

Contribution Policy

Purpose

To provide policy and guidelines for solicitation, acceptance and use of contributions.

General

New Town United Methodist Church (NTUMC) is organized as a not-for-profit and as such solicits and accepts contributions that are consistent with its mission for the support of its core programs and special projects. The Leadership Board (LB), which is the governing body responsible for oversight of the activities and finances of the church, owns this policy and its execution. LB members are volunteers who receive no compensation from NTUMC. A list of the current LB members, the mission of NTUMC, and this policy are all provided on the NTUMC website. Questions concerning this policy may be addressed to any member of the LB. The LB seeks to honor the Donors' Bill of Rights (Reference A) with its policies regarding contributions. This policy is intended to be in harmony with the NTUMC Charter (Reference B) and all laws and regulations. In the event of a conflict, the Charter takes precedence in all matters.

Contribution Solicitation and Acceptance

NTUMC encourages its members to contribute to NTUMC and suggests that an appropriate standard of giving is the tithe. NTUMC does not use hired solicitors; any member may solicit and encourage giving. Contributions may be received via the offering plates or e-giving on the NTUMC website. Checks should be written to "New Town UMC". All contributions are provided to the Finance Committee.

Donations and other forms of support will generally be accepted. However, non-cash contributions may only be accepted upon approval of the LB. The LB may seek the advice of legal counsel in matters relating to acceptance of contributions when appropriate.

Donors are permitted to restrict the use of their contributions by designating a specific purpose or timeframe. 100% of restricted funds shall go towards the purpose that was designated. The Finance Committee shall maintain separate line items for restricted contributions to ensure they are used for the purpose for which they were given. A donor may wish to anonymously aid or bless an individual or family. NTUMC is glad to support this action, but only after validating its legitimacy and the donor will not be credited for tax purposes. While NTUMC does not normally provide funding directly to an individual, in this situation NTUMC will do so.

For cash donations, donors will receive a receipt quarterly acknowledging their contributions and detailing the amounts for tax purposes. For non-cash material donations, a receipt will be provided without a specific value. Public disclosure or recognition will not be provided unless the donor expressly provides permission and desire for NTUMC to do so.

The Finance Committee prepares periodic updates of the actual contributions and expenses of the church and how they compare to the budgets, and provides the updates to the members.

Financial reports shall be made public annually at a minimum, and shall include a breakdown of how contributions have been used in accordance with accounting standards (see Reference C).

Use of Contributions

Contributions shall be used to fund:

- Ministries
- Payroll and salary expenses
- Support activities
- Mortgage
- Apportionments
- Benevolence
- Missions

Note: NTUMC operates a preschool within its facility on Monticello Avenue. While some uses of contributions directly benefit the preschool such as the mortgage and utilities payments, specific preschool expenses including director and teacher salaries are paid for using income from preschool participants. The finances of the preschool are managed separately from the church's General Fund; the General Fund includes everything except for Preschool, Benevolence, and restricted funds. Contributions specifically intended to benefit the preschool should be designated to "NTUMC Preschool".

Ministries – Ministries include regular services at the facility on Monticello Avenue and various activities focused on specific needs such as the youth. Ministries are led by Directors who manage their portion of Ministries funding. Directors are part of the Ministry Leadership Team (MLT).

Payroll and Salary Expenses – This category includes salaries for Pastors, Directors and other staff, temporary labor such as nursery and childcare, and expenses such as workers compensation insurance, retirement, and payroll taxes.

Support Activities – Support activities include oversight, general recordkeeping, budgeting, financing, and related administrative activities, and all management and administration except for direct conduct of ministries.

Mortgage – This category covers monthly payments for a mortgage on NTUMC's property and facility on Monticello Avenue.

Apportionments – The United Methodist Church (UMC) funds its ministries and programs through apportionment, which is a method of giving that proportionally allocates the churchwide budget to conferences and local churches. As a UMC church, NTUMC provides monthly apportionments to the UMC.

Benevolence – NTUMC has a Pastors' Discretionary fund that is used for situations of need. This fund is managed by the Pastors with the oversight of the LB. Beneficiaries shall have a

NTUMC member sponsor who is familiar with the situation and is seeking to minister the love of Christ. Generally, NTUMC does not provide funds to individuals; checks are only written to organizations.

