

6/17/2015

## **Glory Lutheran Church Policy for the Reception of Donations**

### **Policy**

For the purpose of witness to the glory and grace of God in Christ Jesus, the congregation is called upon and delighted to receive gifts/donations.

### **Rationale**

This policy is written for two general reasons:

- To satisfy Canada Revenue Agency policies, and
- To ensure clarity of internal policy and administration of funds at Glory Lutheran Church.

The goal is to ensure transparency of purpose and policy both to the general government and to church members.

### **Guidelines and Administrative Procedures**

#### **Typical Donations – and Accounting Practice**

- 1.1 The congregation understands the motivation to give as a response to God in gratitude for what God provides daily and eternally through Christ's death and resurrection.
- 1.2 Offerings are primarily in the form of money.
- 1.3 The congregation relies specifically on offerings which are collected on a weekly basis.
- 1.4 The offering of money can be brought to services of worship, or earmarked by donors as transferred to the congregation's bank account electronically.
- 1.5 At any time during the year special or extra gifts are welcome.
- 1.6 In a timely manner (which typically means within a couple of days), the reception of donations is recorded into the congregation's computer accounting package, a record system which is confidential and backed up on a weekly basis.
- 1.7 Early in the following year (ideally by the end of January), a tax receipt will be issued.

#### **Giving to Glory's Funds**

- 2.1 When a donation is received the intent or specific fund for which the money is given must be clear – both to the donor and to the person entering the donation into the computer electronically.
- 2.2 Donations may not be entered for projects not previously approved by church council, a guiding principle established by the Canada Revenue Agency and embraced by the church.
- 2.3 Spending of funds is confined to programs and projects approved by the church. Should a donor choose to restrict a contribution for use in a particular program or project, that restriction will be honored, 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 church, the remaining restricted contributions will be used where most needed.
- 2.4 Glory Lutheran has two major funds, toward which donors may direct their giving.
  - 2.4.1 The fund for the ongoing operation of the congregation is termed **General Fund**. Out of this fund all the monthly and yearly costs associated with operating as a congregation are paid. Such costs include salaries, heating, bulletin production, book purchase, liability insurance, printing of songs, licensing, advertising, utilities, facility and grounds maintenance etc.
  - 2.4.2 The fund for the upgrade and expansion of our church facility and maintenance and improvement of the property is termed **Capital Fund**. This fund may be

Date Approved: March 13, 2007

Revised: April 13, 2010; May 10, 2011; May 13, 2013; June 11, 2013; May 12, 2015

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used to make payments on our mortgage, to support the upgrade (e.g. wall dividers, audio/video electronics) and expansion of the facility (e.g. patio, great hall), to support the improvement (e.g. landscaping) and addition of ancillary space (e.g. storage unit) on the property.

### The Designed Funds

- 3.1 In addition to the two funds mentioned in sections 2.3.1 and 2.3.2, there are external and internal designated funds.
  - 3.1.1 On occasion congregation members want to support local, national and international organizations and charities including Canadian Lutheran World Relief (CLWR), CLWR Glory Well, Inner City Lunch and Mission Work. Donations to these funds are transferred on a monthly basis to the Synod of Alberta and the Territories for distribution to the designated organization or charity.
  - 3.1.2 On occasion congregation members want to support specific Glory Lutheran Church ministries including the Memorial, GWBS, Sunday School, Youth, Glory 50+, Pastoral Care, Kitchen, and Organ Funds. A description of these funds and their use follows.
- 3.2 Donations to the **Memorial Fund** are typically made on occasions when a specific person is remembered; often such gifts are given at the time of a person's funeral or on the anniversary of a person's funeral. Gifts to the Memorial Fund are considered above and beyond the immediate needs of Glory Lutheran Church.
  - 3.2.1 Monies from the Memorial Fund can be approved toward the purchase of lasting items such as, sanctuary furniture, stain glass windows, memorial garden, trees, benches and Building Fund.
  - 3.2.2 If a donor specifies that they want the funds they donated to go to a fund other than the Memorial Fund, the funds will be initially recorded in the Memorial Fund and then transferred to the fund specified by the donor.
- 3.3 Donations to the **GWBS (Glory Women's Bible Study) Fund** may be allocated in one or all of the following manner:
  - 3.3.1 Donations to charities of GWBS members choosing.
  - 3.3.2 Capital purchases for Glory Lutheran Church.
  - 3.3.3 Gifts and honorariums.
  - 3.3.4 Gifts to the National Women's Desk including support of women's events on the conference, synodical and national level.
- 3.4 Collection of donations to the **Sunday School Fund** are to be allocated as follows
  - 3.4.1 Once a year 50% of the funds are to be donated to Glory Lutheran Church Capital Building Fund.
  - 3.4.2 The remaining 50% of the funds will remain at Glory Lutheran Church to be used in the following ways:
    - a. Donations to charities of the Sunday School Committee choosing.
    - b. Capital purchases for Glory Lutheran Church, as approved by the Sunday School Committee.
  - 3.4.3 Should the Capital Building Fund be discontinued, funds will be earmarked as follows
    - a. Donations to charities of the Sunday School Committee choosing.
    - b. Capital purchases for Glory Lutheran Church, as approved by the Sunday School Committee.

