

Richland Lutheran Church- RLC

URGENT ASSISTANCE FUND POLICY

The following policies have been adopted by the Congregation Council for the purpose of achieving the following goals:

- *Establish a mechanism for meeting emergency needs of people*
- *Provide guidelines for disbursement of Urgent Assistance Funds*
- *Reduce possibility of the responsible staff members inadvertently incurring a tax liability through unauthorized use*
- *Identify potential funding sources for the Urgent Assistance Fund*
- *Clarify tax implications of donations to the Urgent Assistance Fund*

I. DEFINITIONS

- A. **Urgent Assistance Fund:** a designated fund from which at least two staff ministry leads may authorize expenses for emergency aid to individuals
- B. **Emergency Aid:** examples include such things as rent, utilities, medical bills, prescribed medications, gas, and emergency shelter

II. FUNDING AND TAX CONSIDERATIONS

A. Funding

- a. Income must be first recorded as income to the congregation with a designation for the Urgent Assistance Fund. Third party checks are not accepted as donations.
- b. Funding sources may include:
 - i. Individual gifts
 - ii. Budgeted funds
 - iii. Special appeals (with Congregation Council approval)
 - iv. Others as appropriate and consistent with RLC vision and mission
- c. All gifts must comply with the guidelines established in the RLC Gift Acceptance Policy

B. Tax Considerations

- a. RLC does not provide tax advice, and urges all donors to consult a tax professional as to the deductibility of gifts.
- b. Individuals wishing to donate honorariums received for services rendered must process the check first, and then make a check or cash donation directly to RLC for the Urgent Assistance Fund.

Richland Lutheran Church- RLC

URGENT ASSISTANCE FUND POLICY

- c. Gifts made to the Urgent Assistance Fund for the direct benefit of a named individual will not be accepted.
- d. Donors who wish to remain anonymous in their generosity will be encouraged to find a way to do so that does not use the church as a pass through for private funding.

III. DISBURSEMENT OF FUNDS

- A. Unless designated by the Congregation Council to receive financial assistance, cash is never disbursed directly to the recipients of Urgent Assistance Funds.
- B. Examples of when the Congregation Council may designate individuals for funds include extraordinary medical expenses, travel for medical treatment, and recovery from man-made and natural disasters.
- C. Assistance is distributed as a gift in-kind such as direct payment of utilities, purchase of gas, purchase of bus tickets, and purchase of prescribed medication.
- D. Funds may never be used for anything that personally benefits those individuals authorized to approve requests for assistance.
- E. Any portion of the Urgent Assistance Fund used for personal benefit by those authorized to make disbursements will result in being reported as taxable income, and may also expose him or her to civil and/or criminal action.

IV. REPORTING

- A. The Lead Pastor shall provide an annual report to the Congregation Council summarizing the use of funds on an annual basis.
- B. The report will be general in nature, disclosing only the purpose of the funds and not the recipients.
- C. The annual report generated by the Lead Pastor will be audited by the Audit Committee.