

Cherry Log Christian Church (Disciples of Christ)

Legacy Fund Policy

I. PURPOSE

The primary purpose of the Legacy 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.

II. TYPES OF GIFTS:

Unless otherwise specified by the donor, all undesignated/unrestricted end-of-life gifts received by the church will be added to the church's Legacy Fund and be governed by this policy. Such gifts may come in the form of bequests, the residual value of charitable trusts and charitable gift annuities, life insurance and other such end-of-life gift instruments.

All undesignated/unrestricted assets received by the Legacy Fund shall be considered permanent. Donor-restricted gifts will be held and accounted for separately from congregationally governed permanent funds.

For purposes of definition, designated/restricted gifts to the Legacy Fund are: When the donor specifies (1) the purpose for which a gift should be used or (2) that the gift should be held to generate income, that gift should be recorded as *restricted* by the congregation. The congregation is legally bound to use or to hold restricted gifts in accordance with the donor's instructions. Unrestricted gifts, also called outright gifts, are received with no donor requirements on how they must be used.

Gifts to the Legacy Fund may come in a variety of forms, including stocks, bonds, real estate, tangible property and cash. All undesignated/unrestricted 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 congregation may want to refuse a gift or bequest to its Legacy Fund. This should be done upon the recommendation of the Legacy Fund Administrators and approval of the Church Trustees.

All gifts designated for the Legacy Fund shall be considered permanent and therefore cannot be spent. It is only the income which can be spent for ministry. Permanent legacy funds do not generally include memorial funds, reserve funds or building funds and other end of life gifts designated for use by the church outside the Legacy Fund. Separate policies govern these gifts.

III. LEGACY FUND ADMINISTRATORS

The Legacy 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 four-year terms. Terms will be staggered so that one Administrator will be elected annually.

The Responsibilities of Legacy 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. Receive, document and preserve the original gift language of each gift.
- C. Ensure that adequate record-keeping is maintained for donor-restricted gifts and ensure that all donor restrictions are honored in a timely manner.
- D. Publicize the fund to the congregation, sponsor “planned giving seminars,” contact prospective donors and promote other activities which will bring growth in the Legacy Fund. Promotion and education should include making available to the congregation material, information and expertise on financial planning including estate planning information.
- E. Recognize Legacy Partners and honor those faithful stewards who have included the congregation in their end-of-life estate plans.
- F. Provide a written annual report to the Church Board and Congregation which shall include a list of new gifts received, investment transactions, annual distribution and how spent, and total value of the Legacy Fund at year end.
- G. Distribute Legacy Fund income annually per the fund’s spending policy as outlined in Item IV. B below. The spending policy has been set by the congregation as part of this Legacy Fund policy.
- H. Invest the corpus of the Legacy 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.
- I. Make provisions in their own financial planning to provide a gift to the Legacy Fund of Cherry Log Christian Church if possible.

IV. SPENDING THE ANNUAL DISTRIBUTION

No distribution will be made from the fund until the fund has reached an amount/value of \$50,000. Thereafter, each year an amount will be spent from the Legacy Fund for ministry, in accordance with item B. 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.

- A. The annual distribution from designated/restricted gifts, within the Legacy Fund, will be according to the donor's instructions. Gifts that do not have a donor-specified purpose restriction will be distributed according to B. below.
- B. Spending from undesignated/unrestricted funds will be as follows:
- 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.
 - c. Ten percent (10%) to local mission outreach. A plan to spend this amount will be developed by the Outreach Council.
 - 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 Discipling Ministry, Outreach and Resource Councils. Attention is called to the initially stated purpose of the CLCC Legacy Fund, "The primary purpose of the Legacy 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 Discipling Outreach and Resource Councils.

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.