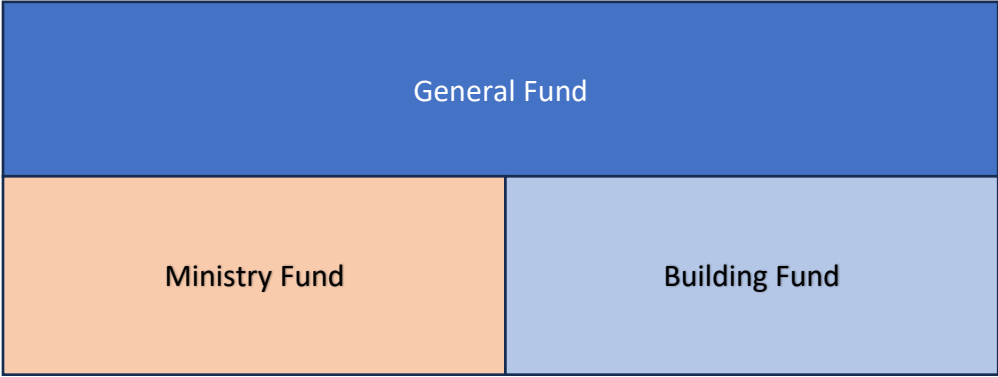


Current Funds of Transcona Memorial United Church

Background: There are currently three funds at TMUC to support the work and witness of our congregation.



The **General Fund** is used for all activities related to the operations of Transcona Memorial United Church and not otherwise subject to restrictions, i.e. general operating expenses.

The **Building Fund** is available to fund future development, renovations and major repairs to the building and property.

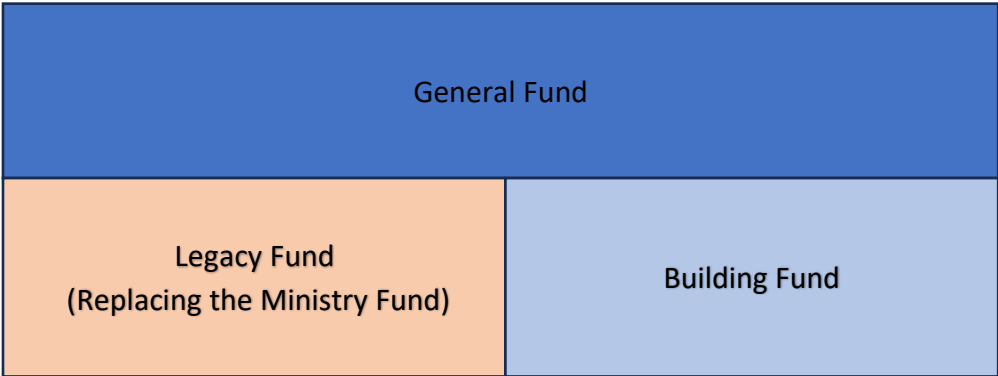
The **Ministry Fund** is available to fund special projects and to serve as an operating reserve. A minimum balance of two months of general expenses must always be maintained. In addition, the fund holds any restricted donations such as bequests or any donations held for a specific use. The fund has three portions:

- Reserve portion (equal to 2 months general expenses based on the current's year's budget)
- Non-designated portion to support one-time special projects. Spending limits for this portion has been established as follows:
 - Executive authority to approve expenses up to 10%
 - Council authority to approve expenses up to 15%
 - Congregation authority to approve expenses beyond 15%
- Designated portion – i.e. any gift that has been designated for a specific purpose. There are currently no designated special purpose funds.

Significant Practice:

Currently 100% of all unspecified bequests are placed in the Building Fund.

Proposed Funds of Transcona Memorial United Church



The **General Fund** is used for all activities related to the operations of Transcona Memorial United Church and not otherwise subject to restrictions, i.e. general operating expenses.

The **Building Fund** is available to fund future development, renovations and significant repairs to the building and property.

The **Legacy Fund** is available to receive funds that will facilitate and support special projects and assist in the long-term sustainability of the operations of TMUC. Specifically, the fund will consist of four portions:

1. Line of Credit Reserve
2. Endowment Reserve
3. Unrestricted Funds
4. Specified Donations

- 1. Line of Credit Reserve:** This portion must contain reserves equal to, at minimum, the TMUC operating line of credit. Generally, the line of credit should be equivalent to two month’s general expenses, calculated on the current year’s budget. The reserve will be confirmed annually through consultation with the Administration and Sharing Team, and based on their approved recommendation to Council.
- 2. Endowment Reserve:** This portion of the fund is a reserve set up to ensure the appropriate long-term use of the fund to support and sustain operations in future periods. The Endowment Reserve is calculated as: 75% of the Residual Fund balance (Residual Fund Balance is calculated as the Overall Total Fund balance net of the Line of Credit Reserve and net of the Specified Donations) This reserve would be calculated, at minimum, annually in February.
- 3. Unrestricted Funds:** This portion of the fund is used to support special projects and transfers to support general operations. Unrestricted funds are calculated as: Fund balance, less Line of Credit Reserve, less Specified Donations less Endowment Reserve.

In any budget year, expenditures of this fund shall be approved through the following authority:

- a. The Council shall have the authority to approve expenditures up to 25% of the unrestricted fund
 - b. The congregation shall have the authority to approve amounts beyond 25%
- 4. Specified Donations Fund:** This fund is used to manage specially designated funds for particular purposes, received through bequest or special donations and designated for specific uses.

Undesignated Bequest Policy:

Undesignated bequests¹ will be allocated 80% to the Legacy Fund and 20% to the Building Fund.

¹ Undesignated requests are only received on a sporadic basis, however TMUC Council has been informed that a bequest of \$100,000 will be received in 2025.