Missions – NTUMC chooses to give away a portion of the General Fund for the purpose of missions. The target portion, established by the LB, is 10%. Although there is no biblical mandate for churches to tithe, NTUMC does so for a number of reasons:

- The law of reaping and sowing described in Galatians 6:7-10 states that as we sow generously, we'll reap generously.
- The law of increase described in 2 Corinthians 9:6-8 states that if we're generous, the Lord will be generous with us. Not only that, but the parable of the sower in Matthew 13 says that if the seed is sown in good soil, it will reap a harvest 30, 60, or 100 times greater than what was sown. In other words, tithing is a fantastic investment. As we give from what we have, God blesses and increases it, allowing us to give even more.
- It's a great example for the members of NTUMC to follow. As people see the effect giving has on the church and its finances, members will be more inclined to be generous and tithe as well.
- It provides a way for NTUMC to financially partner with other organizations who are working to further the Kingdom of God in our city.
- It provides a way for NTUMC to ensure our efforts include witnessing to our city, our nation, and to the world based on Jesus's direction in Acts 1:8.

Selection of Recipients of Missions Funding

Any member may recommend to the LB potential recipients of Missions funding. The LB will respond within one month of the request. Potential beneficiaries must be:

- Reputable in good standing with society and the law,
- Support the Great Commission or social concerns that are in agreement with Scripture, and
- Provide direct services, benefits, or assistance to mission work, social justice, or immediate needs.

NTUMC strictly requires that every LB member and employee avoid any situation that would result in, or give the appearance of, a conflict between any personal interests and the interests of NTUMC and its donors. This policy has been developed with the goal of avoiding such situations if possible by distributing authority among multiple entities or individuals. In general, the LB approves budgets and the organizations, programs and mission trips NTUMC will support. The MLT manages the budgets and selects specific recipients who become beneficiaries of Missions funding.

NTUMC prioritizes its giving according to the following categories:

1. Missionaries
2. Ministry Education
3. Mission Organizations

4. Missions Trips
5. Other Ministries

Missionaries – It is the joy of NTUMC to send out missionaries for the work of the Kingdom. As missionary families are on the “front line”, we want them to be able to rely on the support of their home church family, not wondering if they will receive their support check for this month. Thus our first priority is to honor this commitment. Our current missionaries being supported are listed on the NTUMC website. Missionaries must receive their funding via a sending organization. The LB authorizes the organization and the budget; the MLT selects specific recipients and manages the budget.

Ministry Education – NTUMC exists in part “to equip the saints for the work of the ministry” (see Ephesians 4:11-16). We use a portion of Missions funding to send members to classes, seminars, conferences, and training programs. Ministry Education programs are identified by the MLT and recommended to the LB. The LB approves programs to receive Mission funding. The MLT manages approval of specific individuals to receive funding for approved programs. Missions funding will support up to 25% of the total cost of each program as funds are available.

Mission Organizations – These are external ministries whose mission aligns with NTUMC's where there is a long term relationship. In these cases, NTUMC has committed to support that partner through prayer, volunteer service and funding. A list of current Mission Organizations is found on the NTUMC website. The LB approves both the addition and removal of organizations from the list. In either case, there is a transition period of an appropriate amount of time. Mission Organizations must have a NTUMC member Sponsor who has a relationship with the Mission Organization. Mission Organizations receive regular funding from NTUMC based upon the Sponsor's recommendation through understanding their needs.

Missions Trips – Missions trips are identified by the MLT and recommended to the LB. The LB approves Mission Trips to receive Mission funding. The MLT manages approval of specific individuals to receive funding for approved mission trips. Missions funding will support up to 25% of the total cost of each trip. This financial assistance is available for each member for up to two trips per year as funds are available.

Other Ministries – The LB may provide Missions funding to other organizations on a one time or irregular basis. Consideration will be given for organizations where NTUMC members are involved. Basically, we want to give where our heart is.

In addition to this list of priorities, NTUMC uses Missions funding to ensure our impact reaches both near and far based on the direction Jesus gives in Acts 1:8. While there could be other

ways of interpreting this scripture, NTUMC seeks to fund activities such that all three of the following areas are impacted:

- Our City – Williamsburg, James City County, and York County
- Nation – United States
- International – the rest of the world

Due Process

NTUMC is committed to supporting and working with individuals and organizations that are reputable and adhere to ethics and conduct standards that are similar to NTUMC's. Due diligence refers to the activities undertaken by NTUMC to learn the background and reputation of an individual or organization so that NTUMC may evaluate the risks and benefits of supporting or working with the individual or organization. In addition, some practices while legal may not align with the core values of NTUMC. NTUMC endeavors to support organizations who proclaim Jesus Christ either overtly or through actions that are in agreement with the teachings of Jesus.

