

Benevolence Fund Policy and Procedures

Objectives

1. Establish a written process for the evaluation of requests for assistance from the Benevolence Fund.
2. Outline eligibility requirements and criteria for receiving assistance from the Benevolence Fund.
3. Describe the process involved in the request, approval and disbursement of monies from the Benevolence Fund.
4. This document will also specifically set forth the responsibilities of the Benevolence Fund Committee and the guidelines for discharging those responsibilities

Biblical Basis for Benevolence Fund

The Benevolence Fund Policy shall be guided by the following Biblical principles:

- “If anyone has material possessions and sees his brother in need but has no pity on him, how can the love of God be in him? Dear children, let us not love with words or tongues but with actions and in truth.” (1 John 3:17-18)
- “Let us not lose heart in doing good, for in due time we will reap if we do not grow weary. So then, while we have opportunity, let us do good to all people, and especially to those who are of the household of the faith.” (Galatians 6:9-10)
- “All the believers were one in heart and mind. No one claimed that any of his possessions was his own, but they shared everything they had.” (Acts 4:32)
- It is impossible to read the epistles of James and 1 John without recognizing the requirement to help others in need. John uses the lack of concern for the needs of others as evidence of a lack of love (1 John 3:17-18). Therefore, we know that the true purpose of benevolence is so that God’s love is demonstrated through us. But the benefits of demonstrating God’s love go much further than meeting physical needs. In 2 Corinthians 9:13 Paul wrote, “Because of the proof given by this ministry, they will glorify God.” Thus, although the function of benevolence is feeding people and caring for their needs, the purpose of benevolence is drawing people to God by the physical expression of Christian love.

- Depending on the location of a particular ministry, its benevolence program may receive a large number of help requests from strangers. Because these people are not familiar, it may be tempting to turn them away. But Hebrews 13:2 tells us, “Do not neglect to show hospitality to strangers, for by this some have entertained angels without knowing it.”

Purpose of the Benevolence Fund

The Benevolence Fund is a budgeted fund made available to participants in the programs of [ministry name] who are struggling financially due to unforeseen circumstances. Its receipts consist primarily of contributions from donors to the ministry, and its expenses consist of funds disbursed for its intended purposes at the direction of the Ministry Board and/or the Benevolence Fund Committee.

Oversight and Accountability

A three (3) member committee will be appointed by the Executive Director to serve as the Benevolence Fund Committee. At least three (2) members of this Committee will be responsible for reviewing/screening the policies and procedures related to benevolence funding. These same three (2) Committee members will make recommendations to the Executive Director regarding the policies for awarding of gifts, and qualifications of participants. While the Committee is ultimately accountable to the Board of Directors, the Executive Director may make decisions to disburse monies from the Fund, subject to the guidelines herein, without involving the Board of Directors or the Benevolence Fund Committee.

As necessary, and at the discretion of the Board of Directors, the Executive Director and the Benevolence Fund Committee may be required to give an accounting to the Board of Directors.

Benevolence Fund Committee

Each Benevolence Fund Committee member serves at the appointment of the Executive Director of the ministry for a term of two (2) year(s). There is no restriction on the number of consecutive years a member may serve on the Committee. The Committee shall consist of three (3) members, to include three (1) board member and two (2) non board members. Each member of the Committee must sign a “Information Confidentiality and Usage Policy” Agreement.

Sources of Income for the Fund

All benevolence funds come from donor revenues generated primarily by contributions designated to the programs of the ministry, and, to a lesser extent, from the ministry’s general fund.

Contributions to the Benevolence Fund may not be earmarked or otherwise designated for a particular purpose or individual. Although ministry donors may designate their contributions to the overall Benevolence Fund, the leadership at [Ministry Name] discourages the practice of giving to the Benevolence Fund in lieu of giving to the general fund.

[Ministry Name]'s leadership may choose, at its discretion, to decline certain contributions that are designated or earmarked.

In order to comply with regulations concerning charitable contributions, all contributions to the Benevolence Fund must be unconditional and without personal benefit to the donor.

The ministry will only provide assistance as resources are available. All funds remain under the direction and control of the overall governing board responsible for the ministries charitable resources and will be administered by the Executive Director.

Eligibility

The [program 1], [program 2], and [program 3] participants are eligible for benevolence funding.

Disbursements from the Benevolence Fund **may not** be made in the form of a loan. Under no circumstance is a disbursement from the Benevolence Fund to be considered a loan. No disbursement may be repaid, either in part or in full, in money or in labor

Persons with needs that will be considered for benevolent assistance include the following:

- An accident that results in financial needs.
- An unavoidable unemployment situation.
- Encounter legitimate financial difficulties:
- Are in need of special education/ training opportunities due to social, emotional, delinquency or related difficulties. These opportunities should serve to help the individual for the greater good of society in the short **and** long-term.
- Medical treatments and related expenses prescribed by a recognized medical professional not covered by a public or private insurance/medical plan.
- Other situations of demonstrated need such as malnutrition, etc..

