

## Charitable Giving Policy

For St Luke's Church, 46 Cell Barnes Lane, St Albans AL1 5QJ

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Signed: .....

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This document describes the PCC's current policy on charitable giving – first adopted by the PCC in March 2004. The policy sets out the basis upon which the PCC determines its overall annual budget for its charitable giving. It is the responsibility of the Mission Committee to allocate that budget, to make donations according to the Mission Committee Terms of reference, and to account to the PCC for those donations each year.

### The Policy

#### Rationale

The Church's vision speaks of our 'Sharing God's Grace in His World' and our charitable giving aims to provide an expression of this. Therefore the PCC's policy is that our charitable giving should be used to support a broad range of 'mission work' in the UK and overseas. We recognise that Britain's spiritual needs are very great and it is increasingly true that developing world countries send missionaries here!

It is the PCC's intent that the Church be generous to others, because God has been generous to us. The spirit of its policy is designed to reflect this while being wise in its use of its financial resources.

#### Setting the Budget

The annual amount budgeted for giving to charitable and missionary causes is determined prayerfully and practically by the PCC under the guidance of the Treasurer. This will be done as part of the overall budget process at the start of each year. The amount may increase or decrease each year according to the PCC's wishes. The PCC will endeavour to set an expectation in the congregation that personal giving reflects personal total income. The church's own giving, as a general rule, will also reflect its total income.

The PCC has determined that the amount donated each year will be reported as a percentage of total PCC income (both restricted and un-restricted) for that year. The document Charitable Giving Debate in 2005 (attached here for ease of reference) sets out the reasons why the

church's giving is not specifically linked either to 'tithing' or to a particular percentage of the church's income.

## **Charitable Giving Debate in 2005**

The aim of this document (which formerly comprised part of the St Luke's Charitable Giving Policy) is to show the extent of the church's giving and to demonstrate why the idea of the church 'tithing' per se cannot be done simply or meaningfully.

- The Old Testament concept of the 'tithe' was that the People of Israel would honour God through the giving of a tenth (a tithe) of the produce of their fields each year. In the New Testament, we understand the teaching to mean that we do not limit our giving to a tenth, but prayerfully before God commit a proportion of our income to God, quite apart from additional one off gifts as the need arises. The following discussion refers to the church's giving as a 'tithe' in the New Testament sense of proportionate giving.
- The process of arriving at the present policy, was a demanding one. The simple suggestion that the church should 'tithe' its income begs a significant number of questions that need to be recognised and understood.
  - Firstly, what is 'church'? Is it the members? Or is it the PCC representing the corporate church? Or some other definition? Are both church members and the PCC to tithe? What are the Biblical arguments for corporate tithe as well as personal tithe?

At St Luke's we understand 'church' to be 'The Christian Community' - the members of St Luke's on whose behalf the PCC makes decision. In the past, the PCC's policy was to encourage the membership to tithe to the church and for the PCC to tithe its income in support of missionary organisations. For various reasons, that policy changed to one in which people were encouraged to give stronger personal support to organisations of their choice. People gave a proportion of their 'tithe' to St Luke's and a proportion to other organisations as they saw fit.

The effect of this policy change was that St Luke's as a Christian community may have become far more generous as a result. In the earlier policy, members would have given all their 'tithe' to the church, who in turn would have given away a percentage to charitable causes. So for a member's tithe of £100 to the church, only £10 would have been given to other organisations. In the latter policy, if everyone gave 50% of their 'tithe' to the church and 50% to other organisations - and the PCC gave none - it would represent a 5-fold increase in the total amount given away, as the member's tithe of £100, £50 would have been given directly to charitable causes. In practice, the present position is that some people give their whole 'tithe' to the church and some give a proportion of it to the church. People exercise their choice as they see fit. The church's true level of giving therefore is not and cannot be represented fully in the published church accounts.

- Secondly, what is our 'income'? Is it the PCC's income or is it the total income of every church member? As the PCC has less control and sometimes no control over the use of restricted funds, is it right that these should be included? Some of the income is directed to a restricted fund in order that the PCC should not consider it in its giving.

Where people place conditions on how the money they give can be used, the PCC operate 'restricted accounts' (for example, giving to specific people such as an overseas missionary, or, giving for a specific purpose such as a building project). Unconditional giving can be used any way the PCC sees fit and is held in 'unrestricted accounts'.

For the purposes of the church accounts, charitable giving is measured as a percentage of restricted and unrestricted income (most income is unrestricted). This gives a simple measure of the level of the PCC's charitable giving for comparison purposes year on year. It does not make very good sense to see it in relation to the concept of 'tithe' – as explained above. Furthermore, some of the restricted giving is congregational giving to mission work (and some is not); it therefore represents another component of the church's overall charitable giving that cannot be sensibly measured in relation to the PCC's unrestricted income figures (it is not income for the PCC to use, but it is charitable giving by the church).

It was considered to be unethical to tithe income that is given to a restricted account; the full amount must go to the purpose for which it intended by the giver.

- Thirdly, what is the 'tithe' for? The Tithe in Israel benefited three groups of people: The givers, the Levites, and the poor (Deut 14:22ff). Today some of our income (via state taxes) take care of the needy (in theory). So is that part of our tithe or not? It is nevertheless accepted that our 'tithe' is principally for God's work (a) in our own church and (b) for His work beyond the parish. We believe it appropriate that we do not to benefit from our own 'tithe', Biblical though it is.

The policy at St Luke's for the church's charitable giving is described above and further determined by the Mission Committee. The intention is that St Luke's receives no direct benefit from the way the church's charitable giving is used while the mission of the wider church benefits fully from it.

- In summary, the church's charitable giving is very significantly more than that identified in the PCC accounts. It includes giving through some restricted accounts and it includes very significant regular personal giving that does not 'go through' the church accounts. It also includes 'giving in kind', for example through the support of ministry that is unrelated to St Luke's. Given this position, the church nevertheless wishes to be able to give generously from the PCC's own funds as far as it is possible and appropriate to do so.

- The context of the discussions in 2003/4 was at a time when there was no charitable giving by the PCC, other than STEP and a history of financial hardship. This was also a time when expenditure was rising very dramatically in order to establish the Ministry & Mission Team. There was considerable discussion about the appropriateness of 'tithing' income as a result of the sacrificial stewardship campaign that made the MMT possible. Some members of the congregation had requested their giving to go explicitly support the MMT, and not elsewhere. It would be unethical to tithe such income.
- Some of the Church's giving was through MMT staff time for 'non-parochial' work, for example, so some felt this was what one might call 'hidden tithing' – and valid giving nevertheless. (For example, the PCC gives some of its charitable funds to support STEP, but at the same time, the PCC uses some of its regular income to support a ministry team, some of whose time is given to STEP – and therefore a form of giving that falls outside the church's measured charitable giving).