Thornhill United Church Policy

Funds and Investments

Adopted by TUC Council: October 2025 **Replaces previous version: October 2024**

Purpose

The purpose of this document is to outline the structure and management of the various funds that exist to receive designated donations, memorials, and bequests, including restricted and unrestricted gifts. With guidance for the management, investment and disbursement of the funds, the Policy will also help to assure donors that Thornhill United Church (TUC) will honour their wishes and use their gifts wisely in support of the mission of the church.

Overview of TUC's Funds

TUC maintains two unrestricted funds: the General Fund and the Visionary Fund.

- The General Fund accounts for TUC's program delivery and administrative activities. Its main sources of receipts are unrestricted contributions by the congregation, payments by others for the use of TUC's facilities, memorial gifts and other donations, and the net proceeds of fund-raising events. Its main types of expenditures are salaries, benefits and ministers' expenses, building care and use expenses, professional expenses (such as audit and legal), and the United Church of Canada (UCC) assessment.

- The Visionary Fund was established in 2017. Its main source of receipts is bequests to the church that do not indicate a specific purpose, but contributions can also be designated to it, including as part of a capital campaign. It is available to support the General Fund, capital expenditures, the various restricted funds, and other initiatives consistent with the mission and vision of TUC, which may be undertaken by the church subject to Council's approval. Additional guidance for the management of the Visionary Fund is provided in the final section of the policy.

TUC maintains several restricted funds: the Mission & Service Fund, the Healing Fund, and various Incare Funds.[1]

- The Mission & Service Fund and the Healing Fund support worldwide missionary and other activities of the United Church of Canada. Their main receipts are designated contributions by the congregation, but bequests can also be designated to them. Contributions to these funds are transferred by TUC to the UCC at various times throughout the year, with any outstanding balances remitted at the conclusion of each fiscal year.

- Incare Funds support various activities carried out within the church, and focus on the care of others in need, such as the Friendship Club and the Christmas Assistance Program The receipts

[1] For many years, TUC also maintained a Capital Fund. Expenditures of the Capital Fund were restricted to additions, replacements, and upgrades to capital assets, while expenses for routine maintenance were covered by the General Fund. Its main source of receipts was designated contributions by members of the congregation. Prior to the establishment of the Visionary Fund, bequests that did not indicate a specific purpose were also allocated to the Capital Fund. In September 2025, Council approved the discontinuance of the Capital Fund and the transfer of the small balance remaining in it to the Visionary Fund.

include contributions by the congregation and other individuals and community organizations and are designated to a specific Incare Fund. The expenditures of a specific Incare Fund relate to its activity. If TUC is no longer actively involved in the activities supported by a particular Incare Fund, the balance of that fund would be transferred, subject to Council's approval, to a charitable organization that undertakes a similar activity.[2]

(Legacy) Planned Giving

Legacy or planned giving is a way for members and adherents to invest in the future of the UCC, its ministries and programs, and TUC. Those who have a lifetime of devotion to the church should be given the opportunity to reflect that commitment through a bequest (or other form of estate gift) or through an immediate donation.

Planned gifts are generally donated from accumulated resources or assets, rather than from current income, either by an estate or outright immediate gift. For this reason, planned gifts tend to be much larger gifts than a congregation would normally receive from a member.

The donor can designate a planned gift to any aspect of the UCC's work; for example, the local congregation, Mission & Service, The United Church of Canada Foundation, an outreach ministry, a church camp, or a theological college. The opportunities are abundant. Such gifts can be exciting and generate deep and lasting satisfaction for the donor.

The most common legacy gifts to the church are bequests. Other vehicles for planned giving include gifts of listed securities, charitable gift annuities, gifts of life insurance, charitable remainder trusts, and gifts of residual interest.

UCC staff can work with individuals who wish to continue their support of the church after their death and thereby continue to make a difference. For example, they can help individuals develop the language needed in their wills to ensure bequests go exactly where intended. They can also provide more information to individuals about the alternative vehicles for planned giving. It is recommended that donors seek independent professional advice prior to making any significant outright or planned gifts.

Gift Acceptance

Unless stated otherwise by the donor, all extraordinary gifts received by TUC will be allocated to the Visionary Fund. As donors are sometimes unaware how certain gifts may adversely affect a congregation, TUC reserves the right to decline a gift, under the following circumstances:

- Any gift that violates any provincial or federal laws
- Any restrictive clause that may bring unwarranted pressure or embarrassment on the congregation, a member, or Council
- Any gift that contains unreasonable conditions, liens or other encumbrances
- Any gift that presents exposure to unacceptable liability

[2] For example, when the activity of the Breakfast Club was discontinued, the balance of that fund was transferred to the York Region Food Bank.

- Any gift that could financially or morally jeopardize the donor or TUC
- Any gift where an appropriate fair market value cannot be determined or will result in unwarranted or unmanageable expense for TUC
- Any gift that could jeopardize TUC's charitable status
- Any gift that could improperly benefit a donor or other individual
- Any gift that holds a condition that is revocable in any way.

As a practical matter, unrestricted gifts are of most use to the church and its ministry. Unrestricted gifts are able to be used in such a way that provides greatest benefit to the ministry and mission of the church at a particular time.

It is desirable that restricted gifts come with some flexibility or discretion to repurpose a gift if the church determines the initially designated use turns out to be impractical, infeasible or inappropriate. Should a donor choose to restrict a gift for use in a particular program or project, it must be for a recognized, important need of the church, consistent with the church's mission and vision, and the gift is to be spent over a specific period of time (generally less than two years). TUC will honor such a restriction, with the understanding that when the need for such a program or project has been met or cannot be completed for any reason as determined by Council, the remaining restricted contribution will be used where needed most.

Management of the Visionary Fund

As noted above, the Visionary Fund is available to support the General Fund, the various restricted funds, and other initiatives consistent with the mission and vision of TUC, which may be undertaken by the church subject to Council's approval. This section provides additional guidance for the management of the Visionary Fund.

The Visionary Fund can provide a reserve to help TUC cope with significant unexpected expenses. Examples of such expenses include damage to the capital assets, legal expenses, or the costs of dissolving the congregation or amalgamating with another congregation. To provide a meaningful reserve for such contingencies, Council will strive to ensure that the balance of the Visionary Fund is maintained at a level not less than 50 percent of the current annual budgeted total expenditures of the General Fund.

An expert on church finances has indicated that a healthy congregation should obtain at least 80 percent of its operating income from current givings.[3] To avoid over-reliance on the Visionary Fund to cover expenditures of the General Fund, Council will strive to ensure that the annual budget does not contemplate a transfer from the Visionary Fund in excess of 10 percent of the budgeted total expenditures of the General Fund.

[3] Dan Hotchkiss, The Alban Institute, Snapshot of Church Finance, 2013. https://danhotchkiss.com/snapshot-of-church-finance/

Investments

TUC protects the financial safety of its funds by maintaining the assets in cash, bank deposits, and secure investments. Investments are limited to guaranteed investment certificates (GICs) that meet the following criteria:

- Issued by a Schedule A Canadian bank in Canadian dollars;
- Term of one to five years; and
- Not more than $100,000 principal value invested with any one bank.[4]

The assets of all the funds are pooled for investment purposes. It is highly unlikely that all assets will need to be liquidated at the same point in time. Therefore, the Treasurer will normally determine the amount and term of each GIC to be purchased, after considering both the existing holdings of GICs and expected future cash flows. The Treasurer also considers input from Council and must invest in accordance with any directions of the Trustees.[5]

The Treasurer's monthly report to Council includes the details of all investments.

[4] The principal value of any deposit up to a maximum of $100,000 at any Schedule A Bank in Canada is covered in full by the Canada Deposit Insurance Corporation. In the unlikely event that a Schedule A Bank fails, the original amount of the deposit (excluding accrued interest) will be returned to the depositor.

[5] The task of investing is assigned to the board of trustees in congregations that are fortunate to have funds to invest. The board of trustees is subject to provincial or territorial legislation governing trustees. More information is available in the Trustees Handbook with Concordance: www.united-church.ca/handbooks.