

MHCC Policies for Giving

1. Introduction

The purpose of this document is to clarify policies for giving by the MHCC community through its annual budget as administered by the Property & Finance (P&F) Committee.

The policies were developed to answer the following basic question:

What policies do we need to assist MHCC and its Property and Finance Committee (P&F) make informed decisions about what to do with surplus funds if and when this occurs?

A secondary purpose was to:

Inform newer members and remind members of longer standing, of our community's current principles and practices around giving.

2. Scope of the policies

The following policies relate to the normal church operating account. This is separate from the **Wiggly Woo** account and includes the periodic distributions of its surpluses that are brought to the church community for endorsement by the **Wiggly Woo** leadership. Although **Wiggly Woo** finances fall within the MHCC's financial accountability it has been well established that the **Wiggly Woo** leaders prefer to deploy the surplus to support projects that focus on children-in-need. The rationale is that **Wiggly Woo** is financially supported by the parents of the children who participate, so giving should be used for projects that both fit the broader MHCC values and are generally supported by the children and their parents. **Wiggly Woo** is not a fund raising enterprise for financially supporting the church, though its finances should be used to pay for the resources that it uses, such as the hall hire, wages of helpers, insurance and copyright license.

3. Policies

Policy 1.

The primary purpose of our collective church giving (our weekly Sunday offering) is 'inwardly' focused: funding and supporting the immediate, ongoing shared life of our church community. This is reflected in the annual budget we approve at our AGM. For example, budgeting for the pastoral care and learning and teaching roles is primarily focused our own inner community life. The church budget will therefore continue not to have a regular major external 'giving' component. This should be restated at least yearly so that new members/attendees at the church are aware of this overarching principle. The AGM would be an appropriate forum.

Policy 2.

The church, however, will provide periodic Sunday morning teaching on 'giving' as an important part of discipleship, including encouraging members to "remember the poor" which we are "eager" to do (Gal 2:10). The individual church members are urged to make their own decisions about who and what they give for, and in this the church will not take a particular community responsibility for ensuring how well the money is spent by those the individuals support.

Policy 3.

The church will aim to retain a minimal, ongoing operational reserve of \$15,000. This is enough to help us manage any normal fluctuation between our income and outgoings and to provide a sound financial buffer.

Policy 4.

When preparing the budget for a new financial year the P&F will calculate the surplus of funds anticipated at the conclusion of the budgeted year before giving is included in the budget. If and when a surplus beyond the minimum recommended \$15,000 reserve is anticipated, the P&F will bring this to the notice of the church members at the AGM and then budget to distribute the anticipated surplus on behalf of the church community within the budgeted period as follows:

- Up to a maximum of \$15,000 in up to \$2000 lots (though usually in lesser amounts of \$500 to \$1000 in one-off donations) in response to specific recommendations from church members to people, causes and organizations they are connected to. It is the P&F's responsibility to represent the MHCC membership in making decisions about these recommendations. The P&F members, as they too are church members, may also make recommendations for consideration by the P&F committee.
- Amounts over \$2000 for a single larger donation must be brought to the congregation for endorsement and vote.

Policy 5.

When distributing the smaller amounts described in Policy 4 and when recommending proposals above \$2000 to the congregation the P&F should consider and balance the following factors:

- Giving to people, communities and organizations that have strong alignment with our MHCC ethos.
- Giving to people, communities organizations that have strong relational links to MHCC and/or its members to help foster our sense of connection and mutual accountability.
- Giving to people, communities and organizations where we are more confident of sound financial accountability and reporting.
- Ensuring a good spread of giving between local, national and overseas, and to 'working with the most marginalized' across these geographic segments.

Policy 6.

If and when the anticipated surplus is in excess of \$30,000 (that is more than \$15,000 for a reserve plus an excess of \$15,000 to be handled as outlined in Policies 3 to 5), the AGM will be asked to make a decision on what to do with the unexpected large surplus.

4. Background information used in developing the policies

The Property & Finance Committee (P&F) is a small group of church members who have volunteered and been elected at the AGM to steward the financial resources (amongst other things) of our church community.

The above policies were developed by the P&F from a paper on suggested guidelines, developed by Michael Prince and the P&F, and distributed to MHCC members on 20 July 2012 with a request for feedback. Only minimal feedback was received and this has been incorporated in the policies.

The Situation that Promoted the Development of the Policies

- The P&F recommend that we operate with a minimal, ongoing operational reserve of \$15,000. They consider this is enough to help us manage any normal fluctuation between our income and outgoings and to provide a sound financial buffer.

- Early in 2012 the church had a substantial surplus. At the AGM on 1 April 2012 the following motion was carried, “Accept and adopt the 2012 budget as discussed with Pastoral Care being \$30,000 and P&F Giving of \$12,000.”
- The basic reason the accumulation of the surplus was due to our budgeting and collecting money for our church teaching/learning and pastoral care roles. It, however, was not spent because of delays in recruiting people to these roles. Late in 2011, Peter Oliver was appointed to the teaching/learning role and we are still to fill the pastoral care role.
- We do NOT view the accumulation of significant budget surpluses like this as a regular event, although it may happen from time to time.
- The P&F struggled to know how to handle this large surplus. Moreover in the 2010 AGM the church asked for guidance from the wider community on how to deal with surplus monies.

The policies are intended to offer guidance about how to deal with any future surpluses that occur. The policies can be modified by the community through the AGM or any general meeting as detailed in the constitution.

Principles and practices of the church in the recent past

1. For many years, although it has not been regularly and explicitly stated, *the primary purpose of our collective church giving (our weekly Sunday offering) has been ‘inwardly’ focused: funding and supporting the immediate, ongoing shared life of our church community.* This is reflected in the annual budget we approve at our annual AGM. For example, budgeting for the pastoral care and learning and teaching roles is primarily focused our own inner community life.
2. *While we believe giving to others beyond ourselves and our own church community is an important aspect of discipleship,* in recognition of the diversity within our community and consistent with the distributed, decentralized nature of leadership in our community, *we leave the decisions about WHO and HOW much to give ‘externally’ in the hands of individual church members.* This is a simple extension of our practise of NOT running centralized church programs but seeing, celebrating the many different ways and places that different church members serve and contribute in our wider communities, as representing the decentralized ministries of our church community. We know that many of us are active giving externally to different organizations, causes and people.
3. *The figure of \$2000 is recommended here as the figure above which some greater community responsibility and discretion be exercised on how money is spent by those that we give to.* The P&F might recommend to the church the distribution of \$2000 or more when a particularly large surplus occurs or simply because some situation/need arises that could make good use of a single larger donation.
4. There is evidence that when surpluses beyond the recommended operational reserve have accumulated, our practice has been *to give at least half this surplus away to external organizations, causes and people.*