

Benevolence Policy

POLICY STATEMENT

The purpose of this policy is to set forth the conditions for which ABC Church (Church) may authorize and disburse funds that are classified as benevolence. Benevolence disbursements will only be approved to provide for the basic necessities of life to needy persons. Types of disbursements may include food, clothing, shelter, medical care, financial support, and other types of assistance to the poor or destitute. Assistance provided as benevolence is intended to be a one-time gift.

Any benevolence requests that would benefit board members, employees, or emissaries or their family members (any blood relative) will not be approved. All benevolence requests must receive board approval by a simple majority of the board before any funds, services, or material assistance is disbursed. Benevolence is a non-taxable charitable contribution provided to alleviate their hardship.

Donors may not direct Church to allocate their contributions to be paid as benevolence to any specific individual.

CRITERIA

To qualify for benevolence, the individual or family must belong to a recognized hardship class. For instance, individuals who fall below the poverty level for a given region or country might qualify for benevolence. Other factors that may qualify someone for benevolence include, but are not limited to:

- loss of employment
- death in the family of wage earner
- costly medical condition
- severe hardship resulting from a natural disaster
- critical injury or loss resulting from terrorism or an act of war

Though not a comprehensive list of criteria, the board will review each benevolence request to ensure that it meets with both the literal interpretation of the policy as well as the general intent behind the policy.

Benevolence will NOT be approved for:

- business investments, or anything that could be construed to bring financial profit to the individual or family
- paying off credit cards. Exceptions can be made when an individual has had to use credit cards to pay for a crisis or emergency (e.g., hospitalization, death, etc.)
- needs of individuals who are wanted by the law or for paying fines as a result of breaking the law
- legal fees
- penalties relating to late payments or irresponsible actions
- private school fees or tuition

Benevolence Policy

PROCESS

Benevolence requests must be made by the person requesting assistance or by someone who is directly assisting the person in need. Requests should be mailed or emailed to the Church Director of Operations, who will then forward the request to the Church Board. Requests should include the following:

- Name and address of person for whom benevolence is requested
- Criteria for which benevolence might apply to said individual
- Benevolence Requested (e.g., clothing, food, shelter, finances, etc.)
- Contact information for person making the request (if representing the potential recipient) so that the board can follow up with additional questions if needed.

All requests will be reviewed and voted on by the Church Board. The Director of Operations will provide the board with benevolence requests within 3-business days of receipt. The board will then review the request and ensure that it meets the stipulations of both this policy and the Church Conflict of Interest Policy.

If the board determines that the benevolence request qualifies, the board must arrive at a simple majority approval before any disbursements are made. The board will determine both the type and/or amount of the benevolence to be disbursed. The board will then notify the Director of Operations of their determination.

The Director of Operations will inform the requestor of the determination of the board. Disbursements for approved benevolence will be issued within 2 weeks of the approval.

BENEVOLENCE PROCESS AND GUIDELINES

The Benevolence Ministry is part of Pastoral Care under the direction of Care Ministries.

This document defines the purpose of the Benevolence Ministry and outlines the Benevolence process and guidelines for executing the duties of the Benevolence Committee and the Care Ministries Administrative Assistant.

Purpose of the Benevolence Ministry

The purpose of the Benevolence Ministry is to assist members of ABC Church and those within our community with unexpected short-term financial needs that cannot otherwise be met. The standards for determining type and level of need are spelled out in section II of this guideline. Examples of needs may include, but are not necessarily limited to, mortgage payments, rent, utilities, food, and other short-term living expenses. This is primarily accomplished through, but not limited to, the generous giving of the Church family to the Benevolence Ministry. A special offering is taken at the conclusion of each Sunday morning communion service throughout the year to fund the Benevolence Ministry, but contributors may designate gifts to Benevolence at any time. This ministry primarily serves the members and regular attendees of Church, but people not associated with Church may also be considered for assistance.

The Benevolence Ministry is based upon Scripture:

"Bear one another's burdens and so fulfill the Law of Christ", (Galatians 6:2).

"A new commandment I give to you, that you love one another, even as I have loved you, that you love one another", (John 13:3-4).

"What good is it, my brothers, if a man claims to have faith but no deeds? Suppose a brother or sister is without clothes and daily food. If one of you says to him, 'Go, I wish you well: keep warm and well fed,' but does nothing about his physical needs, what good is it", (James 2:14-16).

Additional scriptural guidelines: Deuteronomy 15:7-8; Matthew 25:34-45; Isaiah 58:6-9; Jeremiah 22:16; Job 29:12-16.