Needs NOT usually considered for benevolent assistance:

- Discretionary expenses (e.g., visiting family).
- Treatments not prescribed by a recognized medical professional.
- Business needs arising for any reason.
- Insured losses.
- Individuals on social assistance (except for types of assistance that are not considered to be 'income' by the relevant funding agency, to be determined in advance by consulting with a knowledgeable employee of the funding agency).
- Where an individual or those legally responsible for the individual are determined to have adequate resources, unless the individual has been rejected by those persons (e.g., because of faith).

- Projected and future needs (e.g., education fund for an orphaned child).

General Guidelines

The Benevolence Fund is intended as a source of last resort, to be used only after the person has explored all other possibilities of help from family, friends, savings, or investments. The Fund is intended to be a temporary help during a time of crisis.

Generally, assistance from the Benevolence Fund to a recipient or household cannot exceed a maximum amount within a 12-month period. The Benevolence Fund Committee will govern the amount of assistance offered according to the limit in place at the time of request. This limit will be determined every January by the Benevolence Fund Committee, in conjunction with the Executive Director. In very unusual circumstances, households and individuals who are in need of substantial funds and who have the opportunity to make a life-changing decision may continue to be assisted up to whatever limit the Benevolence Fund Committee and the Executive Director deem appropriate. However, such cases must be reviewed carefully and additional accountability must be sought from the [nonprofits name] Board of Directors. The goal of benevolence funding is to assist not harm, so limits are necessary to protect the household receiving funding from community retaliation, or any other harm. .

Disbursements from the Benevolence Fund **may not** be made in the form of a loan. Under no circumstance is a disbursement from the Benevolence Fund to be considered a loan. No disbursement may be repaid, either in part or in full, in money or in labor.

However, if the recipient desires to give to the ministry at a later time, the recipient is encouraged to give directly to the general fund of the ministry or their local church. At the discretion of the Executive Director, the individual may be informed that the Benevolence Fund accepts designated giving, but only if the Executive discerns that the recipient understands this is not a payback of what originally was given.

While not a requirement for every situation, a member requesting assistance may be asked to receive financial counseling. The Benevolence Fund Committee may deny help to anyone who, in its estimation, will have negative or irresponsible behavior reinforced by such financial help.

A household receiving help must be willing to give the Benevolence Fund Committee permission to follow up on any of the information provided to the Committee. The Committee will be sensitive to confidential issues.

Screening Process

Counseling – Providing counseling is often far greater a blessing than financial assistance. Counselors can detect spiritual and financial problems in the life of a person seeking help and a small group provides accountability and support while learning biblical principles.

Spiritual Problems may be at the root of the crisis and providing benevolence without spiritual counsel is unwise and contra to the teachings of the bible. [nonprofit name or other name] serves in this capacity..

Financial Problems may be at the root of the crisis and providing money without solid, biblically based financial management counseling is unwise, will most likely result in another financial crisis and is contra to sound teachings on financial stewardship found in the bible.

Guidance Problems may be at the root and again providing money will not solve the lack of training a person has received in their life. So it is very important that benevolence come with counsel.

It is not wrong to help people, even though they may be at fault. However, the person must be willing to follow the recommendations of the counselor in order to receive the ministries' help.

Without accountability, giving more money can be like pouring gasoline on a fire. The ministry's goal is to avoid putting a "Band-Aid" on people's problems. The first thing the body of Christ needs to do in benevolence is to focus on salvation, which is the spiritual area, then focus on the financial area. And often, willingness to engage in accountability, or a lack thereof, also shows in a person's attitude about spiritual training.

Levels of Support

Basic (up to \$25/year)

All benevolence gifts are automatically approved at this level.

Intermediate (\$120/household per year)

All benevolence gifts are automatically approved at this level.

Advanced Level (over \$120/household per year)

This level of assistance per situation may be approved only by a two-thirds majority at a meeting of the benevolence Fund Committee, subject to meeting all specified criteria .

Note: Members of the Committee and those consulted must disclose conflicts of interest (e.g. where proposed assistance involves a family member) and excuse themselves from the related discussion and decision.

Generally, assistance from the Benevolence Fund will not exceed \$1,000 per household (this is a cumulative cap in the unusual case of someone who receives more than one gift from the fund). In very unusual circumstances, families and individuals who are in need of substantial funds (over \$1,000) can continue to be assisted up to whatever limit the Benevolence Fund Committee deems appropriate and as donations do not exceed the need. Such cases should be

reviewed carefully and, when appropriate, additional accountability should be sought (such as the full Board of Directors).

Benevolence Need Categories

The stated purpose of the Benevolence Fund is to meet people's basic needs, and should allow for dignity to stay intact. This section lists some of the most basic needs, or circumstances, under which financial assistance may be disbursed from the Fund:

- Food
- Medical treatment (including prescription drugs medically necessary for the treatment of an illness or injury)
- Utilities (lights, gas, water) – cell phones*, pagers & cable TV are **not eligible** expenses (*Phones may be considered on a case by case basis)
- Mortgages & Rents
- Financial assistance for counseling will be considered if it is perceived that counseling would directly enable the individual to address a current financial situation. In such cases, the Committee will consult with the pastor to determine a specific amount.

