

DEACON / BENEVOLENCE FUND POLICY TEMPLATE

October, 2008

1. Introduction

- 1.1 Deacons realize that benevolence is a quality of our life in Christ and not merely a matter of financial assistance. Deacons are therefore called to assess need, promote stewardship and hospitality, collect and disburse resources for benevolence and develop programs of assistance.
- 1.2 Acts 4: 32,34,35

"All believers were in one heart and mind. No one claimed that any of his possessions were his own, but they shared everything they had. There were no needy persons among them. For from time to time, those who owned land or homes sold them, brought the money from the sales and put it at the apostles' feet, and it was distributed to any one as he had need."

2. Purpose

- 2.1 The purpose of this document is to set forth the guidelines for the disbursement of the Deacon Fund.
- 2.2 The purpose of the Deacon Fund is to meet people's basic needs. The Deacon Fund achieves this purpose primarily through the disbursement of funds, grocery certificates, bus tickets, etc., at the direction of the deacons.

3. Definitions

- 3.1 *Applicants:* Individuals or families who approach the deacons to request financial and/or other assistance.
- 3.2 *Deacon Fund:* The Deacon Fund is an officially recognized and designated permanent fund. As such, it is an approved recipient for designated giving. It has no budget for either income or expense. Its

receipts consist entirely of designated giving and its expenses consist of funds disbursed for its stated intended purposes at the direction of the deacons.

- 3.3 *Gift*: A voluntary transfer of property without valuable consideration to the donor (i.e. no strings attached)
- 3.4 *Grocery Certificates*: Certificates of specific dollar denominations which can be used for purchases at local grocery stores.

4. Canada Revenue Agency (CRA)

The CRA sets out five key requirements for charities engaged in the type of benevolence activities such as those of the church:

- 4.1 A church cannot provide a private benefit disguised as a public benefit.
- 4.2 Benefits must be made available to members of the public in the community as well as members of the church.
- 4.3 The amount of assistance provided must be reasonable in the circumstances.
- 4.4 Gifts must not be made from designated funds.
- 4.5 The church must engage in a real inquiry into the needs and means of a potential beneficiary before providing assistance. Needs are determined on the basis of total reasonable expenses less all sources of current income. Means are determined on the basis of non-essential assets that might be sold to meet the need.

5. The Benevolence Policy intends to follow the objectives and activities of the church as set out in its constitution.

6. Oversight and Accountability

- 6.1 The deacons are responsible for the Deacon Fund and are accountable to the Council. Two deacons must sign any cheque issued from the Deacon Fund.

- 6.2 The deacons will provide the Council with a monthly report including the following information:

Number of applicants received.

Funds received

Financial assistance provided.

7. Income

- 7.1 The only regular source of income for the Deacon Fund is the offering for the same, with frequency as needed or decided by the deacons.
- 7.2 Gifts intended for the Deacon Fund can be designated as such at the time the gift is given, but may not be given for the specific benefit of any person or family.

8. General Guidelines for Disbursement

- 8.1 The Deacon Fund is intended as a source of last resort, to be used when the applicant has explored all other possibilities of help from family, friends, savings or investments. It is intended to be a temporary help during a time of crisis.
- 8.2 Assistance from the Deacon Fund is normally intended to be a one-time occurrence. In some circumstances, the deacons may decide to help more than once. If there are subsequent requests, two deacons will arrange a meeting with the applicant to develop a longer-term plan. A gift from the Deacon Fund is not a loan, and there is no expectation or requirement for repayment.
- 8.3 An application for financial assistance form (appendix 1) should be completed by the deacon assisting the applicant. If this is a subsequent request, a financial information statement (appendix 2) needs to be completed as well.
- 8.4 Applicants will be encouraged to receive financial, family or emotional counseling if there is a perceived need for this type of assistance.

- 8.5 The deacons will not provide help to anyone for whom, in their estimation, financial help will reinforce negative or irresponsible behaviour.
- 8.6 Applicants must be willing to give the deacons permission to follow up on any of the information provided to the deacons. The deacons will adhere to the Privacy Policy of the church.
- 8.7 The deacons may decide to limit the maximum amount of funds one applicant can receive per year.

9. Recipients

Recipients of funds disbursed from the Deacon Fund are not restricted to church members and attendees.

10. Criteria

The stated purpose of the Deacon fund is to meet peoples' basic needs.

Normally these needs are defined as

Lodging

Food

Clothing

Medical treatment

Transportation to or from a place of employment

Funeral expenses

Initial evaluation and professional counselling appointments
(provided that one of the church pastors recommends same and disclosure of the purpose and necessity of the counselling is recorded)

11. Needs that will not be met by the Deacon Fund

- 11.1 Business investments or anything that brings financial profit to the individual or family

- 11.2 Repayment of loans: exceptions may be made when an individual has had to use a credit card in a crisis or emergency (i.e. hospitalization, death, etc.)
- 11.3 Needs of individuals who are unlawfully at large or paying for fines as a result of breaking the law

12. Approval Limits

- 12.1 Any church staff member can approve an emergency request for distribution of groceries from the church grocery supply maintained by the deacons.
- 12.2 Any one deacon can approve a one-time request for grocery certificates of \$100 or less.
- 12.3 Any other request must be approved by a majority of the deacons.

13. Procedure for Disbursement

- 13.1 In a meeting, by email, or by a telephone conference, the deacons review the request and come to a decision.
- 13.2 The person making the request is informed of the decision.
- 13.3 Grocery certificates are issued or cheques are written and disbursed. Cheques from the Deacon/Benevolence Fund will be payable to vendors, homeowners' associations, etc., rather than to the applicant.
- 13.4 Receipts are to be obtained and remitted monthly to the Deacon Treasurer.