting called for this purpose and require a two-thirds majority.

Management Overview

According to the constitution of EUC, the Church Council is responsible to support and oversee the administrative life of the congregation. Within the Church Council, the Stewardship Committee is responsible for promoting and overseeing Stewardship, including Planned Giving. The Stewardship Committee has a responsibility to encourage members of the congregation to be faithful stewards of time, talent and treasure. The Board of Trustees is responsible for holding the Legacy of Faith funds according to EUC investment guidelines.

Specific Responsibilities Relating to the Legacy of Faith Fund

The Stewardship Committee shall:

- Provide information to interested members of the congregation and adherents regarding the Planned Giving Program,
- Hold all communications with interested individuals in the strictest confidence,
- Be a resource to members of the congregation and adherents who wish to make a Planned Gift to EUC. (Any congregational members who are looking to develop their own plans further, are strongly advised to seek professional advice from their lawyer, chartered accountant, financial advisor, insurance broker, etc.),
- Develop, in consultation with the congregation, and in accordance with United Church of Canada regulations, policies and procedural guidelines for the Legacy of Faith Fund and recommend them to the congregation through the Church Council,
- Ensure that the Legacy of Faith Fund is managed in accordance with policies and procedures which have been established,

The Board of Trustees shall:

- Ensure that funds are invested wisely in compliance with the Trustee Act of Ontario and the EUC Investment Policy.
- Ensure that the amount of funds available for disbursement according to the disbursement policy are accessible without unreasonable delay.
- Report on the status of the Fund to the Church Council when requested and at least annually.

The Legacy of Faith Committee shall:

- Be an Ad Hoc Committee formulated by the Church Administrator as needed when applications for Legacy of Faith Funding are received.
- Review applications for Legacy of Faith Funding as they arise to ensure they contain the necessary data and to determine whether they meet the required criteria for Legacy of Faith funding.
- Consist of a minimum of 5 members of the congregation including:
 - the Church Administrator as a staff resource (non-voting)
 - One Trustee,
 - One Stewardship Committee member,
 - One Property Committee member,
 - One Finance Committee member, and
 - a mix of financial and business backgrounds, if possible.

INVESTMENT & DISBURSEMENT OF FUNDS

Investment Criteria

Funds shall be held by the Trustees separate from other “in trust” funds.

Funds will be invested in accordance with the EUC Investment Policy.

Disbursement Policy

(This policy will be reviewed annually by the congregation.)

Expenditures may occur from interest earned plus up to 50% of any principal over \$100,000.

Disbursement shall occur through the process described on page 10.

Disbursement may be for “approved ministries/programs” and “capital expenditures” (including emergency repairs), on a 2/3, 1/3 basis respectively.

Such ministries/programs or capital expenditures require congregational approval before receiving Legacy of Faith funding.

NOTES:

1. “Emergency repairs” are defined as unexpected repairs required for safety (risk management) or damage-limiting purposes. Emergency repairs will normally be addressed by the Improvements, Maintenance & Projects Fund (IMP). However, if insufficient monies are available in that fund, Legacy of Faith funds (up to 50% of any principal above \$100,000 plus interest) may be “loaned” to the IMP Fund on the recommendation of the Church Council. Such funds shall be repaid at the earliest opportunity with interest or, if appropriate, considered as a Legacy of Faith project for funding.
2. The monies in the Legacy of Faith Fund are held in trust and most donations received are from estates and therefore not subject to Canada Revenue Agency (CRA) disbursement quota rules. Donations received that are subject to disbursement quota must be expended according to CRA regulations (i.e. 80% of the principal must be disbursed in the year it is received).
3. Interest on loans shall be established by the Church Council at the time of approval.

Process

The following process shall be utilized to approve disbursement of Legacy of Faith funds:

1. An "Application for Legacy of Faith Funding" is received by the Church Administrator, who will review it to make sure it includes the following details:
 - Brief description of the ministry/program/project ('project')
 - Brief description of who will coordinate this project and how it will be implemented
 - How it benefits the congregation
 - Estimated length of time to complete the project (applications must indicate a project end date)
 - Estimated cost
 - Any continuing or operating costs to be incurred as a result and how they would be funded.
 - A request for emergency repair must clearly indicate the safety or damage-limiting requirement
2. If the application does not contain the required details, the Church Administrator will return it to the applicant for clarification and resubmission.
3. If the application contains the required details, the Church Administrator will facilitate the creation of an Ad Hoc Legacy of Faith Committee (the composition of which is outlined earlier in this document) to review the application using the following pre-determined criteria:
 - Is the amount of funds requested for the project available to be disbursed according to the disbursement policy?
 - Does the project reflect the EUC Mission Statement?
 - Does it meet the intentions and purpose of the Legacy of Faith Program?
 - Could it be satisfied through existing internal/external resources?
 - Does the benefit justify the cost?
 - Are we setting a precedent? (e.g. a continuing or recurring requirement rather than "seed" money)
 - Does it benefit the church for tomorrow?
4. If the application does not meet the prescribed criteria, it will be rejected by the Legacy of Faith Committee and an official rejection will be provided in writing to the applicant.
5. If the application meets the prescribed criteria, it will be approved by the Legacy of Faith Committee and submitted to the Church Council for its consideration.
6. If the application is rejected by the Church Council an official rejection will be provided in writing to the applicant.
7. If the application is approved by the Church Council, it will be presented at a congregational meeting. The details of the application will be provided to the congregation at least two weeks in advance of the congregational meeting. Details provided to the congregation at that meeting will include:
 - An overview of the purpose and status of the Legacy of Faith Fund, including the Congregational Bill of Rights
 - An overview of the criteria used to evaluate applications for Legacy of Faith Funding
 - An overview of the proposed project
8. If the application is rejected by the congregation, an official rejection will be provided in writing to the applicant.
9. If the application is approved by the congregation, the approved funding will be released by the Board of Trustees to the Church Operating Bank Account.

10. The coordinator(s) of the project, in conjunction with the Church Administrator, will administer the implementation of the approved project.
11. If the project must extend past the end date specified in the application, the Church Council may approve the extension and notify the congregation.
12. Upon completion of the project:
 - The coordinator(s) of the project will provide a written report back to the congregation, which will be published in the appropriate medium (Bulletin, Link, or Annual Report), and
 - Any and all remaining funds will be returned to the Legacy of Faith Fund.

APPENDIX 1 - CONGREGATIONAL BILL OF RIGHTS

1. To be informed of the purposes of the Fund, of the way the Church intends to use the funds and of the methods to be employed in using such funds.
2. To be informed of the identity of those serving on the Legacy of Faith Committee.
3. To have access to financial records (but not names) and to be kept up to date on the financial status of the Fund.
4. To be assured all gifts will be used for intended purposes.
5. To receive appropriate acknowledgment and recognition.
6. To be assured that information about their gift is handled with respect and confidentiality (to the extent allowed by law).
7. To expect that all relationships with members of the Church will be professional in nature.
8. To feel free to ask questions when planning a donation and to receive prompt, truthful and forthright answers.