Due diligence is performed by the LB for each organization prior to supporting with funding or entering into any agreement or partnership. Minimum requirements include a review of the mission of the organization, confirmation of non-profit status (if applicable), and a clear understanding of the way in which NTUMC funding would be used. In addition, research concerning the organization and its leadership is conducted that is reasonably likely to lead to discovery of material reputational, ethical or legal issues. Such research may include the use of reporting or screening services, but must include a general Internet search. In cases where a sponsor is required, the proposed sponsor of the organization should be involved in the process. Once an organization is approved, periodic monitoring should be performed to ensure continued acceptability.

Budgeting

The LB approves the annual budget based upon the recommendation of the Finance Committee. The Finance Committee bases their recommendation on many factors which include but are not limited to NTUMC policy, spending projections, known values from commitments, and inputs from the MLT and Sponsors of the Mission Organizations.

Roles and Responsibilities

Role	Responsibilities
Leadership Board	<ul style="list-style-type: none"> • Oversees the activities and finances of the church. • Owns and maintains this policy. • Determines acceptability of non-cash contributions. • Provides oversight of the Pastors' Discretionary funding. • Approves Missions budget. • Approves Missionary and Missions Organizations, Ministry Education programs, and Mission Trips.

Role	Responsibilities
	<ul style="list-style-type: none"> • Manages budgets for Mission Organizations and Other Ministries.
Pastors	<ul style="list-style-type: none"> • Manage the Benevolence fund.
Directors	<ul style="list-style-type: none"> • Manage their portion of Ministries funding.
Ministry Leadership Team	<ul style="list-style-type: none"> • Recommends Ministry Education programs and Mission Trips to LB for approval. • Manages budgets for Missionaries, Ministry Education and Mission Trips. • Approves individuals to receive funding for Missionaries, Ministry Education programs and Mission Trips.
Finance Committee	<ul style="list-style-type: none"> • Receives contributions. • Maintains separation of restricted contributions to ensure they are used for the purpose for which they were given. • Provides receipts to donors appropriate for tax purposes. • Disburses all funding including contributions. • Keeps a record of all contributions and payments. • Prepares financial reports.
Sponsors	<ul style="list-style-type: none"> • For Pastors' Discretionary funding, validate need and minister the love of Christ. • For Mission Organizations, liaison between the LB and the organization.

Definitions

Apportionments	UMC method of giving that proportionally allocates the churchwide budget to conferences and local churches.
Benevolence Fund	Discretionary fund managed by the Pastors that is used for situations of need.
Cash Contribution	Cash, checks, or electronic funds transfer contributions.
Contribution	All gifts and donations accepted under this policy.
Directors	Members of the MLT who lead a ministry of NTUMC. Directors are responsible for managing their portion of Ministries funding.
Donor	Individual, partnership, corporation, foundation, government agency, or other entity who gives a contribution to NTUMC.
Finance Committee	The governing body as defined by Reference B that is responsible for NTUMC finances.
General Fund	Funding used to pay for all expenses except for preschool, Benevolence, and restricted funds.
Guidelines	Direction described herein which <u>may</u> or <u>will</u> be followed. Guidelines provide intent rather than a rule.

Leadership Board (LB)	The governing body as defined by Reference B that has general oversight of the church.
Ministries	All activities of NTUMC that directly support its mission, including its core programs and certain special projects.
Ministry Leadership Team (MLT)	The core leadership team of NTUMC as defined by Reference B that leads and administers the day-to-day operations in the life of the church.
Mission Organizations	Services that align with the mission of NTUMC, but which are not under the direct leadership and oversight of the NTUMC.
Missionaries	An individual or family sent out and supported by NTUMC for the mission of making disciples of Jesus Christ.
Non-cash Contribution	Real property, personal property, life insurance, securities, etc.
Pastors	Person or persons appointed by the UMC to preach and teach the Word, to provide pastoral care and counsel, to administer the sacraments, and to order the life of the church for service in mission and ministry. The lead pastor is also the head of the MLT.
Policy	Direction described herein which <u>must</u> or <u>shall</u> be followed. Policy provides rules that are always followed.
Restricted Contribution	Contributions where the Donor restricts the use by designating a specific purpose or timeframe.
United Methodist Church	Global protestant Christian denomination of which NTUMC belongs.
Unrestricted Contribution	Contributions where the Donor does not restrict the use by designating a specific purpose or timeframe. All unrestricted contributions go to the General Fund.

References

- A. Donors' Bill of Rights published by the Council for Advancement and Support of Education (CASE)
- B. New Town United Methodist Church Charter, published on the NTUMC website
- C. Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations"