

*We are called by God to be a prophetic witness in the city of Adelaide so that new life and vitality will be generated in our city and its people. We celebrate in our unity and diversity, our shared beliefs and past experiences, and value worship, teaching, creativity and justice.*

**FIN-08**

## **DONATIONS POLICY (Revised November 2019)**

### **1. Introduction**

This policy applies to all donations, bequests, grants and fundraising activities (be they in cash or in kind) and to anyone who is involved in the raising, receipting or recording of funds or in kind donations to Pilgrim Uniting Church.

### **2. Definitions**

The following definitions apply for the purpose of this policy:

- A. **Bequest** or legacy is a donation left in a will or as part of an estate.
- B. **Donation** means a voluntary contribution or gift, whether in cash or kind, including by way of benefaction (through a will or estate). Donations will have the following characteristics:
  - There is a payment of money or a transfer of a gift.
  - The payment or transfer is made voluntarily.
  - No material benefit or advantage is received by the donor, in which case there is no GST involved.
- C. **Endowment** is a donation made with the intention that funds are invested to ensure ongoing support for the Ministry and Mission of Pilgrim from the investment earnings.
- D. **Fundraising Activity** means all activities undertaken by or on behalf of Pilgrim with the aim of soliciting or receiving donations.
- E. **Grant** is the provision of financial assistance from a grant-making entity (such as a charitable foundation or a government body) to Pilgrim. Grants may be treated as donations if the grant does not involve the return of any material benefit to the grant maker.
- F. **Pilgrim Foundation Inc.** is the separate incorporated body established in 1993 to accept bequests and legacies to be invested to ensure ongoing support for the Ministry and Mission of Pilgrim from the earnings. Pilgrim Foundation can deal with cash, fixed interest securities, shares and property. The *Muriel James Fund* and the *Stow Music Fund* are administered by Pilgrim Foundation.
- G. **Recognition** means actions taken by Pilgrim to recognise the generosity of donors, individually or collectively.

- H. **Tied or conditional donations** refer to any donations given and received for a specified purpose that cannot normally be used for any other purpose without the donor's approval (e.g. to specifically fund a project, the purchase of equipment, etc). Tied or conditional donations may have an end date.
- I. **Untied donations** refer to any donation given and received for no specified purpose that can be used at the discretion of the Pilgrim Church Council.

### **3. Principles underpinning this policy**

- 3.1 Processes for the acceptance and management of donations and fundraising activities are transparent and ethical.
- 3.2 The confidentiality of donors and sponsors is consistent with their wishes and to the extent provided by law.
- 3.3 Funds donated will be used for the purpose for which they were provided in compliance with all relevant legislation or for a related purpose if needs change.
- 3.4 There will be a strategic, uniform and coordinated approach for the seeking and acceptance of donations.

### **4. Policy**

#### **4.1 Donations**

- 4.1.1 Pilgrim actively solicits financial donations to further and fulfil its ministry and mission.
- 4.1.2 Pilgrim accepts donations that are consistent with its ministry and mission, that support its core programs, as well as special projects announced from time to time.
- 4.1.3 Financial donations are acceptable in any form, including by cheque, money order or on-line.
- 4.1.4 Pilgrim only accepts donations where they are ethical in nature and the stated purpose is consistent with the ministry, mission, values, policies and practices of Pilgrim. It is our policy not to accept donations from organisations that have a bad record on social, financial and environmental conduct or whose operations impact negatively on people who are vulnerable or at risk.
- 4.1.5 While a donor may request some restrictions on the use of a proposed donation, the donor will maintain no influence over the money or property once transferred to Pilgrim.
- 4.1.6 The Church Council reserves the right to allocate any untied financial donations, or tied financial donations which no longer meet the current needs of Pilgrim's ministry and mission, to church needs that most closely respect the intention of the donor.
- 4.1.7 Pilgrim reserves the right to sell or otherwise dispose of all donations in kind if the items cannot be used by Pilgrim to support its ministry and mission.

- 4.1.8 Some donations may not be kept by Pilgrim in the form in which they are donated (e.g. shares may be sold).
- 4.1.9 Pilgrim Church Council reserves the right to refuse an offered donation (e.g. a donation offered in a form which would incur substantial financial cost, liability or other difficulty). The primary consideration will be the impact of the donation on the ministry and mission of Pilgrim.
- 4.1.10 No person representing Pilgrim will engage in speculation about the taxation implications or legal status of donations with respect to the potential impact on the donor. Donors should seek their own independent advice about these matters.

## **4.2 Fundraising**

- 4.2.1 All formal approaches for fundraising purposes are to be coordinated with the Operations Committee.
- 4.2.2 Church Council must approve all fundraising activities including appeals and fund raising events undertaken in the name of the church for the benefit of Pilgrim.
- 4.2.3 No person directly or indirectly employed by or volunteering for Pilgrim shall accept commissions, bonuses or payments for fundraising activities on behalf of Pilgrim.
- 4.2.4 No general solicitations shall be undertaken by telephone or door-to-door.
- 4.2.5 A Stewardship Task Group may be formed to carry out major fundraising from within the membership of Pilgrim and those closely associated with Pilgrim. The Task Group will report regularly to the Operations Committee.
- 4.2.6 A Fundraising Sub-Committee may be formed by the Operations Committee to carry out major fundraising from outside the membership of Pilgrim. The Sub-Committee will report regularly to the Operations Committee.
- 4.2.7 Fundraising activities should not be undertaken if they will expose Pilgrim to significant financial risk.

## **4.3 Bequests, legacies and endowments**

- 4.3.1 Bequests, legacies and endowments for the ministry and mission of Pilgrim may be left to Pilgrim Uniting Church in two different ways:
  - directly to the Pilgrim Foundation Incorporated, or
  - through the UCA Property Trust (SA) naming Pilgrim Uniting Church as beneficiary.
- 4.3.2 Church Council acknowledges that under normal circumstances any untied or unconditional bequest, legacy or endowment will be transferred to Pilgrim Foundation Incorporated and added to the capital base of the Foundation as this can best serve the ongoing ministry and mission of Pilgrim by increasing the annual Foundation contributions to Pilgrim.

However, there may be instances where bequests arrive at a time of particular previously identified need and/or where a necessary project is in process but requires further finance for completion. In this scenario, Church Council may use an untied bequest, or part of it, if or when it is available as cash, to save Pilgrim drawing down investments to meet that need.

4.3.3 For further information see the Pilgrim *Legacies and Bequests Brochure*.

#### **4.4 Recognition of donations, bequests, legacies and endowments**

4.4.1 Pilgrim undertakes to acknowledge all donations, bequests, legacies and endowments in one or more of the following ways, depending which are most appropriate in the circumstances:

- letters of appreciation where the donors are known
- items in the newsletter expressing appreciation of donations where the donors are unknown or wish to remain anonymous
- inclusion of acknowledgements of bequests, legacies and endowments in an annual Service of Remembrance
- listed in our Annual Report

4.4.2 Pilgrim will not organise or accept wall plaques in memory of donors. The existing wall plaques are of historical interest.

4.4.3 Small memorial plaques may be placed on significant items donated to and accepted by Pilgrim, or purchased in memory of a significant donor.

Wording on such plaques needs to be approved by Pilgrim Church Council.

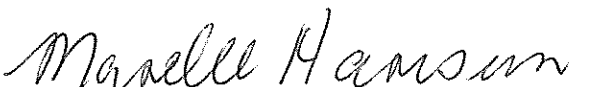
#### **4.5 Grants**

4.5.1 Pilgrim actively solicits grants to further and fulfil its ministry and mission.

4.5.2 Pilgrim undertakes to use any grants for the purposes for which they are intended, if necessary allocating to a specific committee or establishing a task group to oversee responsibilities associated with the acceptance of the grant, including the preparation of reports that provide evidence that the requirements of the grant have been delivered and the money has been spent as agreed.

#### **Authorisation**

Church Council Chair



Reviewed: 6 November 2019

Next review date: June 2021

## **DONATIONS PROCEDURES (Revised November 2019)**

### **1. Responsibilities**

- 1.1 Church Council is responsible for setting ministry and mission funding priorities.
- 1.2 Church Council will make all decisions related to accepting potentially controversial donations based on recommendations from the relevant committee (Operations, Ministry or Mission), the Business Manager or a Minister.
- 1.3 The Operations Committee is responsible for communicating these funding priorities to potential donors through the Stewardship Campaign and/or other fund raising activities.
- 1.4 The Business Manager is responsible for actively seeking grants Pilgrim can apply for and for supporting appropriate members of Pilgrim appointed by Church Council to complete both the applications and subsequent reports on how grant funds have been utilised.
- 1.5 The Business Manager is responsible for ensuring that all cash donations are appropriately receipted and recorded, clearly identifying responses to the Stewardship Campaign and other specific fund raising activities.
- 1.6 On the receipt of significant monetary donations or donations towards specific appeals, where the donor is known, the Business Manager is responsible for recording these donations and organising acknowledgement of them.
- 1.7 The Business Manager is responsible for contacting the donor(s) or their representatives of tied or conditional donations to negotiate how the balance of such funds can best be used when priorities change.
- 1.8 The Business Manager is responsible for organising financial recording such that the balance sheet shows tied financial donations or funds donated for special purposes.
- 1.9 The appropriate committee or task group is responsible for managing specific tied financial funds and an identified representative is responsible for authorising expenditure of these funds.
- 1.10 Employees and volunteers must seek advice from the Treasurer and/or Chair of the Operations Committee and/or a Minister (i.e. the most relevant persons) with regard to the potential impact on Pilgrim prior to accepting any in-kind donation.

### **2. Procedures**

- 2.1 Cash donations are to be receipted and reported as at the date the gift is received by Pilgrim. If the donations are transferred electronically, the date the funds are transferred into Pilgrim's bank account is reported as the receipt date of the donation.
- 2.2 Tied, conditional or specified monetary donations, bequests or legacies will be credited to the most appropriate account lines or, if none is considered appropriate, a new account line will be created.
- 2.3 Unspecified monetary donations will be credited to the general donations line.
- 2.4 Untied, unconditional or unspecified monetary bequests or legacies to Pilgrim Uniting Church will initially be credited to a general bequests line.
- 2.5 Keeping in mind the fact that transferring such bequests or legacies to the Pilgrim Foundation Incorporated is in the best long term interests of Pilgrim, Church Council will determine the most appropriate way to utilise each bequest or legacy, only considering

not transferring an individual bequest or legacy to the Pilgrim Foundation Incorporated if it is decided that this bequest or legacy can meet a previously identified pressing need and reduce or eliminate the necessity of drawing down from investments.

- 2.6 The Business Manager will discuss with relevant members of Pilgrim any offer of in-kind donations and, where necessary, prepare for Church Council a business case for the acceptance or non-acceptance of the donation.
- 2.7 When a donation in kind is offered, the Business Manager or Chair of Church Council will communicate to the donor in writing the intention at the time of acceptance of the donation to either resell or use the donation in kind.

### 3. Advice to prospective donors

General advice includes the following:

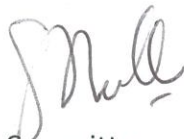
- 3.1 Prospective donors should be provided with a copy of the Donations Policy and be given the opportunity to have any questions answered or issues clarified.
- 3.2 Prospective donors are encouraged to talk with the Treasurer and/or the Business Manager and/or a Minister when considering making a donation to Pilgrim.
- 3.3 Prospective donors of monetary bequests or legacies are encouraged to talk with a Minister, a member of the Pilgrim Foundation Incorporated and/or a member of Church Council.
- 3.4 Financial donations transferred to Pilgrim electronically should have the Reference as 'Donation'.
- 3.5 Certain types of donations, particularly non cash, in kind donation offers, must be reviewed prior to acceptance due to the special liabilities they may pose for Pilgrim.
- 3.6 Donations of real property, personal property, shares and securities are best handled by Pilgrim Foundation Incorporated.
- 3.7 It is suggested that prospective donors wishing to make bequests in their wills to Pilgrim Foundation Incorporated, to Pilgrim through the UCA Property Trust (SA), or to Pilgrim through another trust use the wording guidelines provided by the UCA Synod of SA on the Synod website: <http://sa.uca.org.au/bequests-and-wills>

#### Related Documents

- **Bequests and Legacies Brochure** – Updated and approved by Council February 2017
- **Authorisation of Expenditure Policy (FIN-01)** – Update approved by Council February 2018

#### Authorisation

Chair of Operations Committee:



Reviewed: 5 November 2019

Next review date: June 2021