

# **(Your) Lutheran Church**

## **Gift Acceptance and Use Policy**

### **Introduction**

From time to time our congregation is blessed to receive special gifts from our members during their lifetime or at their passing. Demographic studies indicate that due to Canada's aging population over the coming years the number of wills being processed will increase significantly. Therefore, our congregation may receive an increased number of estate gifts or memorials.

**Lutheran Foundation Canada** (LFC) reports that more **Lutheran Church Canada** (LCC) members are creating charitable gifts within their estate to be directed to their home congregation or to other synodical ministries. By developing a policy and increasing awareness of the opportunity and privilege of supporting the work of the church in this way, (Your) Congregation is taking the first steps to encourage and support its members as they consider their financial resources and gifts.

Setting policies in place before receiving such funds allows for clearer strategic thinking and planning. Then, if larger estate gifts do materialize, the congregation will already have guidance on how these funds should be used. Finally, establishing the **Gift Acceptance and Use Policy** will give members a clearer understanding of how their gifts will be used. This may encourage more of our members to consider giving such a gift.

As we think about God's plan for **(Your) Lutheran Church**, we realize that all of the blessings He has entrusted to our congregation through planned gifts should be used for His purposes. Our goal in the transfer of these blessings is about establishing more ways to share God's love and serving Him through stewardship and evangelism.

Additionally, **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. You may want to seek your own independent financial advice or consult with a LFC representative when making a planned gift.

*"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)*

# (Your) Lutheran Church

## Gift Acceptance and Use Policy

### Fund Management, Investment, and Allocation

Gifts received by the Congregation will be reviewed and processed by a Committee (Gift Allocation Committee), made up of the President, the Chairman of the Board of Stewardship, the Chairman of the Board of Lay Ministry, the Pastor, and other congregation members as determined by the Committee. The Committee has the authority to recommend to the Voters Assembly exceptions to this policy when deemed appropriate by the Committee. In reviewing all proposed gifts from donors, the Committee will attempt to honor the wishes of the family or donor subject to the Gift and Acceptance and use Policy and the law.

The fund and individual gifts over \$10,000 will be managed by **Lutheran Church Canada Financial Ministries (LCCFM)** except where it is expected the gift amount will be entirely spent within 18 months of the receipt of the gift by the Congregation. The funds will be invested as per LCCFM current **Investment Policy Statement (IPS)**. Gifts received by the Congregation and not invested with LCCFM will be held and accounted for in a separate bank account or other investment instrument.

The distribution of funds within the **(Your) Ministry Fund** will follow the allocation targets as listed below to ensure our mission and ministry goals are fulfilled.

#### Targets:

Local Ministry and Education Programs	50%
Capital Expenditures (broader than us)	30%
LCC Missions	20%
General Operating Fund	0%

A review of fund allocation will be carried out by the (Your) Stewardship Committee on a periodic basis to ensure that current needs and goals of the congregation are met as circumstances change. Acceptable ranges will be:

Local Ministry and Education Programs	20 – 50%
Capital Expenditures	20 – 50%
LCC Missions	10 – 30%
General Operating Fund	0 – 10%

**Please note: All planned gifts will be allocated to this fund, unless designated otherwise by the donor.**

*"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)*

*"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)*

### **Fund Benefits**

As a congregation, **(Your) Lutheran Church's** responsibility is to be a good steward of the gifts God's people provide. Our goal, in line with God's will, is to wisely manage these gifts so we can achieve two ends:

- 1). To support and enhance our ministry and mission endeavors, and
- 2). To maintain our facilities to accomplish our ministry

The **(Your Church) Ministry Fund** will enable us to do this, and pursue new ministry goals. At the same time, we will allocate funds for missions through **Lutheran Church Canada (LCC)**. Allocating a percentage of every planned gift to support external mission and outreach beyond the congregation is an excellent way to demonstrate our desire for Christian evangelism.

A portion of this fund will be allocated to capital concerns, ensuring that our facility will continue to be available for the work God is calling us to do.

### **Reporting to Congregation**

On an Annual basis, the Committee will provide a complete report on the receipt of new gifts, use of the gift proceeds and the investment of the fund – LCCFM and internally managed.

### **Sources of Funding**

The **(Your) Ministry Fund** provides an excellent opportunity for members of **(Your) Lutheran Church** to contribute to the plan, either with memorial funds, or with estate gifts. This way, they can contribute to the Christian ministry and evangelism here at **(Your) Lutheran Church** long after they have passed on.

There is a growing awareness and consideration by LCC members of the blessings involved in making arrangements for a "planned" or estate gift for ministry within their 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. Such gifts may include the following:

Gifts of Cash	Gifts of Residual Interest
Gifts of Life Insurance	Gifts of RRSPs/RRIFs/TFSAs
Gifts of Personal Property	Charitable Gift Annuities
Gifts of Publicly-traded Shares	Charitable Remainder Trusts
Gifts of Real Estate	

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

*"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 Corinthians 8:7)*

### **Gift Acceptance**

Unless stated otherwise by the donor, all extraordinary gifts received by the congregation will be placed into the **(Your) Ministry Fund**. Members are encouraged to seek independent professional advice before 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" is not determined by a current third-party appraisal, 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 charitable gift for use in a particular program or project, we will honor 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 Gift Allocation Committee, the remainder of the restricted gift will be placed into the **(Your) 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 discouraged. Public recognition of gifts may be made through the congregational bulletin or other means, according to the donor's wishes.

For any gift received, a charitable tax receipt will be provided to the donor 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 will be accompanied by an appropriately worded "Thank you" card or letter.

### **Summary**

God's will is that we share the blessings He provides. Since God has supplied us with all we use and enjoy on this earth, our action of returning a portion of our blessings after our passing is a way of thanking Him. The aim of the **(Your) Ministry Fund** is that individual members, and the congregation as a whole, will be encouraged to share God's blessings with others in accordance with His gracious will.

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