



Diocese of the
MID-ATLANTIC
Anglican Church in North America

_____ **Church**
Benevolence Fund Policy Vestry Resolution

RESOLVED, that the Vestry of _____ (Church, City, State) _____, approves the establishment of a church fund named “The Rector’s Benevolence Fund.” The fund is to be used at the discretion of the rector to extend his [or her] ministry in the parish and wider community. It is the policy of the Vestry of

_____ Church that benevolence funds are a trust fund of the parish over which the clergy have certain but not complete authority and that ultimate authority for the funds resides with the Vestry. The attached policy and procedures for the administering of these funds will be observed.

[Note: Additional benevolence funds may be established for assisting clergy as determined by the Vestry, modifying the resolution and policy and procedures accordingly.]

_____ **Church**
Benevolence Fund Policy and Procedures

Income

Income for benevolence funds shall include, but not necessarily be limited to, any funds the Vestry may allocate for the purpose from the general funds of the parish, and may include a portion of the monthly loose plate offering; monies received as the result of baptisms, weddings or funerals; and any monies given to the church and designated as gifts to the benevolence fund (or, as such funds are sometimes called by donors, the “discretionary fund”). Monies given to the Benevolence Fund are tax deductible contributions to the church and should be so reflected on statements provided to donors.

Contributions made to the Benevolence Fund for the direct benefit of a named individual (“pass through” gifts) are not deductible charitable contributions and should not be accepted.

Benevolence Account Structure

Funds for benevolence use will be held in a separate equity fund in the church’s bank account for the rector to direct in accordance with this policy. When the rector wishes to disperse funds from this account, he [or she] will write a check request which will be approved in the normal manner. Payment will be debited to the rector’s benevolence equity fund.

Separate checking accounts with the rector as the signatory are discouraged. Should a Vestry nevertheless establish such a separate checking account, it is to be established in the church’s name, using the church’s Federal Employer Identification Number, with the rector as the authorized signatory. The account title should not include the name of any individual. In addition to the clergy who will normally sign the account, at least two

other persons should be authorized to sign in the absence of the clergy person. It is especially appropriate that the Senior Warden and the Treasurer be signatories by virtue of their offices. The clergy person's spouse should not be one of the permissible signatories. Signature privileges should be updated yearly at the same time after the Annual Meeting as with other church accounts.

If a separate checking account is authorized, all income from any source to the fund must be deposited to the congregation's general operating account, recorded on the books of the congregation, and subsequently transferred by the Treasurer to the separate checking account. This separate checking account is to be used by the rector for ministry to individuals when confidentiality is a factor or in case of emergencies. The Vestry may authorize a maximum balance in this separate account. When the balance in the separate account falls below a level determined by the Vestry, the rector may request a check be written for deposit to that account with payment to be debited from the Benevolence Fund equity fund line item.

As a church account, the Benevolence Fund's assets remain with the church upon the departure of the member of the clergy who has been administering it.

Expenditures

Expenditures of benevolence funds are approved for the following uses:

1. Alms for those in need including medical payments, prescriptions, rental assistance, utilities, psychological or psychiatric counseling, etc.
2. Support for non-profit groups and other ministries engaged in mission in the community, diocese or wider church, as well as for individuals engaged in such mission.
3. It is recommended that, where possible, checks be made payable to organizations, i.e., to a pharmacy, doctor's office, landlord, utility company, mission agency, etc., rather than to the individual who is receiving the benefit of the payment. By following this method of expending monies from the accounts, confidentiality is maintained for the individual, as well as ensuring that the money is received by the appropriate agency.
4. It is not appropriate for the Benevolence Fund to be used for the rector's ministry expenses, such as books, journals, clergy clothing or vestments, etc. A professional expenses line item should instead be established in the budget for such items.
5. No distribution from the fund may be made to the holder of the fund or to his [or her] family members, nor may the fund be distributed to third parties for the personal benefit of the holder of the benevolence fund or his [or her] family members.

Accountability

Accountability for the benevolence funds in the church's bank account will be subject to the regular yearly audit or review of the church's accounts and included in the church's financial reports following standard accounting procedures.

Accountability for the funds in a separate checking account, if established, will be provided for by:

1. An examination of the account by the treasurer and the senior warden twice a year. Monthly income and use reports will be kept on file in a confidential file in the church office and provided to the senior warden and treasurer for their review.
2. All records (bank statements, use forms, income logs and completed check registers) will be held by the treasurer or other person designated by the Vestry.
3. Any expenditure of \$1,000 or more shall require the approval of the senior warden and the treasurer. Expenditures in favor of the same recipient may not be over \$1,000 in any sixty day period without similar permission.
4. The rector shall record the purpose of every check drawn on the account and the source of all money credited to it.
5. At the beginning of a new ministry, the rector and the Vestry shall address the issue of the benevolence fund and review the Vestry's policy.
6. Care should be taken to advise donors for such specific purposes that contributions whose sole intention is to benefit a named individual are not deductible contributions in terms of the donor's income tax return.

The above guidelines are not intended to be cumbersome or to impair the discretion of the clergy in carrying out the work of ministry. Rather, they are intended to protect both churches of the Diocese and the clergy in the face of increasing scrutiny. Ignorance or omission in regard to handling funds is no excuse, and can be costly to all involved.