Although not all inclusive, below is a list of some needs **that may not be met** by the Benevolence Fund:

- School expenses (i.e. tuition or fees), business investments, or anything that brings financial profit to the individual or household applying
- Pay-off of credit cards - Exceptions can be made when an individual has had to use a credit card in a crisis or emergency (e.g., hospitalization, death, etc.)
- Needs of individuals who are wanted by the law or for paying fines as a result of breaking the law
- Legal fees
- Penalties related to late payments or irresponsible actions
- Private school fees or tuition
- Business ventures or investments

Process of Applying for Advanced Level Assistance

Individuals seeking advanced level assistance from the Benevolence Fund shall complete the follow steps:

1. Obtain and submit an Application for Advance Level Assistance from the Benevolence Fund, along with all supporting documentation (Incomplete applications will not be processed).
2. Complete interview(s) and/or appropriate counseling with the designated Benevolence Fund Committee member(s) or their authorized designee(s) as applicable.
3. Provide all additional documents and information requested by the Benevolence Fund Committee.

Review and approval of the Application, as well as written communication of the amount and form of assistance, shall be done by the Benevolence Fund Committee at the earliest practicable date, but generally within a maximum period of two weeks or ten business days.

Disbursement of the Funds

All disbursements from the Benevolence Fund shall be made directly to the party or entity to whom payment is due (No funds will be given directly to the individual or household requesting the assistance).

Reporting/Documentation/Evaluation

The Committee member(s) evaluating a case for assistance are responsible for the following:

Basic – No written ‘needs’ documentation is required by the person making the request. Staff are asked to obtain the full legal name of the person asking for assistance, and any contact information they are able/willing to provide. This is obtained as a way to accurately record outgoing funds to the appropriate household in the system.

Intermediate - No written ‘needs’ documentation is required. Staff are asked to obtain the full legal name of the person asking for assistance, and any contact information they are able/willing to provide. This is obtained as a way to accurately record outgoing funds to the appropriate household in the system.

Advanced – two Committee members are to evaluate the financial resources available to the person (including government support and resources available from other family members/significant others) being considered for advanced assistance, by reviewing copies of the most recent tax returns, pay stubs, and/or financial statements, etc., and to provide a written report at a meeting of the Committee, that includes the process followed in evaluating the need and the maximum level of assistance recommended.

All documentation shall first be assigned a Benevolence Fund Number, then will be signed by two members of the Committee and filed in the accounting system by attaching it to the check transaction. If the request is denied, the documentation will still be filed in the accounting system as an attachment to an “Estimate”. Care should be taken not to reveal the names of individuals considered and/or approved for assistance. Individual names should not be included in the minutes of Committee meetings.

Payments will only be processed upon written authorization from a Committee member by means of memo, check requisition, etc., a copy of which should be filed by the Committee. Whenever reasonably possible, benevolent assistance should be paid directly to a supplier/service provider, or the assistance should be in the form of physical goods or vouchers.

Record Keeping

The following information will be documented for all Advanced Level Benevolence Fund disbursements:

- Complete description of the assistance provided
- The purpose for which the assistance was given
- The objective criteria for disbursing assistance
- How the recipients were selected
- The name, address, and amount distributed to each recipient
- Any relationship between a recipient and officers, directors, or key employees or substantial contributors to [nonprofit name]

Potential Questions for application/interview:

1. Do you attend a church locally? If so, did your church offer you assistance?
2. Where is your church and what is your minister's name?
3. Have you sought assistance from any other churches or ministries in this area?
4. Do you have relatives who can assist you with your needs?
5. How were you referred to us?
6. What is your immediate need? (Please be specific.)
7. Are you receiving any aid from the government (unemployment, Social Security, food stamps, worker's comp)?
8. Have you worked a job or looked for work locally? When and where?
9. Are there any obstacles that hinder you from taking a job (child care, disability)?
10. Are you willing to work today if we know of an available job?
11. If we are unable to help you, what other options do you have?
12. If we are able to help you, how many people are involved? (Please list family members.)
13. Do you have some form of identification?
14. If you live in the area and your need is ongoing, are you willing to submit to financial and spiritual counseling?

Benevolence Request Form

Date: _____

Name of Person(s) Requesting: _____

Current Address:

Current Phone/Contact Person: _____

Type of Need Requested:

Reason for Request:

***My signature below guarantees the information provided above is accurate and true. I also understand that benevolence from this ministry is a one-time gift and cannot re-apply for another request for a period of 12 months. All requests must have Neon ID and SponsorSoft ID.

Signature of Person/Persons Requesting

Date

Neon ID: _____ SponsorSoft ID: _____

Services Provided? _____ If not provided, reason for declining
