



**TRINITY EPISCOPAL CHURCH
TRUMBULL, CONNECTICUT**

RECTOR'S DISCRETIONARY FUND POLICY

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Income:

Income for the discretionary fund shall include any funds the Vestry may allocate from the general fund, the monthly loose plate offerings from the first Sunday of each calendar month, loose plate offerings from any service when so designated, monies received as the result of baptisms, weddings, or funerals, and any monies given to Trinity designated as gifts to the Rector's Discretionary Fund. Monies given to the discretionary fund are tax deductible contributions to the church and should be reported on statements provided to donors.

Contributions made to the discretionary fund for the direct benefit of a named individual are not accepted.

Discretionary Account Structure:

The Vestry shall establish a separate checking account in Trinity's name using the Federal Employer Identification Number with the Rector as the authorized signatory. The account title should not include the name of any individual. In addition to the Rector, a Warden and the Treasurer should also be authorized to sign in the absence of the Rector.

All income from any source must be deposited to the general operating account, recorded on the books, and then transferred by the Treasurer to the separate checking account. This separate checking account is to be used by the Rector for ministry to individuals when confidentiality is a factor or in case of emergencies. The maximum amount authorized for this account shall be \$1,500. When the balance falls below \$500, the Rector may request a check be written for deposit to that account with the payment to be debited to the Discretionary Fund line item.

Expenditures:

Expenditures from the Rector's Discretionary Fund are authorized for Alms for those in need including medical payments, prescriptions, rental assistance, groceries, utilities, psychological or psychiatric counseling, etc.

Checks must be made payable to organizations, i.e., to a pharmacy, doctor's office, landlord, utility company, mission agency, etc., rather than to the individual who is receiving the benefit of the payment, and documentation should include the purpose. This maintains the confidentiality of the individual and ensures that the money is received by the appropriate agency. Cash or checks made out to cash should not be given to an individual however, grocery store cards are appropriate. If there is a real emergency and a check cannot meet the needs and cash is disbursed, there needs to be full documentation: to whom the funds were given (not by name, just description), date, amount, and full explanation.

Discretionary Funds may not be used for the rector's ministry expenses, such as books, journals, clothing or vestments, etc., or for other outside programs or ministry purposes. Professional expenses, Community Partnerships, and other ministry line items in the budget are established for these purposes.

No distribution from the fund may be made to the holder of the fund or to his/her family members, nor may the fund be distributed to third parties for the personal benefit of the holder of the fund or his/her family members.

Accountability:

Accountability for the Discretionary Fund will be subject to the regular yearly audit or review of Trinity's accounts and included in the monthly financial reports following standard accounting procedures.

Accountability for the funds in the separate checking account will be provided for by:

- An examination of the account by the Treasurer and Senior Warden twice a year. Monthly income and use reports will be kept in a confidential file in the church office and provided to the Senior Warden and Treasurer for their review.
- All records will be held by the Treasurer.
- Any expenditure of \$250 or more shall require the approval of the Senior Warden and the Treasurer.
- The Rector shall record the purpose of every check drawn on the account and the source of all money credited to it.
- At the beginning of a new ministry, the Rector and the Vestry shall address the issue of the Discretionary Fund and review this policy.

Care should be taken to advise donors for such specific purposes that contributions whose sole intention is to benefit a named individual are not deductible contributions in terms of the donor's income tax return.