

# Highland Mennonite Brethren Church Policy Manual Bequest Funds Policy

Highland Mennonite Brethren Church (“HMBC”) wants donors to be encouraged to and feel comfortable in making a bequest to HMBC, knowing the guidelines that will be followed. This Bequest Funds Policy spells out how undesignated and designated bequests will be managed and disbursed. Please refer to HMBC’s Gift Acceptance and Valuation Policy regarding the specifics of planning, promoting, receipting, accepting, and disposing of charitable gifts.

## 1. Good Stewardship

For Christians, personal estate planning becomes an intentional stewardship process to manage the assets God has enabled them to accumulate during their lifetime. HMBC encourages its members and adherents to practice good stewardship - both during their lifetime and in estate planning when preparing a will - and covenants with them to also practice good stewardship in using charitable gifts received.

## 2. Type of Bequests

### 2.1. A Bequest...

...is a gift left to a non-profit organization through a will. Examples include a gift of real or personal property, a specific dollar amount, or perhaps all or a portion of the residue of an estate. The gift may be available from the estate immediately after death or years later (e.g. a house may not actually be received by the charity until the death of the donor’s spouse, who has been given the right to use the real estate for the rest of his or her life).

### 2.2. An Undesignated Bequest...

...is a Bequest made to HMBC without restriction. If accepted, the Undesignated Bequest is to be held in the Strategic Fund, unless extenuating circumstances determine that the Bequest needs to be applied to the General Fund. This is solely at the LT’s discretion. If held in HMBC’s Strategic Fund, the *Strategic Fund Policy* applies.

### 2.3. A Designated Bequest...

...is a Bequest made to HMBC with restrictions that specify how the Bequest is to be used. Donors are encouraged to make undesignated Bequests, or - if a designation is desired - to make the designation as broad and flexible as possible to ensure that HMBC is able to make the most efficient and effective use of the Bequest. If accepted, the Designated Bequest is to be held in a fund for its designated purpose. Should HMBC already have a designated fund for this purpose (e.g. a Scholarship or Land Purchase Fund) then the Bequest will be added to the existing fund and a separate fund does not need to be established. If the Bequest specifies more than one designated purpose, then a separate fund will be established for each purpose so that each fund can be managed distinctly. It is recommended that donors wishing to make a Designated Bequest meet with the LT to discuss the suitability and implications of a designation.

## 3. Guidelines

### 3.1. Acceptance

The LT shall review all Bequests and come to a unanimous decision prior to acceptance of a Designated Bequest. Refer to the Gift Acceptance and Valuation Policy for guidelines on gifts that may or may not be accepted.

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## **3.2. Donor Information**

Donor names and details of the Bequest will be included in HMBC's Annual Report. Requests by donors to remain anonymous will be honoured.

## **3.3. Money Held**

Bequests held in HMBC's funds shall be invested in low risk, socially responsible, interest-bearing instruments until they are used. An example of this would be the Canadian Conference of Mennonite Brethren Churches investment fund where HMBC keeps its Strategic Fund. All interest earned in these investments shall be added to the respective funds.

## **3.4. Allocation of Funds**

An Undesignated Bequest shall generally not be used to support the General Fund, but held in the *Strategic Fund* until needed for a specific project. A Designated Bequest shall be held in a fund specific to its designation.

## **3.5. Eligible Projects**

Proposals for projects to be funded from Undesignated Bequests shall be submitted to the LT for review and approval. The approval of a project will be based on HMBC's mission statement and its associated goals and objectives. The LT has the authority to approve projects up to \$25,000.00; any project exceeding this amount shall be put to a membership vote.

## **3.6. Timeline**

Bequest funds shall be used within an LT-determined timeline - if not stated in the Bequest itself - within a ten-year period. Exceptions may be made by LT vote.

## **4. Other Considerations**

### **4.1. For non-cash Bequests...**

...such as real estate, financial instruments like stocks or mutual funds, and other gifts-in-kind, refer to the *Gift Acceptance and Valuation Policy* regarding valuation and receipting.

### **4.2. Managing property or investments...**

...is not one of HMBC's mandates and non-cash Bequests will be sold as soon as fair market value can be achieved. Proceeds will be deposited into funds for the intended purposes as established by the Bequest or by the LT.

### **4.3. Donated real estate assets...**

...whose location, size, and nature may be complementary to HMBC's mission, vision, and values may be retained.<sup>1</sup>

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<sup>1</sup> (created with resources from [www.abundance.ca](http://www.abundance.ca), [www.cccc.org](http://www.cccc.org) and [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca))