

Help Me with My Generosity

April, 2009

At Constance, we take the topic of generosity and your giving very seriously. We understand that this is an important part of your relationship with God and know that it is important to



both you and Him. We also are very sensitive to the government rules in this area. For this reason, we have specific controls on how your contributions are used and protected. We also have an annual audit by a CPA firm to strive for complete transparency and accountability in how we conduct ourselves with the use of your gifts to the church. The CPA is hired by and reports to our board as part of their governance.

You may have questions about where you can give, optional ways to do that, and how to access your giving record. This document is written with the intention of answering as many of those questions as possible. If you do not see your question here or you are not satisfied with what is written, please contact me directly at my phone number (763-434-5995 x12) or at jbarber@constancefree.org.

Sincerely,

Pastor Jim Barber
CFO of Constance

<u>Topics in their order of appearance:</u>		<u>Page #</u>
I.	Approved Funds at Constance	1
II.	Designating Your Gifts to a Fund	3
III.	Electronic Giving from Checking or Savings	3
IV.	Stock Giving	4
V.	Other Non-Cash Gifts (Vehicles, Property, other)	5
VI.	Accessing My Constance Giving Record Online	5
VII.	How to Ensure Gift Deductibility	6

I. Approved Funds at Constance

The IRS has rules governing how a church designates funds and uses those funds for their stated purpose. For that reason, the funds that you may contribute to are well-defined by our board.

Currently those funds are:

- **The General Fund**

This is the primary fund that Constance uses to finance all of the ministry programming of the church, missions, and our operating costs. We do not ask for a pledge to this fund. You are encouraged to give to this fund each weekend when we take a free will offering during our services in each worship venue. Currently 12.5% of this fund goes toward missions.

- **The Church of Influence Fund**

This has been established to allow each family of Constance to consider making a generosity pledge each year. This fund allows us to do two things. First it allows us each to assess our Generosity, which is one of our five core values, what we call the 5 G's. Secondly, it allows us to seek to fulfill our vision, which is to influence our county in many locations with Christ's love and good deeds. Currently, these funds are used for the ministries and operating costs of the church.



- **Short Term Missions**

In addition to the funding support from the General Fund, each year at Constance teams go on a variety of short term mission trips. Each short term missionary is expected to raise a portion of their finances. Occasionally, we also raise funds for a special project such as the Elikya project in the Congo for well-drilling and orphans.

- **Benevolence Funding**

From time to time, we all need some kind of help in life. In the Constance family, at any one time there are a number of families struggling to make it financially. After we serve communion, we take a special offering to allow you to give to a fund that is designated to help meet these needs within the Constance family. We have a policy that governs the use of these funds.

- **BridgeLink Special Offerings and Gifts**

BridgeLink is a separate non profit affiliated with the church which seeks to mobilize volunteers and funding for community non profits in Anoka County. The Elder board has authorized BridgeLink to take two or three special offerings each year to help these non profits. BridgeLink also accepts gifts from area businesses or churches, and from individuals within the church through United Way or other corporate foundations or matching programs. Other creative gifts have been made such as gifts in lieu of Christmas gifts within a family.



II. Designating Your Gifts to a Fund

It is very important that you clearly designate which fund you want your gift to go to. This is especially important for separating your gifts between the General Fund and the Church of Influence fund. If you give by check or cash, you can place these in an envelope and tell us which fund to put them into. Giving envelopes can be received by contacting the church office, or you can use a business envelope for this purpose. If you only give a check, you can tell us how to split it with a note on the memo entry line. If there is no designation of where your check or cash is to go, it will go in the General Fund.



Short Term Missions funding should designate what individual or project the gift is for as a memo entry on the check or on an envelope.

Benevolence and BridgeLink offerings are always separate offerings and this tells us what to do with the funds. However, if you make some other creative gift for BridgeLink, please let us know it is for BridgeLink or it will go in the church General Fund.

III. Electronic Giving from Checking or Savings

There are now a number of methods of electronic giving to Constance as follows:

- **“EZ Giving” Electronic Funds Transfer for recurring gifts**

You can give from your checking account or savings account to the General Fund and/or the Church of Influence in these frequencies:

- Weekly on Monday
- Monthly on the 1st or the 15th of the month
- Semi-monthly on the 1st and 15th

You can complete a form for this at generosity.constancefree.org online or download a paper form. No transaction fees will be charge to you for this type of recurring giving.

It may interest you to know that currently 10% of the families of the church use “EZ Giving”.

- **Online Giving of one time gifts**

At anytime day or night, you can go on the church website at generosity.constancefree.org and give a one time gift to the General Fund or the Church of Influence Fund from your checking or savings account. There are no transaction fees that will be charged to you for this method of giving.



