

Periodic Statements to Givers: Things to Think About and Decide

Most congregations provide Statements of Contributions for those who give to the work of the church. For income tax purposes, such a statement must be sent to donors at least once a year. But more and more sessions have decided to send statements more frequently.

Let's talk about some of the issues and implications of these statements. It'd be a good idea for your stewardship committee or ministry team to discuss this paper in detail and then make recommendations to the session, along with rationale for every proposal.

The session should make the policy. Because financial stewardship is an important dimension of discipleship, a congregation's practices in encouraging financial stewardship deserve the session's careful attention, with details left to a stewardship committee or a ministry team. But the session should first consider things like these:

- What is the *point* of financial stewardship emphasis in the church? The church's decisionmakers, including the pastor and session, need to be clear on this. We're not talking primarily about fundraising for the church, but about growth in discipleship, in gratitude to God, and in support of Christ's mission near and far. Do you believe that? If so, what does it mean in practice?
- A recent study of Presbyterian givers showed that those who contributed 10% or more of their annual income to the church were motivated by two factors above all others: gratitude for God's grace and goodness, and a strong desire to support Christ's mission in the church and the world. What should the church do to emphasize those factors that motivate strong habits of faithful giving, and how should periodic financial statements reflect those factors?
- Who should know the details about people's giving? That's a loaded question in many congregations, and a full discussion is beyond our scope here. But if you believe that financial stewardship is an important part of discipleship, you may want to talk about what price is paid when the pastor or stewardship team is kept in the dark about the details of people's giving. And it has implications for the question of who "signs" the statements of giving. While there is no single "correct" way for every congregation, it's important that the session have an open, prayerful, non-anxious conversation about all this, leading to a decision that's put in writing and communicated to the congregation.
- What's the purpose of periodic statements to givers? If these statements are seen as ways to communicate with givers and part of a year-round effort to encourage people in their discipleship, you'll view them differently than if you see them solely as financial information for tax or "balance due" purposes.
- Should identical (except for names, dates and amounts) statements be sent to regular, consistent, committed givers, and to casual contributors who give very infrequently and/or in very low amounts? How about one-time visitors? Of course, the session may want to think through the criteria for deciding who goes in which category. But if the purpose of these statements is more than just to acknowledge contributions for tax purposes, "treating everybody the same" isn't likely to help people grow in their discipleship.
- Your year-end statement to contributors (sent early in the new year) must comply with IRS criteria for reporting. Order the *Tax Guide for Churches and Religious Organizations* – publication 1828 – from the IRS (800-829-3676; or download it from the web: www.irs.gov/pub/irspdf/p1828.pdf). Note that there are special rules for single contributions of \$250 or more, and if you aren't careful about those rules, donors can't take a tax deduction for them. You also *must* state that no goods or services were received in return – or, if something of value was received in return, you have to include a good-faith estimate of its value.

Now, all that is fine – but if all you do is satisfy the IRS and make sure your givers get a tax deduction, you’ve missed a great opportunity to communicate a consistent message about financial stewardship. Read on!

You should strongly consider sending *monthly statements to contributors*. Not only does the financial information in such statements encourage people to keep current in their giving; many churches are discovering that *a monthly statement of contributions is one of the best ways to communicate with givers*.

It’s a great way to say Thank You. It’s an important means of interpreting the mission of the church – from local to worldwide. And yes, an appropriate statement of contributions does encourage people to keep current in their pledging.

Besides, more and more people mail their gifts to the church office, and/or contribute monthly. Providing a monthly statement supports that practice. (We couldn’t change it if we wanted to, so we may as well make it easy for folks who are accustomed to paying their bills once a month. There are other steps we can take to retain the holiness of the offering as a part of worship; one suggestion is below.)

This approach also reaches folks who are away for a large part of the year. Many people these days spend some months in your community but other months elsewhere. They still love your church and are more likely to contribute if they hear from you regularly and are encouraged to give yearround.

Most churches use some sort of financial software to record contributions. If yours doesn’t, or if your church uses a generic accounting or business software for this purpose, you should strongly consider buying a package designed specifically for churches – for a variety of reasons. While it’s possible to send monthly statements without using a computer, it’s unlikely you’d want to give anybody that job.

One suggested format for a monthly statement uses three sections. The first, designed for a window envelope, has the donor name(s) and address along with the dates and amounts of contributions (and the amount pledged, if appropriate). The second is a personal communication to the givers – an expression of thanks, along with an interpretation of the local, community, presbytery, synod, General Assembly, or other mission these gifts support. And the third is a tear-off section for the next contribution. A return envelope is included for this section.

Contact your stewardship educator (Fred Milligan or Dick Craft) for details on this approach. The size of each section depends on what your financial reporting software is able to do. (Special paper and envelopes can be ordered from Hubbard Press, 800-328-3694 or www.pcusa.org/hubbard.)

Don’t let the session get bogged down in these details! The session should set the policies and provide general guidelines. Then it should leave the details to those who do that kind of work well and think of it as part of their ministry.

Periodic statements to givers are only part of the stewardship emphasis of the church. It’s best to have one team, or committee, handle this emphasis year-round. The team should include at least one person who is good at writing. The messages in the monthly statements should be written by this person, *not* by a financial record-keeper. And this writer, or team of writers, should also prepare articles for bulletins, newsletters, and other materials related to financial stewardship and/or mission interpretation, so that folks will get a clear, consistent, year-round message about how their financial contributions translate into thanksgiving to God and enable Christ’s mission to happen.