

FIRST BAPTIST CHURCH HALIFAX

Recommended Framework for the Best Application of the “Extraordinary Donation”

At its June 16, 2009 meeting the Board of Management received a report that an “extraordinary donation” of Bank of Nova Scotia shares, worth approximately \$300,000 had been received from an anonymous donor. This gift is completely unrestricted; i.e. can be used at the discretion of the Church.

The Board of Management asked the Financial Working group to provide recommendations regarding this gift:

“Develop a framework for the best application of this gift to the mission of the church and report to the Board of Management Meeting on September 15, 2009.”

Following consideration of the recommendations, the Board of Management proposed to make a report to the congregation. It was noted that the earliest possible date for a Fall Congregational Meeting is October 4, 2009.

The Financial Working Group held meetings in June and July to consider this matter, developing some **general principles** for the use of the gift. Its application:

- must support the total mission of the church, as already identified:
 - the Strategic Plan listed five Key Directions; Worship, Witness, Caring, Education and Stewardship,
 - the Narrative Budget used; Worship and Music, Education, Caring and Fellowship, Outreach, Witness and Stewardship as reflective of the Strategic Plan and the evolving governance model;
- should be a part of a strategy to address the structural deficit in the operational budget
 - preserve the capital for long term impact;
- must be “intentional” and “overt”
 - the gift can only be spent once;
- must be supported by effective communications to portray:
 - the big picture of the mission of First Baptist Church Halifax,
 - the contribution of people – time and talent, and
 - the support of outreach and other activities.

The Financial Working Group **reviewed the context** of making a recommendation, including:

- the Strategic Plan;
- the Renewal Report;
- the 2008 Narrative Budget;
- the Investment and Restricted Funds;
- the June, 2009 Congregational support for the motions to resolve Fund Obligations, including the forgiveness of inter-fund indebtedness, and the segregation of the remaining Restricted Funds;

- the ongoing “structural deficit” in our operating budget, where our revenue has not been sufficient to fund our expenditures, and we have actually passed budgets where we built an expected deficit into the budget; and
- the fact that our reserve funds have been completely depleted as part of resolving the inter-fund indebtedness, so further deficit budgets cannot be entertained.

Following discussion of the report of the Financial Working Group, the Board of Management decided to recommend to the Congregational Meeting of October 4, 2009 the following disposition of the Extraordinary Gift:

- 1. Retain the capital of this gift in appropriate, income-bearing investments;**
- 2. Transfer the ongoing income from the investment of this gift to the operational budget to help to in funding the ministries of the church;**
- 3. Consider the use of up to 10% of the original capital of this gift as part or all of the money for a special project or projects approved by the congregation; and**
- 4. Review annually the disposition of the Extraordinary Gift, tied to the budget planning cycle.**

Financial Working Group Members:

Rev. John Boyd	Senior Minister
Diane Campbell	Chair, Board of Trustees
Larry Doane	Chair, Planned Giving Committee
Clyde Evans	Treasurer
David Gibson (Chair)	Chair, Finance Committee
Bill MacInnis	Diaconate Rep on Finance Committee
Ian McKee	Chair, Investment Committee
David Morse	Chair, Board of Management
Sheila Stanley	Chair, Diaconate