

Policy on Unrestricted Gifts and Bequests

Central Lutheran Church

Following Christ; Sharing God's Love for All People

Adopted by the Council on Tuesday, June 13, 2009

Central is richly blessed by the generosity of members and friends. We are here and in ministry because so many people have shared so much with us. This policy is meant to guide us when we receive extraordinary gifts, such as bequests, and when such gifts are not restricted by the donor. The purpose of this policy is to help us honor the giver by using gifts in a way that is consistent with our mission (**see Comment 1**) and sustains the mission into the future. We will therefore use the following guidelines when deciding how to spend unrestricted gifts.

1. We will tithe 10% (**See Comment 2**) of the unrestricted gift.

As Christians, we recognize that everything we have is a gift from God. Tithing is an important spiritual discipline that reminds us to depend on God's grace rather than to follow our culture's call to depend on ourselves, or to seek security in accumulated wealth. Tithing is an opportunity for our congregation to participate in important and exciting work done by other non-profits (**See Comment 3**). As we consider where to tithe our money, we will use the following guidelines:

a. Preference for Lutheran-affiliated and other faith-based organizations.

The gospel of Christ calls us to work for justice in this world. We believe that supporting organizations who also work from a place of faith, answering God's call to do justice, love kindness, and walk humbly with our God, is a way to show the world God's love. It is important for us to rise up and support the work of Lutheran-affiliated agencies (**see Comment 4**). However, if there is a concern that a Lutheran agency is not meeting the needs we would like to support, we will turn to other faith-based organizations first, and secular agencies second.

b. Preference for local community (Seattle-area) organizations. Because we give the majority of our benevolence budget to the ELCA Synod, and much of this money goes toward national and international work, we will give preference to local community organizations. In particular, we will pay special attention to those organizations with whom Central Lutheran members are involved.

...continued on next page

1. Comment: Our new working mission statement: "Following Christ; Sharing God's Love for All People." See, it's right at the top of this page under the title of the policy.

2. Comment: "Tithing" is a term from the Old Testament and generally means giving 10 percent of your income to the Church. Some people are more familiar than others with tithing as a term and practice. Pastor Shannon authored a great article on tithing in the August Tidings.

Our congregation attempts to tithe 10 percent from our annual operating budget (benevolences).

Ten percent of the Mickelsen bequest would be \$48,300.

3. Comment: In this the church is tithing, so our congregation's tithe will go to the larger community.

4. Comment: Hey, we are Lutherans after all. Might as well support our peeps and their work when we can.

c. Recommendations for allocating tithes of \$5,000 or less; exceeding \$5,000. (See Comment 5) For tithes of \$5,000 or less (i.e., an unrestricted gift of \$5,000 or less), the Council will direct the Benevolence Committee to recommend a distribution of the tithe to the Council for approval. For tithes exceeding \$5,000 (i.e., an unrestricted gift exceeding \$50,000), the Council should recommend a distribution and present it to the congregation for final approval. The Council may form an ad hoc committee to help formulate recommendations for distributions of tithes exceeding \$5,000.

d. Timeline for distributing funds under this Section 1.

- i. For tithes of \$5,000 or less under this Section 1, the Benevolence Committee should make its recommendation at the same time that it makes recommendations for any other benevolence fund distributions.
- ii. For amounts exceeding \$5,000 under this Section 1, Council should make recommendations for distribution within one year of receipt of the unrestricted gift. **(See Comment 6)**

2. We will transfer 10% of the unrestricted gift to the Property Enhancement or similar fund. (See Comment 7)

Donors who bless us with unrestricted gifts have a stake in the continuing existence of our congregation and its mission. Maintaining our property and buildings is an important stewardship role of the congregation. If we neglect this, we may find ourselves unable to carry out our mission. Council should make transfers of funds under this Section 2 within two months of receipt of the unrestricted gift. Transfers under this Section 2 may be accumulated in the Property Enhancement Fund, Capital Project Fund, Organ/Piano Fund, or similar funds established in the future, and used as necessary. There is no timeline for distributing such funds.

3. We will use 80% of the unrestricted gift to strengthen the life and mission of the congregation. (See Comment 8)

a. Intent. The Council will actively seek ways to use unrestricted gifts to strengthen the life and mission of our congregation, which might even include increasing the percentage allocations under Sections 1 or 2 above. For example, unrestricted gifts could assist Central's growing youth ministry or strengthen Central's music program. Consistent with our constitution, Council will present to the congregation for approval any recommended distribution or firm commitment under this Section 3 which meets the existing constitutional threshold for such distributions (currently, any distributions exceeding \$5,000).

5. Comment: This split between smaller and larger gifts will expedite distribution of smaller gifts, but give us a chance to involve greater member participation when the gift is especially large and impactful. Also, the congregation must approve all expenditures/distributions over \$5,000 under other circumstances, so \$5000 is a natural number to use.

6. Comment: OK, we know council has already missed the one year deadline with the Mickelsen bequest, but we'll do better next time now that we have a policy in place.

7. Comment: Certainly the last several years have shown the wisdom of planning early for building maintenance and improvements.

Ten percent of the Mickelsen bequest would be \$48,300.

8. Comment: Eighty percent of the Mickelsen bequest would be \$386,400.

b. Timeline for distributing or committing funds under this Section 3. (See Comment 9)

Within two months of the receipt of an unrestricted gift, Council should establish a timeline for making distributions or firm commitments of unrestricted gifts under this Section 3. We expect that the timeline for making distributions or firm commitments under this Section 3 will vary depending on the size of the unrestricted gift. In creating such timelines, Council should consider but is not bound by the following guidelines:

- i. For amounts of \$5,000 or less under this Section 3, the Council should attempt to make distributions or firm commitments within one year of receipt of the unrestricted gift
- ii. For amounts exceeding \$5,000 under this Section 3, Council should attempt to make distributions or firm commitments within two years of receipt of the unrestricted gift.

9. Comment: So, the general idea of this section is that the council and congregation should feel some pressure to not simply sit on any bequest or gift, but should make a well-reasoned decision about how to use the money within a reasonable time period.