

**PLANNED GIVING PROGRAM**  
**&**  
**LEGACY OF FAITH FUND**  
**FOR**  
**EASTMINSTER UNITED CHURCH**

POLICIES AND PROCEDURES MANUAL

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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 Outreach and Social Justice Team is responsible for the promotion of Planned Giving and the Legacy of Faith Fund.

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 Eastminster Trustees.

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.

### Promotion of the Legacy of Faith Fund.

The Outreach and Social Justice Team 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.

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.

Applications for the use of Legacy of Faith Funds are reviewed upon receipt by the Church Administrator.

## **FOLLOW-UP PROCEDURES FOR PLANNED GIVING ENQUIRIES**

Congregational members and adherents interested in learning more about Planned Giving should contact the Church Administrator or The Outreach and Social Justice Team.

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 The Outreach and Social Justice Team
- The Church Administrator or the Outreach and Social Justice Team 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 the Outreach and Social Justice Team 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 Outreach and Social Justice Team is responsible for promoting and overseeing Stewardship, including Planned Giving. The Outreach and Social Justice Team 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 Outreach and Social Justice Teams 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.

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.
- The approved funding will be released by the Board of Trustees to the Church Operating Bank Account.
- On approval of an application for a Legacy of Faith Grant by the Church Council they shall issue a cheque to the Church for the agreed upon amount.
- Report on the status of the Fund to the Church Council when requested and at least annually.
- Ensure that the Legacy of Faith Fund is audited once per year.

- 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,
- Ensure that the Plaque that lists the names of the donors to the Legacy of Faith Fund is updated to indicate the name(s) of the donor(s) when money is received.
- Hold all communications with interested individuals in the strictest confidence,
- The Trustees have the responsibility to review, amend and maintain the Legacy of Faith Manual and record any changes to it in the Amendment Section of the Manual.

The Church Administrator shall:

- 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.
- After reviewing the application he/she shall send the application back to applicant if it does not meet the requirements for funding or if the project meets the funding requirements submit the application to the Church Council for approval.
- If a Grant from the Legacy of Faith Fund has been approved he/she shall audit the use of the funds to ensure that their use meets the requirements per a Legacy of Faith Grant.
- He/she shall also ensure that after the task for which the grant was authorized has been completed that any monies not used be returned to the Trustees for deposit back into the Legacy of Faith Fund.
- Once a donation has been made to the Legacy of Faith Fund the Church Administrator should ensure that a cheque is issued to the Trustees in a timely manner for the amount of the bequest.
- Hold all communications with interested individuals in the strictest confidence.

The Church Council shall:

- Review applications submitted by the Church Administrator to ensure that they contain the necessary data and to determine whether they meet the criteria for Legacy of Faith Funding and approve the application if meets this requirement. If the application does not meet the requirements for approval then return the application with an explanation as to why it was not approved.
- Hold all communications with interested individuals in the strictest confidence,

## 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 100% of the interest earned plus up to 50% of any principal over \$100,000, except when the total amount in the fund exceeds \$300,000 the expenditures will be 100% of the interest and 50% of the principal over \$150,000.

Disbursement shall occur through the process described on page 9.

Disbursement may be for “approved ministries/programs” and “capital expenditures” (including emergency repairs).

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

Notwithstanding the above the Church Council has the authority to spend up to \$10,000 (from the Legacy of Faith Fund, for any one grant, without going to the congregation for approval,) as long as the project meets the requirement for funding under the Legacy of Faith Funding requirements.

### 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 \$150,000 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 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 Church Administrator 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 Church Administrator 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, (and the one-time grant is more than \$10,000 as one-time grants of \$10,000 or less do not need congregation approval) it will be presented for a vote 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.

## AMENDMENTS TO THE LEGACY OF FAITH MANUAL

- 1) Rename the document number from FIN-04-A to TRU-01-A to show this manual is now the responsibility of the Trustees to Review, Amend and Maintain.
- 2) Change the responsibility from the Stewardship Committee to the Outreach and Social Justice Team. Editorial Changes due to changes in Names and Responsibilities of the Committees and Teams at Eastminster United Church.
- 3) Delete any reference to the Legacy of Faith Committee as per the decision of the Church Council this Committee no longer exists. Distribute the original responsibilities of the Legacy of Faith Committee to the Trustees, the Church Administrator, the Outreach and Social Justice Team and the Church Council. Mentioned in Minutes of Congregational Meeting on March 7, 2017 where applications are forwarded to the Church Council for approval.
- 4) Change the Disbursement of the Funds from Expenditures from 100% of the interest earned plus up to 50% of any principal over \$100,000, to add except when the total amount in the fund exceeds \$300,000 then the expenditure will be 100% of the interest plus 50% of any principal over \$150,000. This was done as a result of an amendment to the Manual at a Congregational Meeting in March 7, 2017. Pages 530-531
- 5) Disbursement may be for "approved ministries/programs" and "capital expenditures" (including emergency repairs), on a 2/3, 1/3 basis respectively. The requirement that disbursement be made on a 2/3, 1/3 basis was removed at a Congregational Meeting in April 2016.
- 6) The manual was amended to add the following..."The Church Council has the authority to spend up to \$5,000 from the Legacy of Faith Fund for any one grant without going to the congregation for approval as long as the project meets the requirement for funding under the Legacy of Faith Funding requirements." This amendment was made to the Manual at a Congregational Meeting on March 7, 2017. Page 531
- 7) Include a section with amendments to the Legacy of Faith Manual. Editorial Change to ensure that required changes and amendments to the Manual are made and recorded.
- 8) The manual was amended to increase the amount that that the Church Council has the authority to spend from the Legacy of Faith Fund without going to the congregation for approval from \$5,000 to \$10,000. This amendment was made to the manual at the Congregational Meeting on February 20, 2018. Page 539