



## **Why Establish a Congregational Bequest Policy?**

Congregations sometimes receive gifts that are over and above those given for their operating expenses. These gifts usually come from the estate of a member or former member. Such gifts may be undesignated, or designated for a special purpose.

A policy that is part of the congregation's constitution, by-laws, and/or has been voted on by the current membership allows reception of these gifts with grace and thanksgiving.

Here are some thoughts to consider in establishing a congregational bequest policy:

- A bequest is typically the largest gift that a person will ever make. Having a policy in place allows a congregation to honor the memory of the donor and use the gift wisely.
- A bequest policy allows the congregation to decide whether the gift is in keeping with its mission and whether to accept it.
- Congregations have the opportunity to demonstrate good stewardship of the gifts entrusted to them by:
  - Determining how the congregation will receive and care for bequests;
  - Honoring the donor's wishes and memory;
  - Encouraging other bequests – generosity begets generosity!
- Keep bequests separate from general operating funds. The daily work of ministry is the responsibility of the current members of the congregation. If bequests become the source of funding for congregational ministry, the congregation may wither and die; ongoing stewardship becomes optional.
- Bequests have the capability of "raising the bar" and the vision of that congregation's ministries.

A bequest policy needs the approval and support of the congregation, an agreement by which all will abide and honor. Having said that, a bequest policy, like any other, can be amended with congregational approval.

The congregation can decide in its policy whether bequests are to be used in the short term, for capital repairs, special projects, social outreach, etc., or whether the donor's legacy is best honored through restricting bequests to endowment funds, in which case the principal is preserved and managed for growth, and the earnings or portions thereof are used to fund ministry as defined by the endowment documents.

In establishing a bequest policy, the congregation may want to consider that it will tithe a portion of the bequest to ministries and charities outside its own structure, for example:

- ...% for community need;
- ...% for the ministries of the Virginia Synod;
- ...% for the churchwide ministries of the Evangelical Lutheran Church in America.

Finally, consider that, once the congregational bequest policy is in place, it can help the congregation in its ongoing stewardship efforts by:

- Establishing guidelines for honoring and thanking, where possible, the heirs and family members of the donor;
- Encouraging others to leave bequests, through their estate plans and assets, because you have shown that you have the capability to use the gift properly;
- Helping a congregation to think big, beyond its operating needs and expenses.