

Preface: Minister's Musings

I admit that I sometimes find it difficult to write about stewardship – it feels like I'm going hat in hand for donations.

And yet, good stewardship is a mark of integrity – if we think a project is important, then we support it.

What is our project? Our project is, in its simplest form, a message of love, acceptance and belonging. It is this message, embodied by Jesus, that we celebrate every week. It is this message that we try to live out in our everyday lives. The church's job is to nurture disciples to be able to share this message with the world. It is because of this message that the church can be an oasis of rest in a busy world. It can be the voice for the marginalized and a place of community. The church can be a community of learning and spiritual growth. The church can effect change both locally and globally.

Is this a worthwhile project? One of our most treasured hymns says, "Take my life and let it be consecrated all for thee". (Voices United 506). It speaks of one's heartfelt devotion to God – body, soul and spirit. Please take some time in prayerful thought to consider how you might live your faith in support of the work and ministry of your church.

Rev. Lee Spice

Introduction: "Why do we give?"

This booklet contains great information on the meaning of stewardship and the pragmatics of giving. Still, what motivates us to give, and why?

As Chair of Scarborough's Official Board, I try to be a good role model and I am committed to following a spiritual path. Because I believe in the abundance of life, I do my best to "live generously" from day to day. Of course I don't always succeed, but giving to Scarborough helps me extend my financial reach and support the things that are important to my family and me. As a PAR contributor, I give careful thought each year to what I feel I can give to the church – and then I pledge a little more than that.

What motivates you to give? Each individual, couple or family has their own reasons: I invite you to give some thought to yours. It may matter to you how much it costs to run the church and what it takes to keep our building a welcome sanctuary for worship, Scarborough Arts and our many grateful renters...or you may feel that we need to support and take care of our faith community, including the costs of fellowship activities. You may be focussed on the funds that Scarborough devotes to outreach in the larger community...or you may want to ensure that we preserve and develop our beautiful historic building. In the end, you may feel that all of these are important, as they are all part of Scarborough's mission.

What is your reason? Whatever it is, dig deep, and give generously. Give regularly. Together we make Scarborough stronger so that we can live out our faith in the world.

*Norma Wood,
Chair of the Official Board*

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1. Joyful giving

Q. *What do you mean by "Joyful giving"?*

A. *To give from our gratitude, not from obligation.*

In what spirit do we approach giving? To live in a spirit of joyful giving, we need to consider the best ways to give effective support to the church.

Let's be really clear. Church givings can easily get confused when we talk about "stewardship". It is easy to blur the line between money and "time and talents". The church needs, now and always, a great deal of both, in order to express its mission. In this it is comparable to a family, or any other worthwhile and costly creation.

This booklet deals with how we might best organize our **givings** around the **money** that the church needs.

One traditional response given by reluctant givers to explain why they do not give a significant amount is "I give a lot of *time* to the church". It is wonderful that they give their time and talents, and we need to be thankful to all such volunteers, and to tell them so. The challenge inherent in this statement is that to give meaningful time to the church, we need a building in which to do that. The building must be insured and regularly cleaned, it needs heat, light, salaried professional staff, telephones, a photocopier, coffee and other supplies, and so forth.

Another traditional response is "I will give something at the end of the month *if* there is anything left over." This approach will not finance a family and equally, will not finance anything else that is worthwhile and valuable. We all have expenses such as property

taxes, rental or mortgage payments, utilities, insurance, which we know must be met each month. These high-priority expenses are often set up to be paid automatically, because they are the non-negotiable priorities in our budget. The challenge is to budget our church givings as though they too are an important priority.

We need to give, first and foremost, out of our own gratitude for the abundance in which we live, and not from a sense of obligation.

2. Taking care of church business

Q. What does the church actually need?

A. To be ready to meet its regular budgeted expenses.

We believe that givers are entitled to see the “big picture”, to understand what money the church realistically needs in a year, and how their proposed donations can form a meaningful part of the whole.

Each year the proposed budget for the calendar year is presented to (and voted on, by) the congregation at the AGM in February. In February 2013, the estimated expenses (all dollar amounts rounded) for the entire year at Scarboro were **\$408,000**.

