

## **FUNDS FOR CHARITABLE DISCRETION**

### **Also known as “Discretionary Funds”**

A Discretionary Fund belongs to the congregation, not the priest. Priest administers, but congregation owns these funds. Only the senior priest (eg., Rector or Vicar or Priest in Charge) is eligible to disburse payments from Discretionary Funds.

The balancing act is between good stewardship of resources entrusted to the clergy (through the congregation) and compassion for those seeking assistance.

Funds are not to be used in any way which is of benefit to the clergyperson(s). Thus, consider these kinds of expenses incurred by clergy, which need to be budgeted or provided for separately.

- Continuing Education
- Hospitality
- Vestments or Vestment Care
- Books, periodicals, subscriptions
- Charitable donations, memorials
- Transportation - mileage, air/train/bus travel
- Gifts given to other clergy eg., at ordinations.

If a clergyperson benefits from a Charitable Discretionary Fund payment, it is to be declared as Miscellaneous Income to her/him, and taxes are to be paid upon that amount. Otherwise, this is a violation of IRS statutes.

Funds should be audited (internal is OK) annually along with other funds in the congregation.

Because a Charitable Discretionary Fund belongs to the congregation, individual clergy do not have their own discretionary funds. Signatory is usually the Rector/Vicar/Priest-in-Charge; associate clergy can request funds for situations they become aware of.

Most help given is a one-time or urgent situation. Do not regularly subsidize a person (tax implications), which can be tempting if they (or you) are needy or fragile. If regular support is needed, work to connect the person with community resources. Build a good virtual Rolodex!

First priority for assistance is members of your congregation and their families.

People living on the street, or those living in dangerous locations, can be at increased risk if it becomes known that they are carrying cash. Funds are rarely dispersed to individuals in cash. See these instances:

People need a meal	Give a gift card (or small amount of cash)
People need groceries	Give a Jewel/Osco or other card, or a card covering delivery of food
Help with utility bills (Or make arrangements with a local utility to run an account, you pre-approving a draw)	Bring bills in, you send check to utility
Prescription expenses	Gift card CVS/Walgreens/Neighborhood druggist
Rent payments	Get landlord/rental agency address, pay directly

Help w medical bills	Pay directly to provider, w relevant name attached
Child or elder care	Pay directly to provider, w relevant name attached
Need transportation (bus fare, taxi, Uber)	Have a supply of fare cards in your desk
Paying phone bill	Pay directly to Verizon, ATT&T, etc.
Need clothes for my kids	Walmart, Target, etc gift cards

In a pinch, give a check to the person, but have the check made out to the third party.

**A few related comments about assistance to those in need:**

Suggestion: at a Deanery level, hold a session with a community policing officer (or equivalent), and/or local municipal officials to discuss how churches can be REALLY helpful to local needs by partnering with community groups/agencies. Partnering increases impact, builds connections and keeps everyone accountable.

Suggestion #2: At a congregational level (perhaps involving youth), have a regular time when “Blessing Bags” are assembled for distribution to people on the street, those who come to a feeding or drop-in program, distribution at schools (get guidance from principals/teachers), or people who simply come knocking on the door. These are the suggestions of veterans as to what Blessing Bags might contain (varies by season of the year):

Non-perishable foods

Nuts, granola bars, non-perishable cheese, boxed juices, fruit (eg, applesauce).  
 Raisins, other dried fruit, peanut butter crackers, healthy cookies  
 Pop-top cans of Beanie Weenies, Vienna sausage, ham spread, tuna  
 Boxed milk, fruit rolls, bottled water, single-serve cereal boxes

Hygiene items

Small bar of soap, toothpaste/brush, comb, small packet of laundry detergent  
 Hand wipes and germicidal towelettes, small first aid kit, hand lotion  
 Chap stick, foot care items (corn plasters, blister pads), sunblock

Useful daily items

Winter socks, mittens, hats, scarves  
 Extra plastic bags for storage or trash collecting  
 Feminine hygiene supplies  
 Small blanket  
 Plastic utensils