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- 3.5 Donations to the **Youth Fund** are allocated in the following manner:
- 3.5.1 Support youth group activities
  - 3.5.2 Provide donations to a qualified donee(s) of the youth group's choosing
  - 3.5.3 Capital purchases for Glory Lutheran Church of the youth group's choosing
  - 3.5.4 Honorariums for speakers
  - 3.5.5 Should the Youth Fund be discontinued, funds will be earmarked as follows:
    - a. Donations to qualified donee(s) of youth group's choosing
    - b. Transfer to one or more Glory Lutheran Church Funds as approved by the youth group.
- 3.6 Donations to the **Glory 50+ Fund** will be used in the following ways:
- 3.6.1 Support the pastoral care of sick, social and outreach ministry
  - 3.6.2 Support social activities and the celebration of group participant milestones (e.g. birthdates, anniversaries)
  - 3.6.3 Provide donations to qualified donee(s) of the Glory 50+ choosing
  - 3.6.4 Provide outreach support of the poor, vulnerable, elderly and victims of tragedy of the Glory 50+ choosing
  - 3.6.5 Capital purchases for Glory Lutheran Church of Glory 50+ choosing
  - 3.6.6 Gifts and honorariums (e.g. speakers)
  - 3.6.7 Should the Glory 50+ Fund be discontinued, funds will be earmarked as follows:
    - a. Donations to qualified donee(s) of Glory 50+ choosing
    - b. Transfer to one or more Glory Lutheran Church Funds as approved by Glory 50+.
- 3.7 Donations to the **Pastoral Care Fund** are made to support families or individuals who are in need. It is the responsibility of the Pastor to identify those in need and make a recommendation to Church Council for the nature, amount and duration of the support. The name(s) of the recipients shall remain anonymous. The selection of recipients and the subsequent reports shall be in accordance with CRA guidelines.
- 3.8 Donations to the **Kitchen Fund** will be used for the completion, upgrade and improvement of the kitchen space (e.g. purchase of items to equip the kitchen including small and large appliances, kitchenware, dinnerware, flatware etc., construction of cupboards, counters and other items needed to for the operation of the kitchen, upgrade and replacement of equipment).
- In the event that funds are no longer required to support the kitchen and the fund is closed, all remaining funds will be transferred to either the general or capital funds by a motion of Council.
- 3.9 Donations to the **Organ Fund** are earmarked for the purchase of an organ and if the fund exceeds the amount expended, then the balance of the funds are to be transferred to the General Fund by a motion of Council.

#### **Gifts in Kind**

- 4.1 Gifts in kind are purchases made for any item including office equipment, filing cabinets, tables, desks, stationary etc.. For new items, the bill of sale is required and the tax receipt is issued minus the GST.
- 4.2 Gifts valued over \$1,000.00 must have an appraisal done by an independent individual or must have purchase receipt. Depending upon age of the item, depreciation is considered in determining the value of the gift.

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- 4.3 Gifts in kind are received at the discretion of the church council. If church council determines that a gift cannot be used by the church, it will be returned to the donor. A tax receipt will not be issued. Such an action should be understood as good stewardship.

#### **Gifts of Stocks and Bonds**

- 5.1 The church is allowed to receive from donors the gift of stocks and bonds.
- 5.2 The gift of stocks and bonds can offer the donor an extra benefit, when she/he receives full credit for the value of investments, but doesn't have to pay associated fees for selling the investments or taxes.
- 5.3 Donors who are interested in giving gifts in the form of stocks, bonds or other securities should consult with Glory's council treasurer. All transactions will be through the Synod of Alberta and the Territories. The Synod has set up a brokerage account with CIBC Wood Gundy for congregation members to use.

#### **Gifts from a Member's Estate**

- 6.1 Remembering the church in a person's will is a significant and recognized way of leaving a legacy to an institution which has meant so much to a person during her/his earthly lifetime.
- 6.2 Estate gifts can be designated for any of funds of the church.