



TLLC Fundraising Guidelines

What is Fundraising?

Fundraising occurs whenever a group at TLLC receives money in exchange for goods or services. Contributions, in contrast, involve donations, freely given with no goods or services in return. When funds are voluntarily offered in association with a good or service, but no price is stated, this is usually considered a contribution.

Principles behind these Fundraising Guidelines:

- 1) TLLC fundraising activities must be carried out in accordance with Texas law regarding the collection of state sales tax, and in accordance with federal law regarding our tax status. See below for details.
- 2) TLLC fundraising activities must be consistent with ELCA policy on fundraising. See below for details.
- 3) TLLC fundraising activities must be consistent with the TLLC mission statement and the TLLC fundraising mission statement.

The TLLC mission statement includes the injunction to “reach out to all people.”

The TLLC fundraising mission statement reads as follows:

Fundraising is an outreach and spiritual growth opportunity for the congregation to meet expenses above and beyond a normal operating budget. The fundraising activity fosters Christian fellowship and/or service, promoting awareness that in turn generates ownership and investment in the activity or project.

Summary of Texas and Federal Law relevant to TLLC Fundraising:

- o The Texas Comptroller’s Office does not require churches or church functions to collect sales tax on meals and food products, including candy and soft drinks. All non-food items are taxable. Our entire organization (all ministries of TLLC, including the CDC) can hold two one-day, tax-free sales or auctions each calendar year (January – December).
- o Federal tax law related to our non-profit status requires that any fund-raising be incidental to our non-profit purpose.

ELCA Guidelines related to Fundraising:

(Taken from the ELCA Financial Stewardship Strategy Report and Recommendations adopted by church-wide assembly action August 1993)

The culture in which we live is greatly influenced by economic assumptions and practices. As people of faith, we live with these cultural realities even as we strive to be faithful to the Gospel. As individuals and communities of faith, we may find ourselves working within these same realities to strengthen the mission of the church and, at the same time, be in conflict with prevailing economic assumptions and practices. The matter of commercialism (i.e., using commercial means to raise money for church-related work) continues to be an issue for the ELCA.

In teaching, preaching and practicing stewardship, ELCA materials and leaders focus on a biblical base. Voluntary giving by church members remains the primary method of financing congregational activities. However, groups within the church occasionally inquire about the appropriateness of generating additional funds through the selling of goods and services, games of chance or other special efforts.

Two of the ELCA's predecessor church bodies developed statements on commercialism within the church. Those statements continue to provide guidance to congregations in making decisions regarding the relationship between stewardship and fundraising events.

The following observations, summarizing key points of those statements, are intended to:

- Continue the discussion regarding commercialism and the church
- Offer some guidelines for decision-making for all expressions of the church
- Examine traditions and practices so that they remain consistent with the message of the Gospel.

The stewardship practices of many congregations are deeply rooted in the heritage of their members. Harvest festivals continue to play a major role in agricultural communities. Bazaars, rummage sales, food sales, and arts and crafts festivals are other ways in which congregations celebrate their heritage. These events can provide opportunities for sharing time, talents and energy, as well as generating financial support for congregational ministries. The dignity of such efforts can be affirmed, especially when they are planned and conducted in a manner consistent with other stewardship efforts in the church.

Financial needs and cultural influence have led people at all expressions of the church to look at new ways of supporting ministries in the future. Investments, real estate, stocks and bonds may be used to generate funds for mission now and in the future. Activities to raise funds for congregations can do more than make money; they can build fellowship and commitment in a community of faith.

Games of chance have no place in the life of a congregation. Congregations, like governmental entities, may see such games as a quick, easy means of raising funds; however, these games send adverse messages regarding the value of generous giving and financial stewardship. Games are based on the principle of receiving a high return for a low investment. Luck, instead of thankfulness, need, compassion or commitment, is the guiding principle.

Investing in financial instruments raises other questions. Rate of return can be the primary guiding principle in the world of finance and investment. The church may find itself in internal conflict when the only criterion for investment decisions is obtaining the highest rate. Many congregations have explored creative ways of supporting a broad understanding of stewardship while raising funds. Recycling projects can raise funds for groups even as they teach members and the community ways in which members might care for God's creation.

