

**Policy: Benevolence Fund Policy Template**

**Approval Date:** \_\_\_\_\_

**Approved By:** \_\_\_\_\_

**Purpose:**

As an integral part of the ministry of the \_\_\_\_\_ Church (“the Church”), the Benevolence Fund (“the Fund”) provides financial assistance to individuals or families who are experiencing financial or material needs. No individual in the community who is willing to receive help in name of Christ should be without food, shelter and other basic needs

**Scope:**

This policy is intended for the use of the pastoral staff and the **(your name for the committee responsible)** of the Church is responsible for administering the Fund within established guidelines.

**Policy:**

**Guidelines**

First and foremost, private charity between individuals will be encouraged and the Church may facilitate individuals carrying out private benevolence (i.e. no receipts are issued and funds do not pass through any bank accounts attributed to the Church). The following guidelines should assist in determining need and eligibility for assistance, should private charity not be realized.

**Determining Need**

- The need of an individual or family may come to attention of a Committee member during the course of ministry, or by referral from a third party.
- A dependent individual’s need must be assessed in consultation with the person who has legal responsibility for the individual and the financial status of the legal parent or guardian will be taken into consideration.
- Other sources of community assistance, including support from other area churches, may need to be verified.

**Eligibility**

- All assistance, including reporting, shall comply with the requirements of the Income Tax Act and Regulations. The assistance must be charitable under the law.
- Token assistance may be provided as a tangible demonstration of moral support without meeting all of the eligibility criteria.

- A person in the community whose current status is financially or materially “needy”. Support will not be restricted to members and there will be an openness to extending the same level of support to anyone else demonstrating the same need.
- Needs that will be considered for benevolent assistance include the following:
  - An accident that results in financial needs.
  - An unavoidable unemployment situation.
  - Families that encounter legitimate financial difficulties:
  - Individuals that are in need of special education/ training opportunities due to social, emotional, delinquency or related difficulties. These opportunities should serve to help the individual for the greater good of society in the short and long-term.
  - Medical treatments and related expenses prescribed by a recognized a Canadian medical professional not covered by a public or private insurance/medical plan.
  - Other situations of demonstrated need

When financial assistance is provided consideration should also be given to meeting the spiritual, physical, mental, emotional, and other needs of the party receiving assistance. This will be done in consultation with the pastoral staff and/or the care team and/or other qualified professionals.

The Church will not participate financially (funding or receipting) in projects which the law considers to be private benevolence.

*Needs NOT usually considered for benevolent assistance*

- Discretionary expenses (e.g., vacations).
- Treatments not prescribed by a recognized Canadian medical professional.
- Business needs arising for any reason.
- Insured losses.
- Individuals on social assistance (except for types of assistance that are not considered to be ‘income’ by the relevant funding agency, to be determined in advance by consulting with a knowledgeable employee of the funding agency).
- Where an individual or those legally responsible for the individual are determined to have adequate resources, unless the individual has been rejected by those persons (e.g., because of faith).
- Projected and future needs (e.g., education fund for an orphaned child).

**Funding**

The Committee will only provide assistance as resources are available. All funds remain under the direction and control of the overall governing Committee responsible for the church’s charitable resources and will be administered by the Committee.

### **Duration of Charity**

The Church will provide assistance for a specific need that is not expected to involve a long-term commitment. When a major need arises, other possible sources for assistance will be explored with the party in need (e.g., community and/or government programs).

### **Funding Sources**

- Donor-directed giving for the Fund,
- Unreceipted collections at church events such as communion services,
- Project Fundraising
- Allocation of money to the Fund from the General Treasury as part of the annual budget process.

### **Project Fundraising**

The Committee may approve a demonstrated need that is more than available funds. Designated gifts toward an approved benevolence project will be used as designated with the understanding that when a given need has been met as determined by the Committee, any excess will be used for other benevolence projects. All special appeals must clearly display this understanding. The church will refuse gifts designated toward a specific benevolence project before the approval of the project.

Fundraising for a specific project will only be approved if the project meets all guidelines of this policy as a whole. The required 'needs' documentation must be completed before the approval of the project. Caution should be exercised when it can be reasonably expected that financial support for the project will come from only a small group of individuals, especially when the expected donors are closely related (i.e., non-arm's length) to the needy individual(s).

### **Levels of Support**

The Committee is responsible for administering the Fund within these established guidelines:

#### **Basic (up to \$150 [or you define the amount] per situation)**

Any member of the Committee may approve this level of assistance in each single situation. The Senior Pastor or the Associate Pastor may also approve this level of assistance, but must inform the Committee in writing. Repeat support at this level places the assistance at the Intermediate level.

#### **Intermediate (\$150 to \$750) [or you define the amounts]**

A majority of the Committee may approve this level of assistance in each single situation. A phone poll with corresponding documentation may be used if necessary. Repeat support at this level places the assistance at the Advanced level.

#### **Advanced (over \$750) [or you define the amount]**

This level of assistance per situation may be approved by a two-third majority at a meeting of the Committee, subject to meeting all specified criteria.

Note: Members of the Committee and those consulted must disclose conflicts of interest (e.g., where proposed assistance involves a family member) and excuse themselves from the related discussion and decision

### **Reporting/Documentation/Evaluation**

The Committee member(s) evaluating a case for assistance are responsible for the following:

Basic – to report the process involved in evaluating and reasons for granting assistance at the next regularly scheduled meeting of the Committee. No written ‘needs’ documentation is required. To avoid repeat requests at the basic level between meetings, the Committee member(s) involved should consult with the Chair of the Committee prior to providing assistance when possible, or immediately after assistance is provided.

Intermediate - to report the process involved in evaluating and reasons for granting the assistance at the next regularly scheduled Committee meeting. Written documentation may be limited to documentation of subjective factors at the discretion of the Committee members.

Advanced – two Committee members are to evaluate the financial resources available to the person (including government support and resources available from other family members/significant others) being considered for advanced assistance, by reviewing copies of the most recent tax returns, pay stubs, and/or financial statements, etc., and to provide a written report at a meeting of the Committee, that includes the process followed in evaluating the need and the maximum level of assistance recommended.

All documentation shall be signed by two members of the Committee and filed in a confidential and secure place. Care should be taken not to reveal the names of individuals considered and/or approved for assistance. Individual names should not be included in the minutes of Committee meetings.

Payments will only be processed upon written authorization from a Committee member (or, in the case of Basic assistance, the Senior Pastor or Associate Pastor) by means of memo, cheque requisition, etc., a copy of which should be filed by the Committee. Whenever reasonably possible, benevolent assistance should be paid directly to a supplier/service provider, or the assistance should be in the form of physical goods or vouchers.

Benevolence assistance will be reported on T5007 slips as “social assistance” in accordance with the requirements of the Income Tax Act. Please refer to this website for details:

<http://www.cra-arc.gc.ca/E/pub/tg/t4115/t4115-09e.pdf>