<i>How much is that per month?</i>	\$34,000
<i>How much is that per week?</i>	\$ 7,850
<i>What would this cost for one day?</i>	\$ 1,200

A commitment of \$100 per month will bring in \$1200 in a year-enough funds in a year to operate the church for one day. But it will not cost the giver \$1200 to give this amount!

Income tax magic will (in most cases) reduce the out-of-pocket cost of the donation to half-price, i.e. the sum of \$600.00 (see section 7, below).

3. How are the funds raised?

Q. How can the church raise \$408,000 in a year?

A. Approximately 75% comes from donations and pledged revenue, and approximately 25% comes from other sources.

Approximately 3/4 (just over \$300,000) needs to come from donations (offering plate contributions, PAR, online/website donations, envelopes and offering plate donations, other gifts, all collectively summarized as “pledge revenue”).

Approximately 1/4 (just over \$100,000) of what is needed is raised by rentals of the church facilities, fall fair and other fund-raisers, wedding fees etc.

4. Best practices in giving

Q. What is the best way to give?

A. Regularly.

The church’s monthly expenses are predictable, and they come up **regularly**, each month. They do not take a summer break, but continue at similar levels throughout July and August, although many people are away.

Our ways of meeting them also need to be predictable. Post- dated cheques at the start of each month, PAR (automatic monthly

transfers of funds), annual gifts and envelopes all express the commitment of givers to donate regularly.

To set up PAR, or to change or cancel PAR: please email Claire McMordie at scarboro.stewardship@gmail.com.

5. Deciding how much

Q. *I want to do my share, but I have questions. How do I figure out what “my share” is? (What are other people giving?)*

A. *It is deeply embedded in our church tradition that all giving is always confidential (unless the donor otherwise indicates). Still, some general information may be offered:*

At Scarboro we have around 27 givers who use envelopes or who make a one-time donation or give post-dated cheques throughout the year, collectively donating about \$75,000 each year, with contributions ranging from \$1,000 per month to \$25 per month.

The 60 PAR givers bring in about \$12,500 per month, which should average close to \$150,000 in the year. Many PAR givers do not add a written pledge, but allow their PAR contribution to continue from month to month - this is also a valuable expression of commitment.

In addition to all “commitment” givers, miscellaneous gifts throughout the year bring in about \$47,500.

All offerings and donations are valuable in helping to balance the budget. Pledges (written commitments given in advance) and continuing PAR donations are especially helpful in providing peace of mind as we move forward.

6. Pre-Authorized Remittance (“PAR”)

Q. *Why do you keep mentioning PAR?*

A. *We strongly support the use of PAR as it allows the church regular, automatic, predictable income with which to meet basic monthly expenses. It is also environmentally friendly.*

PAR saves your time, work, attention and paper. It is effortless, once you have completed a simple form and provided a void cheque, for sign-up. Collectively, at current givings levels, our 60 PAR givers bring in *close to half of what is needed.*

Q. *What amounts are given at Scarboro by way of PAR?*

A.	Currently:	11 givers:	\$400 - \$600 per month
		8 givers:	\$300 - \$350 per month
		11 givers:	\$200 - \$275 per month
		19 givers:	\$100 - \$190 per month
		11 givers:	\$25 - \$90 per month

Q. *But what if I would prefer to have something in my hand to place on the offering plate?*

A. *We provide “PAR” cards, to represent any offering, PAR or otherwise, which has been authorized in advance. These may be picked up upon entry to the church, and placed on the offering plate.*

Use of these small, re-usable cards will make your offering (whether given by PAR, post-dated cheques, or other advance commitment) symbolically present in the service.

7. Income Tax Credit

Because of the magic of the income tax credit, the net result to the giver is a half-price bargain: After the giver has given his or her first \$200 in a year (with income tax credit at 25%), the balance is subject to combined federal and provincial income tax credits which equal 50% of the gift.

Q. *Isn't an income tax credit different for each taxpayer, depending upon income and marginal income tax rates?*

A. *No. The income tax credit is best thought of as a down payment on income taxes which otherwise would be due from that giver. The credit is 50% of the gift, for all amounts above the first \$200 given by the taxpayer in that year.*

This means that for any taxpayer resident in Alberta, CRA returns to the giver **50% of the donated amount** (after the first \$200) as a credit, or down payment, on the income taxes that the giver would otherwise have to pay. Where the income taxes have already been paid, this results in a refund being made. This has the delightful result of making the government taxing authorities a silent partner in your personal church priorities, contributing half of the support you commit to your church!

