McFARLAND UNITED CHURCH of CHRIST
A Church with Heart

POLICY PROCEDURE MANUAL

Policy Name: **Pastor Discretionary Fund Policy**
Effective Date: May 14, 2026
Review Date(s):

Purpose: To establish procedures for the Pastor to use when determining distributions from the Pastor Discretionary Fund. In addition, this policy is established to provide clarity and accountability protection for the Pastor and Treasurer of McFarland UCC.

Policy Statement: McFarland UCC has a restricted fund established for the discretion of the Pastor in response to personal needs or an acute need in the church or community. The Pastor may make distributions from the fund only for specific purposes which are consistent with the congregation's mission.

Fund Management Guidelines:

1. Contributions to this restricted fund may be made by individuals through standard giving processes. In order to ensure that contributions to the Pastor Discretionary Fund are tax-deductible, no contribution may be designated for the benefit of any particular recipient.
2. Distributions from the Pastoral Discretionary Fund may be made by the pastor to provide confidential financial assistance to church or wider community members facing emergency financial and essential needs including but not limited to food, fuel, medical care, rent, utilities and shelter.
3. No distribution may be made to the pastor or to any member of his or their family at any time.
4. Disbursements are made directly to landlords, utility companies, or vendors. No cash or checks are made directly to the recipient.
5. The Pastor is to convey that this is not on-going support for the same family.

Contribution Disbursement Procedures:

1. The Pastor becomes aware of a need or receives a request.
2. The Pastor should follow up on all requests to validate the need. This would be the appropriate time to request further information for verification's sake such as a copy of a rental agreement, bill or invoice. The Pastor uses their professional judgement to determine validity of the request. They are encouraged to consult with area social service agencies such as the McFarland Food Pantry and McFarland Senior Outreach for additional input.

3. The Pastor should consider discussing with the recipient alternate avenues for continued support if appropriate.
4. The Pastor determines if and how much to give based on the current balance of the discretionary fund and other extenuating circumstances.
5. The Pastor shares their decision with the requesting individual whether it is granted or not.
6. If the request is granted, then
    a. MUCC Treasurer is contacted and asked to make out a check directly to the office or company to which the payment is due (such as leasing office, utility company, etc.)
    b. Or the Pastor accompanies the recipient to the gas station or grocery store and pays using the church credit card.
    c. If the request is for fuel, the pastor makes a purchase on their church credit card for a gas only gift card.
7. The pastor shall report to the Treasurer at least quarterly all amounts paid out of the fund, listing the dates and purposes of the payments (but not the names of recipients). The Treasurer will reconcile the restricted Pastor Discretionary Fund with the report that is received.
8. If there are any discrepancies, the Treasurer will consult with the Pastor on said differences within 30 days.
9. If the balance of the Fund is low, the Pastor makes a request for contributions from the congregation via an announcement at worship or a request in the church's weekly newsletter.

Policy Review

This policy is to be reviewed by the Servant and Leadership Team (SaLT) annually.