



Fund Raising Policy©

The following policy statements, issued by the Hill Cities (“HC”) Board of Directors and its executive team, reflect the Board’s principled approach to fund-raising activity, as outlined in this policy.

The Board intends HC’s fund-raising efforts to be guided by these policies:

Founded on belief that the Lord’s provides for His work: We will take our needs to the Lord, trust the Holy Spirit to prepare the hearts of our supporters, and then make our needs known to God’s people clearly, concisely, poignantly, and passionately, actively inviting and encouraging donors to heartfelt, generous, and cheerful giving (2 Cor 9:7).

Biblical basis: We will conduct our fund-raising activities within the light of what the Scriptures reveal about raising funds necessary to conduct this ministry. We will not encourage giving to HC in substitute for giving to one’s local church, and we will not promote a prosperity theology.

Statement of Faith: Nothing in our fund-raising may contradict our Statement of Faith. We will include the Statement of Faith in our web site and key materials. While our appeals may not contain our Statement of Faith, they must reflect its spirit and never violate it.

Disciplined by Statement of Faith: We will raise funds to meet genuine needs within the context of the Statement of Faith of HC. We will not raise or allocate funds for projects outside of that stated purpose. If, however, a donor sends funds for a program that is not part of our present or prospective ministry and, thus, not within the bounds of our Purpose Statement, we will either treat them as restricted funds and channel through an organization that can carry out the donor’s intent or return the funds to the donor.

Complete financial disclosure: We will practice complete financial disclosure and stand accountable to the Lord, ourselves, and our loyal supporters in determining the need, and in the raising and spending of the Lord’s money. This will include publishing an annual report, sending financial statements to anyone who requests them, and honoring any reasonable request to inspect our financial records and expense reports.

Truthfulness and integrity in communication: All representations of fact, description of financial condition, or narrative about events, to the best of our knowledge, must be current, complete, and accurate. There may be no material omissions or exaggerations of fact or use of misleading photographs, or any other communication that is deceptive or might tend to create a false impression or misunderstanding.

Compelling influence: As we actively invite and encourage heartfelt, generous, and cheerful giving, the elements of our task must compel us; meanwhile we should allow several principles to guide us.

For the following reasons we are *compelled* to be passionate, persuasive, and urgent about our fund-raising efforts because:

- ❖ *Our task is urgent.* George Gallup stated in his book that 82% of American adults are concerned about their spiritual life (“The Next American Spirituality”). And George Barna found in one of his polls that Americans desire to have a work life that goes beyond a paycheck; they want meaning and purpose in their work. They also, along with their peers, want to connect around life’s bigger issues and spirituality. This is at a crisis level in our country. As Christians who believe we are called by God to intervene in this spiritual crisis, we should approach our task soberly, faithfully, and passionately.
- ❖ *Our task is great.* HC has brought the gospel and biblical truth to bear only on a small portion of the crisis. There is still much to do.
- ❖ *Our product is changing the workplace.* Because HC programs, through the power of Jesus Christ, are changing lives and making a difference in the workplace, our programs are worthy of support; we need not be shy about urging people to help fund them.
- ❖ *Giving is an act of heartfelt biblical obedience* (Heb. 13:16; Prov. 3:9; 2 Cor. 9:7). Therefore, we may boldly and unashamably encourage people to give.

Meanwhile, we are *constrained* to:

- ❖ *Present giving generally to God’s work, but not specifically to HC, as an act of loving obedience to the Lord.*
- ❖ *Engage in persuasive communications* (which may include grants, time-sensitive appeals, and other fund-raising offers) within the context of this policy and our commitment to fund-raising as a part of this ministry, and with reliance upon the Holy Spirit to move the donor’s hear and mind. This was the nature of the apostle Paul’s message. He employed skill (Acts 14:1), reason (Acts 17:2-4), and persuasion (Acts 26:28), but entrusted the results entirely to God (2 Cor. 3:5-6).
- ❖ *Be honest and sincere in our relationships and communications* (1 Thess. 2:3-6); 2 Cor. 1:12) *and never crafty* (Gen. 3:1).
- ❖ *Carefully appeal to both reason and emotion as we communicate.* Even though our minds, that is, our belief system, govern our actions (Rom. 12:2), we ultimately must engage both reason and emotion in order to be *moved* to action – just as Jesus did (Mk. 1:41).