At Church we work hard to follow scriptural guidelines for being good stewards of the monies entrusted to us. We believe those who handle and distribute monies given to God's work should not only be above reproach in all respects, but should also be held accountable (I Cor. 4:2).

Benevolence Procedure: Determination of Need

The Benevolence Ministry will be called upon to address a myriad of different needs from a plethora of sources. Members of the Benevolence Team and the various Benevolence Committees will determine the validity and applicability of Benevolence to meet these needs. This guideline is to be used as an aid to that determination (along with prayer, reasonability consideration, and interaction with fellow members).

"Reasonability" or "reasonableness": the IRS allows Benevolence to provide support between the cheapest and the most expensive options, but requires that the agreed option be "reasonable under the circumstances." To achieve this, two or more members of the committee must reach agreement regarding a reasonable response to each Benevolence request. Members will indicate their agreement by signing the blue "Benevolence Comments/Recommendations" form associated with the request.

Classification of Needs

A wide range of needs may manifest themselves in financial crises. Members of the Benevolence Committee will need to delve into causes for financial needs, as Benevolence cannot and should not meet every type of need. Further, the Benevolence Committee should be a conduit for directing individuals and families to resources that can and should deal with the underlying need. For reference purposes, stated needs are classified duration, type, and category. Needs that can be addressed by Benevolence are in **bold** type.

A. Duration

- **Emergency:** These are immediate documented needs prompted by unforeseen or unforeseeable situations. Benevolence may address these needs so long as they fall within the boundaries of need by type and/or category.
- **Short Term:** These are documented needs that represent situations or conditions that are 3 months (90 days) or less in duration. Benevolence may address these needs so long as they fall within the boundaries of need by type and/or category.
- **Long Term:** These are documented needs that represent situations or conditions that are **more than** 3 months (90 days) in duration. Benevolence cannot address these situations. Individuals making requests should be directed to social and governmental agencies that are chartered to deal with long term needs. Care Ministries will provide the committee with updated lists of local resources for long term help.
- **Chronic:** These are needs that are the direct or indirect result of personal or financial irresponsibility. Benevolence cannot address these situations. Individuals making requests should be directed to counseling or services that deal with financial responsibility and stewardship.

B. Type of Need

- Perceived: These constitute either "wants" or desires and as such do not pass the reasonableness test (on a cold day, I need a warm covering. I do not "need" a mink coat.). Benevolence cannot address perceived needs.
- Actual Needs: These are both reasonable and can be readily documented. All benevolence awards must be both "reasonable" and documented.

C. Category of Need

- Physical need: These involve the basic need for food, shelter, clothing, and transportation, or are directly related to the maintenance of these basic commodities (electricity, water, gas, or telephone). Items not directly related to life, safety, or health do not qualify as needs (cable TV, internet, etc.). Needs must be documented and must pass the "reasonableness" test: a safe, reliable vehicle is a need, a new Lexus is not; "food" does not mean filet mignon. "Shelter" is not found only in gated communities.
- Spiritual need: These needs are directly related to the pastoral duties of the church as representatives of Jesus Christ to come alongside others in grief (Romans 12: 15), to seek reconciliation (2 Corinthians 5: 18-20), and to rest me those who have fallen into sin (Galatians 6:1). Benevolence may address these needs to the extent that they overlap actual physical, emergency, or short-term needs. For example, Benevolence may pay to secure transportation (physical need) to allow the individual to be with family at an out of town funeral. Or Benevolence may provide funds for (emergency or short term) counseling or treatment for those dealing with the addictive nature of sin. Since spiritual needs are a family matter, Benevolence may only address those needs within the body of Christ.
- Emotional need: These are needs related to status, esteem, acceptance, empathy, affirmation, or validation. Since these cannot be purchased or financed, Benevolence cannot address these needs. The committee should be understanding and sympathetic to individuals' cries, and provide personal encouragement and refer individuals to counseling where appropriate.
- Medical need: Due to the complexity of medical issues, the committee may not be able to establish need in this area, therefore, Benevolence will not provide support for cosmetic medical procedures or nonprescription drugs.
- Legal needs: Benevolence will not help to pay taxes, child support, legal fees (including lawyer fees), fines, or any assessment levied by a court of law, government entity, or any entity with legal authority to impose levies on its constituents (homeowners organizations, improvement districts, etc.).
- Lifestyle choices: Benevolence will not make payments toward any debt that is not specifically secured by a home or a vehicle. Benevolence will not pay more than the equivalent of three months payments toward the secured debt (short-term).

Establishing Need

All needs must be documented. All documentation must be written and must establish two facts: the existence of a financial deficiency and the inability of the individual making the request to meet that deficiency. This is an IRS requirement and it cannot be waived.