Questions for Consideration in Applying these ELCA Guidelines:

The following questions should be addressed as congregations, institutions, agencies, synods and the church-wide organization consider fundraising efforts:

1. Are the goals for the activity clearly established before the activity is undertaken?
 - Who is being served by this effort, and how?
 - Is this effort consistent with the total ministry of the church?
 - What is the guiding principle in designing the event or program: Making the most money any means possible? Service to the community? Fellowship?
 - Does the method of fundraising accomplish these goals, or are they at cross-purposes with the goals?
 - Do the goals complement other financial stewardship efforts within the congregation, synod or church-wide organization?
2. Are the people who will work on an activity part of the decision-making process?
3. Does the activity provide a service beyond the fundraising itself?
4. Will the activity afford satisfaction and dignity to those who engage in it?
5. Will the activity provide an avenue for people to use their abilities and to express their willingness to serve others?
6. Does the activity send a message consistent with the idea of sacrificial giving?
7. Does the activity ask community members to support something that the congregation is not willing to fund?
8. Does the activity build commitment within the community, or relieve the conscience of those who are involved in the congregation in a limited way?
9. Will the activity benefit the ministry of the whole organization, or is it a means for a small group to exert power and control through the dollars raised?

Will the activity be seen as a unique contribution to the community, or as direct competition with local businesses, which must pass health inspections and pay taxes?

TLLC Process for Evaluating Fundraising Requests:

- o Fundraising activities at TLLC require approval by the TLLC Executive Director.
- o The Fundraising Application Form must be submitted to the Executive Director at least 30 days in advance of the proposed fundraising activity, and must be accompanied by an Event Planning Request Form with the requested place and date (or choices for place and date). The Executive Director will consider the activity and its scheduling together.

- o Any proposed fundraising activity that is approved by the Executive Director will be designated as a fundraising activity, and will be entered in the TLLC accounting records.

Criteria used by the TLLC Executive Director in Evaluating Fundraising Requests:

- 1) Fundraising requests must come from the TLLC Board of Ministries or from an outside organization that is sponsored by a TLLC Mission Focus Area.
- 2) The Executive Director will consider whether the proposed fundraising activity is consistent with ELCA guidelines and with the TLLC fundraising mission statement.
- 3) The Executive Director will consider the purpose of the proposed fundraising activity. Acceptable purposes include the following:
 - a) To raise monies for outside agencies and emergency situations. In such cases, the agencies should be largely dependent on the ELCA and its affiliates for funding, or the funding should be in special appeals from the ELCA or Southwestern Texas Synod
 - b) To enable individuals to attend retreats, service events or educational opportunities at an affordable cost.
 - c) To raise monies for member families in emergency situations. In such cases, it is recommended that member families include only immediate family of a member (e.g. spouse, child, mother, or father). Such emergency situations may include but are not limited to: health emergencies, financial emergencies resulting from the death or disability of a family member, property losses resulting from fire, flood or other circumstances beyond the member's control.
 - d) To raise funds for disaster relief.
 - e) To raise funds for outreach in the community
 - f) To assist other ELCA congregations in their ministries when deemed appropriate
 - g) To raise funds for other purposes approved by the Executive Director.

TLLC Requirements for Conducting Fundraising Activities:

- 1) Once a fundraising activity has been approved by the Executive Director, it must be scheduled using the Event Planning Request Form. The supporting ministry shall coordinate this scheduling with staff, and scheduling is subject to approval by the Executive Director. Fundraising activities shall be scheduled in accordance with the following:
 - a) In general, no more than two fundraising activities are allowed per Sunday morning. Exceptions may be permitted at the discretion of the Executive Director.

- b) Fundraising activities subject to Texas state law regarding sales tax should generally last no more than one week (for example, one Sunday morning). The Executive Director can consider exceptions for larger activities. Such activities are eligible for exemption from sales tax only under limited circumstances (see beginning of these Guidelines).
 - c) Fundraising activities not subject to Texas state law should generally last no more than one week (for example, one Sunday morning). The Executive Director can consider exceptions for larger activities.
 - d) Fundraising activities shall not be scheduled immediately before or after Christmas, Easter or other times designated by the pastor.
- 2) Fundraising activities shall be conducted in accordance with the following:
- a) Fundraising activities and associated advertising shall be confined to designated locations within the church, and preferably to the entrance by the church office (the old narthex). Advertising must conform to the approved guidelines.
 - b) The fundraising entity shall set up and take down needed equipment in a timely manner.
 - c) The fundraising entity shall submit the *TLLC Fundraising Activity Final Report* (form) with a copy of the matching funds form (if applicable) to the Mission Focus Coordinator and to the Executive Director.
 - d) The fundraising entity shall collect monies, shall convert them to a check payable to TLLC, and shall deliver the check to the TLLC Financial Secretary.
 - e) The TLLC Financial Secretary shall deposit the check in the TLLC treasury as designated funds.
 - f) The TLLC Treasurer shall disburse the designated funds to the designated recipient(s).
 - g) The fundraising entity shall send in the matching funds form to the appropriate external agency if matching funds are requested.