

Cherry Log Christian Church (Disciples of Christ) Legacy Gift Policy (Draft Recommended to F/S Comm June 11)

I. PURPOSE

The primary purpose of the Legacy Gift Fund of Cherry Log Christian Church (CLCC) is to expand the witness and mission of Jesus Christ in the world, serving human needs in our community and around the world. It is not intended to compete with the regular annual giving of members, nor to diminish the opportunities for responsible stewardship by present or future members.

All assets received by the Legacy Gift Fund shall be considered permanent.

No distribution will be made from the fund until it has reached an amount/value of \$50,000. Thereafter, each year an amount will be spent from the Legacy Gift Fund for ministry, in accordance with item IV below. The amount to be withdrawn from the fund and spent each year shall be the fund income as defined by the Christian Church Foundation (CCF) in accordance with provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). This amount is determined by CCF for each fund they manage. The provisions of UPMIFA are designed to provide maximum funds for ministry while also ensuring that the retained endowment balance grows at or above the long term inflation rate. In some poor return years this amount may exceed actual earned income and appreciation but over the long term distribution will be somewhat below actual earned income and appreciation allowing for the undistributed portion to be reinvested to offset the effects of inflation. The CCF fund income percentage is calculated for each of their four managed funds and will be different for each fund.

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II. TYPES OF GIFTS:

The Legacy Gift Fund is different from memorial funds, reserve funds or building funds. Separate policies of CLCC govern these gifts. Gifts to the congregation's Legacy Gift Fund may come in a variety of forms, including stocks, bonds, real estate, tangible property and cash. All bequests and gifts received in any form other than cash will be converted to cash at its fair market value as soon as practical. On some rare occasions, the church may want to refuse a gift or bequest to its Legacy Gift Fund. In these cases the Legacy Gift Fund Administrators will recommend refusal of the gift to the Board for Board approval.

Undesignated gifts in the form of gifts, bequests, the residual value of charitable trusts and charitable gift annuities, and life insurance shall be the property of the Legacy Gift Fund. In the case of designated gifts, the congregation will, insofar as possible, honor the donor's requests. Over the course of time, if it becomes impossible to honor the request specifically, every effort will be made to match the initial intent as nearly as possible.

III. LEGACY GIFT FUND ADMINISTRATORS

The Legacy Gift Fund of Cherry Log Christian Church shall be managed by five Administrators. One of the Administrators shall be the Chair of the Stewardship Committee to assure close coordination of all fund raising activities. Four Administrators shall be

elected by the congregation. Administrators will serve a four year terms. Terms will be staggered so that one Administrator will be elected annually.

The Responsibilities of Legacy Gift Fund Administrators will be to:

- A. Meet at least quarterly. They shall elect their officers each year (Chair, Vice-Chair, Secretary/Treasurer) from the trustees as needed.
- B. Publicize the fund to the congregation, sponsor “planned giving seminars,” contact prospective donors and promote other activities which will bring growth in the Legacy Gift Fund. Promotion and education should include making available to the congregation material, information and expertise on financial planning including estate planning information.
- C. Provide a written annual report to the Church Board and Congregation which shall include a list of new gifts received, investment transactions, amount spent for ministry, and total value of the Legacy Gift Fund at year end.
- D. Assure that Legacy Builders and Legacy Gifts received are acknowledged and appropriately honored.
- E.. Allocate Legacy Gift Fund spending to the Finance Committee of the congregation annually for expenditure according to Item IV, Annual Spending for Ministry. Administrators shall not have the responsibility for the spending policy of the Legacy Gift Fund.
- F. Invest the corpus of the Legacy Gift Fund with the Christian Church Foundation, Inc. of the Christian Church (Disciples of Christ) utilizing one or more of the investment funds offered through the Foundation.
- G. Administrators are encouraged to make provisions in their own financial planning to provide a gift to the Legacy Gift Fund of Cherry Log Christian Church.

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IV. ANNUAL SPENDING FOR MINISTRY

- A. Spending from designated gifts will be according to the donor’s instructions. Over the course of time, if it becomes impossible to honor the request specifically, every effort will be made to match the initial intent as nearly as possible.
- B. Spending from unrestricted funds will be as follows:
 - 1. Ministry and Outreach:
 - a. Ten percent (10%) to the Disciple Mission Fund.
 - b. Ten percent (10%) for Capital improvements or maintenance. A plan to spend this amount will be developed by the Resource Council and approved by the Board.
 - c. Ten percent (10%) to local mission outreach. A plan to spend this amount will be developed by the Outreach Council and approved by the Board.
 - d. Thirty percent for local ministry. Two thirds of this amount (20% of total annual allocation) will be used for new and innovative ministries and one third (10% of

annual total) is discretionary. Of this combined thirty percent, use of this money to make up normal budget shortfall will be limited to an amount equal ten percent of the operating budget, excluding mortgage payments. A plan to spend this amount will be developed by the Chairs of the Ministry, Outreach and Resource Councils for approval by the Board. Attention is called to the initially stated purpose of the CLCC Legacy Gift Fund, “The primary purpose of the Legacy Gift Fund of Cherry Log Christian Church (CLCC) is to expand the witness and mission of Jesus Christ in the world, serving human needs in our community and around the world”

e. 40% will be designated for retirement of outstanding debt(s) on congregational properties. If the congregation has no debt, then this 40% may be used to meet current capital or building maintenance needs or directed to a “reserve fund” to meet future capital or building maintenance needs. If debt, capital and maintenance needs are met, excess amounts should be redirected to use for ministry and outreach as in IV d, above. A plan to spend this amount will be developed by the Resource Council for Board Approval.

V. AMENDING PROCEDURES

The policy may be amended by a 3/4 majority vote of the Church Board at two successive meetings, upon published written notice of proposed changes to the board members at least two weeks prior to the first meeting. Reasons to amend may include catastrophic events such as earthquakes, fires or floods.

VI. TERMINATION

In the event that Cherry Log Christian Church (Disciples of Christ) should terminate its ministry or cease to be affiliated with the Christian Church (Disciples of Christ), the assets of the CLCC Legacy Gift Fund shall be transferred to the Christian Church Foundation, Inc., of the Christian Church (Disciples of Christ) with instructions concerning future spending.

VII. IMPLEMENTATION

To implement this in 2012, this policy will be approved by the Finance and Stewardship Committee and recommended to the Board for approval. The Board will then consider and approve or modify this policy for approval by the congregation at called Congregational Meeting.

Coincident with the policy approval process, the Nominating Committee will propose a slate of nominees for the Administrator positions. The Nominating Committee will nominate four Administrators, one to serve a term expiring in 2016, one a term expiring in 2015, one a term expiring in 2014 and one a term expiring in 2013 (the month of expiration will be governed by the new Constitution and By Laws once they are approved). Following initial approval one Administrator shall be nominated and elected annually, for a four year term, in accordance with this policy. The slate of nominees will be approved by the Board and Congregation at the same meetings the Board and Congregation consider this policy.