This is not an income tax **deduction** (different in dollar value for different taxpayers) but an income tax **credit** - the same dollar value for all, namely **50% of the amount given**. So it is more like a "matching grant".

For example:

Giver (taxpayer residing in Alberta) gives a total of \$200 during the year to other organizations (Food Bank, Amnesty International, Cause Canada, etc.) and Giver gives \$1,200 per year to Scarborough United Church.

Income tax credit on first \$200:	\$50
Income tax credit on \$1200:	\$600
Total income tax credit:	\$650
Total amounts given in one year:	\$1,400

Out-of-Pocket cost to giver to give \$1,400:
\$1,400 - \$650 = only \$750 (What a bargain!)

8. Planned Giving

Q. *I have heard of "Planned Giving"- what does it mean?*

A. *Planned Giving refers to a donor's gift structured to take advantage of significant income tax benefits.*

Planned Giving is, in a way, an odd term. It is our view that most, if not all, giving should be planned, or at least not completely random. A better term might be "giving that is structured so as to bring substantial benefit to the church or charity, while also bringing substantial income tax benefits to the giver".

Some kinds of substantial assets e.g. RRSP or RRIF accounts, or shares in a public company, which have increased in value since they were first acquired, may be donated by direct transfer to the charity

or church of choice *without triggering any of the usual income taxes.*

When there is an increase in value since the time of acquisition, normally capital gains tax would be charged to the giver, however an exception is made for qualifying charitable donations - the usual capital gains tax is completely waived, plus the giver receives 100% of the current face value for calculation of the income tax credit. *This “double whammy” income tax break is best described as “tax-miraculous”.*

Planned Giving is not limited to any one type of asset. These are some common examples which can provide immediate, very substantial income tax benefits for the giver, as well as significant, long-term benefit to the church:

- *make the church the beneficiary of a life insurance policy;*
- *make the church the beneficiary of registered retirement funds;*
- *purchase an annuity as an asset of the church, but to give life-time income to the giver;*
- *gift corporate shares (if publicly traded) to the church;*
- *leave the church a bequest in your Will.*

Planned Giving may be directed to specific major projects which are important to the giver, but also works just as well as a contribution to the annual funding needs of the church.

When a giver lets us know that a Planned Gift is being considered, we can put that person in touch immediately with UCC staff who

will gently facilitate the process, to give effect to the giver’s intentions, on the giver’s own timing.

9. Mission & Service

Q. How does my giving to Scarborough help the United Church of Canada Mission & Service fund?

A. A percentage (set by the Board from time to time, and currently 7.5%) of all pledge revenue received by Scarborough is donated to Mission & Service.

The Scarborough contribution to M&S is sent directly by the Treasurer to M&S, once or twice each year.

10. Use of credit cards for church givings

Q. Could I give to the church by way of credit card?

A. Yes.

Both PAR and online donations through our website may be done by credit card. We do ask givers to be mindful of the additional service charges (from 2% to 4%) and to adjust their gifts accordingly.

Afterword...Thank you!

First of all, thanks to you, for taking the time to review this important information on “Joyful Giving”; the need for financial support for our church and the ways and means of doing so at Scarboro. Your support is very much appreciated.

Secondly, I would like to thank those who contribute so much to the stewardship work at Scarboro:

John Jessiman, Don Snow and Glori-Jean Stephenson, of the Stewarding Our Future Team; and a very special thank you to Rev. Lee Spice and Norma Wood for their contributions to this booklet; Claire McMordie for writing, Jenny McMordie for formatting and editing; Craig Ainsworth for the beautiful seasonal design of the cover; and most especially, to George Brookman of West Canadian Graphics, for generously providing all of the printing.

*Mary Axworthy
Lead, Stewarding Our Future Team*

This booklet may be left in the pews for others to read or may be taken home with you and returned later, if you wish. For those who would like further reading, a few donated copies of “The Spirituality of Fund-Raising” by Henri J. M. Nouwen are available to borrow, at the back of the sanctuary.

Thank you, George Brookman for so generously donating all of the printing of this brochure!



Comments or Questions:

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