The **Benevolence Subcommittee** develops and maintains policies and procedures for the Benevolence Ministry and provides training and leadership within the Benevolence interview process. The Chairman of Benevolence selects this Subcommittee.

- The Benevolence Subcommittee consists of seven or more individuals.
- The Benevolence Subcommittee meets as required to review Benevolence activities, processes, and procedures.

Benevolence Committee Members' Interview Schedule

•A Benevolence Committee meeting is held twice a year. During this semi-annual meeting, committee members sign up to serve on an interview team. The schedule is reviewed and adjusted periodically to allow new members an opportunity to serve on the committee.

SPECIAL NOTE FOR COMMITTEE MEMBERS:

In the event that you cannot be present on an assigned interview night, you are responsible for finding a replacement and notifying the Care Ministries Administrative Assistant in advance.

Benevolence Application Process

- All requests for help require that the application be filled out in full and signed by the person making the request (or by a trustworthy individual who has first hand knowledge of the person's situation).
- Individuals making requests will need to provide copies of bills to establish the existence of a need, and copies of bank statements and/or check stubs to establish inability to pay.
- All documentation must be in written form and current (status as of the day of application or payment). No payment can be made without current written documentation.
- Benevolence cannot pay more than the documented need amount. This is an IRS requirement and cannot be waived. Where the need is not a specific amount (food for a family, for example), Benevolence may provide what is reasonable under the circumstances.

Benevolence Committee & Subcommittee Responsibilities:

The Benevolence Committee's primary function is to interview individuals seeking assistance and to make appropriate recommendations. Committee members are trained in benevolence ministries, Crown Ministries Budget Counselors or people with equivalent training. Two or three members of the Benevolence Committee (*at least one male and one female*) conduct interviews with those seeking assistance on Monday nights starting at 6:30 p.m. and/or Monday mornings starting at 10 a.m. (*There may be times when special meetings are arranged to meet the needs of applicants.*) The maximum number of interviews per session, morning or evening, is three, and the same committee conducts all three interviews.

Benevolence Tracking and Responsibilities of Pastoral Care Ministry

Before Benevolence Committee Meeting:

- Review all Benevolence applications and set appointments with committee members.
- Verify applicants information in the accounting software: date of entry; member status; and organizational involvement
- Maintain a file for each application, including all Benevolence documents. (*Benevolence Comments/Recommendations and Benevolence Disbursement Tracking*)
- Call scheduled committee members to confirm Monday interview schedules. Two or three committee members (*at least one male and one female*) will conduct the interviews with the Benevolence applicants.
- Provide each scheduled committee member a copy of the Benevolence application for each applicant to be interviewed. (*Placed in the applicant's Benevolence file*).
- Prepare the Benevolence file box for the committee, to include: Benevolence file(s) for each applicant to be interviewed and food cards (\$200 for each applicant). The file box will be available at the front desk for the committee members to pick up before the interview(s).

After Benevolence Committee Meeting:

- Review the committee's recommendations for each applicant on Tuesday morning. Ensure that the file(s) are in order and all necessary copies of bills are attached to the application.

Submit file(s) to Pastor overseeing the Benevolence Ministry for his review and approval/disapproval. Upon approval the request will be processed as directed. If the Benevolence Committee disapproved the request, the Pastor overseeing the Benevolence Ministry may resubmit the application with reason/s for approval to the interviewing Benevolence committee. Should the Committee again disapprove the request, then the request may be presented to a second Benevolence Committee consisting of three different members. Their decision is final.

Obtain elder approval when required.

**ABC Church
Benevolence Information Form**

Please fill out the form below and we will contact you after your request has been reviewed. Processing may take at least (5) business days from this date. Any request received and approved after Tuesday may not be processed for payment until Friday of the following week. Copies of bills for which assistance is needed must be provided; you must provide your own photocopies. Failure to complete the entire form may delay the review of your request.

Please Print

FAMILY INFORMATION

Applicant's Name _____ SS Number _____

Spouse's Name _____

Household Members

Name	Relationship	SS#	Date of Birth

Current Address _____ City _____ Zip _____

Home Phone _____ Work Phone _____

EMPLOYMENT INFORMATION

Employer _____ How Long? _____

Employer Address _____ Employer Phone No. _____

Spouse's Employer _____ How Long? _____

If Unemployed, How Long? _____

Reason for Unemployment? _____

If not unemployed, what has happened to create this need? _____

- Are you a member of ABC Church? Yes No
- Are you currently tithing at ABC Church? Yes No
- Have you been helped previously by ABC Church? Yes No
- Have you received assistance from any other church, Yes No

Ministry or agency during the past 6 months? Yes No

If yes, whom? _____

Amount and/or type of assistance? _____

- Life Team Leader? _____
- In which area of ministry do you volunteer? _____

Home Church if not ABC Church _____ Phone _____

Please list all income and expenses for your household, not just the expenses for which assistance is needed. You must provide a copy of the bill(s) for which assistance is requested.