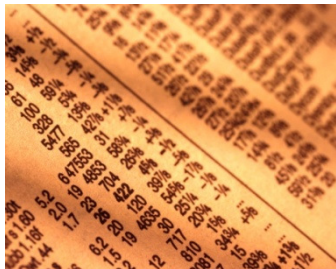
- **Bill Pay**

If you prefer to give through your bank website, you can go to Bill Pay and set up the church as a payee. The bank will draw from your account when you want them to and they will mail a check to the church. Your bank will usually charge you a transaction fee for this method of giving.

Please make a memo entry on your Bill Pay to designate which fund or funds your gift should go to. If there is no designation, it will go to the General Fund.

IV. Stock Giving

Constance will gladly accept your stock gifts for the operating purposes of the church. We do not currently hold these as investments but they are a common method of giving.



For this purpose we have a brokerage account with usbankcorp Investments, Inc.. We prefer that if you have an electronic account that you make an electronic funds transfer of your stock from your account into the church account. You will need the following information for an electronic funds transfer:

- Church account # (Constance Evangelical Free Church): 24883607
- Church Federal Tax ID #: 41-1375503
- Depository Trust Company (DTC) #: 0280
(Federal Reserve / SEC stock settlement company code)

Alternatively, If you have a Direct Registration option within your corporation, you can designate stock ownership to the church in this way also.

Or, if you have a paper stock certificate, Please contact Pastor Jim Barber and he can help you with processing this gift.



V. Other Non-Cash Gifts (Vehicles, Property, Labor, Material)

You may wish to contribute to the church in other ways with non-cash gifts other than stock. Each of these requires special handling and compliance with IRS regulations. You may need to contact a financial advisor or tax specialist to determine the tax deductibility of your gift.

If you estimate your tax deductible amount to be more than \$500, you are required to complete IRS Form 8283 for your noncash contribution. You can get this form at www.irs.gov or from the church office. You should be aware that you may be required to determine a Fair Market Value of the donated property and this may require you to get an appraisal of the property.

If your gift is a motor vehicle, there are very specific rules that the church and you are required to follow and the amount of your deduction will likely be determined by the amount the church can sell the vehicle for. In addition, the church is required to report this sale amount separately to the IRS on form 1098-C.

If you are planning a non-cash gift, please contact Pastor Jim Barber for further discussion.

- **Donated Labor**

You are welcome to donate labor or services from your business, however you should be aware that The IRS does not allow you to take a tax deduction for this. If you wish to donate on a project where the church is using a general contractor or design-build firm, these firms will be given the authority to accept or reject your offer.

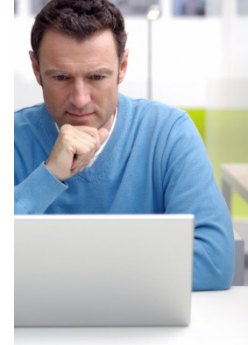
- **Donated Construction Material**

For church construction projects, we also accept donated material and the IRS does allow tax deductions for this. However, if you wish to donate on a project where the church is using a general contractor or design-build firm, these firms will be given the authority to accept or reject your offer.

VI. Accessing My Constance Giving Record Online

Each month Pastor Randy generally will send you a letter with your contribution statement attached. By January 31st of each year, the church is also required by the IRS to send you a complete record of your giving for the previous year. But there may be times during any given month when you would like to know exactly what you have given to each fund as of that date.

Beginning May 11, 2009 you will be able to access the detailed transactions of your giving statement online to review it or print a copy of it at any time night or day. There are some one-time procedures you need to follow to give yourself access to these records. Once you are setup with a user name and password you will be able to log on at anytime for this purpose. This will also give you access to edit/update your personal contact record and other connecting relationships with the church. Give it a try and tell your friends about this feature.



VII. How to Ensure Gift Deductibility

The following is a direct quote from the IRS website:

“For a contribution of cash, check, or other monetary gift (regardless of amount), you must maintain as a record of the contribution either a bank record or a written communication from the donee organization containing the date and amount of the contribution and the name of the donee....For any contribution of \$250 or more (including contributions of cash or property), you must obtain and keep in your records a contemporaneous written acknowledgment from the donee organization indicating the amount of the cash and a description of any property contributed, and whether the donee organization provided any goods or services in exchange for the gift. One document from the donee organization may satisfy both the written communication requirement for monetary gifts and the contemporaneous written acknowledgement requirement for all contributions of \$250 or more.”



There are a few observations about these statements that inform how we provide you with documentation and how important it is that you ensure that we know a gift is from you.

If you make gifts of \$250 or more, you can only deduct these if you have a written record of your gift from the church. The church can only create this written acknowledgement if you make a way for us to know the gift is from you. Please use an envelope when making cash gifts so we can put this on your contribution statement.

Please ensure you get documentation from the church if you donate property.

Our contribution statements addresses the matter of goods and services by a footnote. If you receive any goods or services, this amount will be deducted from your gift amount. For example, if you attend a function where part of your entrance fee provides you with a meal and part of it funds the ministry of the church, we will not include the cost of the meal on your contribution statement.