Donor expectations: Fund-raising appeals must not create unrealistic donor expectations of what their gift will actually accomplish within the limits of HC’s ministry.

Compliance with donor intent: All statements made by HC in fund-raising appeals about the use of the gift must be honored. The donor’s intent consists of both what was communicated in the appeal and to any donor instructions accompanying the gift.

Incentive and premium offers: When appeals for funds offer premiums or incentives, the value of which is significant in relation to the amount of the donation, the donor should be advised of any non-deductible portion of such premium or incentive for tax purposes.

Reporting: Whenever requested, HC will provide a report on the project or event for which it is soliciting gifts.

Fee structure: Compensation paid to anyone involved in the fund-raising process may not be based directly or indirectly on a percentage of what is raised or any other contingency agreement.

Tax-deductible gifts for personal use: Tax-deductible gifts may not be used to pass money or benefits to any named individual for personal use or to pay tuition or other expenses that is a personal expense (i.e. expenses not included in the authorized salary or budget account of the applicable ministry or project). Personal gifts may be made, although they will not be tax-deductible.

Insider gifts: Employees, officers, directors, and other principals (and their family members) of HC may not accept finders' fees, commissions, or payments of any kind from any person or entity doing business with the organization.

Royalty payments: HC will avoid conflicts of interest by not paying royalties for a copyrighted product to officers, directors, or other principals of the organization in instances where that product is used for fund-raising and/or promotional purposes by HC.

In kind gifts: When property or gifts in kind are received by HC, the acknowledgment should describe the property or gift accurately without a statement of the gift's market value. For tax purposes, it is the responsibility of the donor to determine the fair market value of donated property.

Fund-raising costs: HC's annual fund-raising expense percentage will be determined through the annual budget process and approved each year by the Board.

Since percentage guidelines for fund-raising costs cannot be used as standards to compare one organization to another, such costs must be evaluated separately for each organization according to the following variants:

- ❖ Length of donor cultivation and/or relationship
- ❖ Cost of name or donor acquisition, if purchased
- ❖ Different accounting allocation methods for determining program, management, and fund-raising costs
- ❖ Existence of low-cost fund-raising initiatives by some organizations.

Acting in the best interest of the donor: In dealing with prospective deferred-gifts or commitments, every effort must be made to avoid accepting a gift or entering into a contract that would knowingly place a hardship on the donor, or place the donor's future well-being in jeopardy.

Financial advice encouraged: When dealing with persons regarding commitments of major estate assets, the representative of HC must seek to guide and advise donors before they make a final decision so they adequately consider broad interests of the family and the various ministries and the church they are currently supporting. Donors should be encouraged to use the services of their attorneys, accountants or other financial advisers.

Matching-grant initiatives: HC believes matching-grant programs can be a legitimate part of its fund-raising program provided that:

- ❖ The donor actually specifies that the gift given may be used on matching basis
- ❖ Both the matching-grant and the matching funds are specifically accounted for; and
- ❖ Promotion of the matching-grant ceases when the grant has been matched.

Endorsements: Endorsements may be used in HC fund-raising provided the endorser has given written approval to use the quote and/or photo and has demonstrated interest and involvement in HC's ministry.

Consultants and other outside services: HC may use fund-raising consultants and/or others as necessary provided that:

- ❖ HC retains total control of the content of any donor communication, and
- ❖ A set written price agreement or fee structure is signed and/or agreed to before any donor communication effort is initiated.

Donor base: HC will maintain its own donor base unless, by specific Board approval, a third party is authorized to maintain this on HC's behalf.

Renting, selling or exchanging lists: HC will not rent, sell or exchange its donor list with any organization. To the extent it deems necessary, HC may rent available mailing lists of other organizations.

Publicizing donor information: HC considers all donor records confidential and, therefore, as a general policy will not publicize donor names or related information. The only exception will be when there is a specific advance agreement between HC and the donor on exactly how the name will be publicized.

Government funding: In accordance with Board policy, HC will receive no government monies.

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