Type of Monthly Income/Cash Available	Current Monthly Income Amount or amount earned before unemployed	√ here if requesting payment of this bill	Monthly Expenses	Expense Amount	Due Date
Applicant's Wages			Mortgage/Rent		
Spouse's Wages			Electricity		
Other Members of the Household Wages			Gas		
Social Security			Water		
Disability Benefits			Phone		
Retirement Benefits			Car Payment		
Food Stamps			Cell Phone		
Unemployment			Gasoline		
Child Support			Auto Insurance		
Extended Family Support			Home Insurance		
Any Other Income			Health Insurance		
			Groceries		
Total Income			School Expense		
			Laundry		
Checking Account Balance			Clothing/Shoes		
Savings Account Balance			Medical		
Savings Bonds			Prescriptions		
Investment Account Balance			Cable/Satellite		
Retirement Account Balance			Child Care		
Available Cash as of Today			Child Support		
			Credit Card 1		
			Credit Card 2		
			Credit Card 3		
			Cigarette/Alcohol		
			Loans(explain)		
			Other Expenses		
			Total Expenses		

FOR OFFICE USE ONLY:			
Approved Amount \$ _____	Pay To: _____		
Membership Date _____			
Previous Assistance?	Yes	No	
Enrolled in Budgeting Course?	Yes	No	
Completed Budgeting Course?	Yes	No	
Approved By: _____	Date: _____		

PASTOR'S DISCRETIONARY FUND GUIDELINES

We should recognize that every Church establishes a "Pastor's discretionary fund." It is a very usual, if not universal practice, for the Pastor to administer such funds.

In order for there to be clarity about the fund and its use, as well as to protect the Church and the Pastor (i.e., the money in the fund should not be perceived as income to the Pastor and fund contributors should be able to receive a tax deduction for charitable contributions), there are three steps that should be taken and in place.

- (1) The Church should establish and define the parameters of the discretionary fund as it does with all Church funds. The discretionary fund's purpose and use should be clear. For example, the Church Policy could say it is "establishing a Pastor's Discretionary Fund, the monies in the fund to be used solely at the discretion of the Pastor for charitable purposes consistent with the Church's tax exempt purposes, to assist individual, educational and communal needs that may be necessary to be met in a confidential manner or whose needs would bring benefit to the Church." Some such broad definition would enable the discretion fund to be used for help to the needy or a soup kitchen in the name of the Church, or a scholarship fund, or to help with school tuition, etc. The account should require at least two signatures.
- (2) Our attorneys are of the opinion that the Pastor's contract, if one is utilized, ought to contain a clause indicating that it is the intent of the Church to maintain a Pastor's Discretionary Fund as part of the charitable funds of the Church over which the Pastor will have general control and that this fund will be used for charitable purposes as indicated by the Church.
- (3) The Pastor should allow the CPA auditors, when auditing the Church accounts, also to audit the Pastor's discretionary fund.

The reasons for the above are (a) to protect the Church which is permitting someone to receive a charitable deduction of a contribution to the discretionary fund, and (b) to protect the Church, otherwise the discretionary fund's monies might be construed as income for which the Pastor must pay income tax. The Pastor can contribute to the discretionary fund and receive a charitable deduction like everyone else, but the Pastor cannot have money passed into the fund and use the fund for personal needs. So the discretionary fund cannot be used by the Pastor to take a vacation, but it can be used by the Pastor to attend an educational conference which would benefit the Church or to purchase a computer for a religious school, or to contribute to a communal fund. The idea is for broad charitable use of the funds. When a Pastor leaves office, the discretionary fund remains because it is a Church fund and is utilized by the next Pastor.

At times there is a misconception that Pastors have large amounts of money in discretionary funds and that they use these funds for all kinds of personal items. Our experience

is that this is absolutely not the case. As a matter of policy, if the Church learns of a Pastor using the discretionary fund as a means to provide funds for the Pastor, or for any other use other than charitable purposes, we would seek to have such practice stopped. Discretionary funds are operated as charitable funds administered by the Pastor, not as collection banks for personal use or for the Church's general use, and Pastors should be very sensitive to the need to maintain integrity when using these funds.

We believe the rather straightforward steps outlined above will be helpful to Pastors and Churches alike.