

Lutheran Church of the Resurrection

Youth Funds Policy

The purpose of this policy is to support the long term financial sustainability of the youth activities at the church. The intent is to support the goals and strategies of our church youth as it relates to supporting their faith. The youth committee in combination with the Finance committee, oversees the spending and accounting for these funds. Changes and amendments to this policy should be approved by the Youth Committee, the Finance Committee and the Executive Council. Approval, for changes or amendments to this policy, requires a vote of 75% or greater, of the voting members, from the three teams.

In support of meeting these goals, three separate accounts have been set up to meet specific needs. Note: Because there are three separate funds for the youth, it is important that fundraisers be very specific on the purpose of the fundraiser so the funds can be accounted for in the correct account.

1. Youth Lounge/Assets:

A. Purpose:

The Youth Lounge/Assets account is set up to build a fund to cover purchase and replacement of physical assets for the Youth Lounge/youth ministry needs. When the room, now known as the Youth Lounge, was designated and designed for the specific use of the youth, it was determined that all the funds from Scrip cards be used for future purchases and replacements of assets within this room. Additional funds can be added to the account (from gifts, fundraisers, church support, etc.) to “save” for larger future purchases/replacements for the Youth Lounge/youth ministry needs.

Because this account must carry a “float” for the purchase and inventory of scrip cards, the full balance is NOT available for use. For this reason, it is important to work with the Finance Committee lead to insure spending stays within the required cash balance. The “float” requirement is often large for specific months such as Christmas. Inventory of purchased scrip cards is considered an asset of the church and should be recorded on the books of the Youth Lounge/Asset account as an asset.

B. Approval requirements for use of funds:

Use of funds should be recommended and approved by the Youth Pastor or Youth Director (for purposes of this policy only this position will be titled Youth Director from this point on) in conjunction with the Youth Committee following this policy. Specific use of funds and associated additional required approval is as follows:

- a. Replacement and/or repairs of existing assets (under \$500) is the decision of the Youth Director and the Youth Committee within a limit not to exceed \$500. This limit is for any individual item or for a total group of items designated for the similar purpose. For example, the purchase of 10 replacement chairs, with each chair costing \$100, approval would be required for the total purchase of the 10 chairs or \$1,000 and therefore be over the \$500 limit. Avoiding higher level approval because each individual piece is under the limit is not allowed. Replacements and/or repairs above the \$500 limit should be approved by the Youth Director and Youth Committee and then presented and approved by the Executive Council. The Finance Lead should be informed of the approval.

Lutheran Church of the Resurrection

Youth Funds Policy

- b. Replacement and/or repairs of existing assets (\$500 or above) requires approval by the Youth Director and Youth Committee, the Executive Council and the Finance Lead. Special consideration must be given to the need for the “float” as described in the next paragraph.
- c. The purchase of any new assets for the Youth Lounge/youth ministry requires careful consideration with regards to the “float” requirement for the scrip inventory purchases as well as planned requirements for future needs of the Youth Lounge needs. Careful analysis of the funds and calculation of potential available funds needs to be completed by the Youth Director, Youth Committee, and the Finance Committee working together. Should the balance of this account exceed expectations and grow beyond future Youth Lounge needs, spending of “excess” funds for none Youth Lounge needs will require approval from the Youth Director, Youth Committee, Executive Committee and the Finance Lead.

C. Reporting and Monitoring:

The Youth Committee, with oversight from the Finance Committee, is responsible for ensuring that this account is maintained and used only as described in this policy. This fund must be reconciled and reported in the Annual report for the church. This account is to be included in the annual financial audit.

2. Youth Operating Account:

A. Purpose:

The Youth Operating Account is set up to build a fund to cover costs for specific youth activities (not related to Mission trips or ELCA Youth Gathering). These include activities such as: Youth night activities and youth ministry trips such as bowling, Great America, etc. Generally income into this fund comes from fundraising by the youth (separate from the mission trips and youth gatherings) or from funds set aside in the LCR operating budget. Expenses for trips such as Great America or larger trips should be covered as described below in the Youth Ministry Fund Account; ½ fundraising and ½ family paid.

B. Approval requirements for use of funds:

Use of funds should be recommended and approved by the Youth Director in conjunction with the Youth Committee specifically following this policy.

C. Reporting and Monitoring:

The Youth Committee, with oversight from the Finance Committee, is responsible for ensuring that this account is maintained and used only as described in this policy. This fund must be reconciled and reported in the Annual report for the church. This account is to be included in the annual financial audit.

Lutheran Church of the Resurrection Youth Funds Policy

3. Youth Ministry Fund Account – Dedicated funds (017-99-00-40):

A. Purpose:

The Youth Ministry Fund is set up to build a fund to cover costs for youth mission trips and ELCA youth gathering trips. Because these types of trips generally required a fair amount of expenses months before the trip attendees can work on fundraising, the fundraising in the current year is used for funding next year's trip. There is always a one year (or more) "lag" in the spending. Fluctuations in the cost for each trip due to location, activity, material for the mission, number of youth and chaperones required, etc. cause the need for a larger balance to be carried over each year. Also, each year the group must fundraise or pay for their entire coverage of the trip regardless of the balance from the prior year. This allows the balance to continue forward being used only for needed funds prior to the fundraising events. Basically this is the "cushion" required for large trips such as these. Also, it is expected that the funds be raised prior to the current year trip. In some cases, 10% or less may need to be raised after the trip. This can only happen if the balance from the prior year can cover this difference. Attending youth are expected to be members of LCR.

B. Approval requirements for use of funds:

Use of funds should be recommended and approved by the Youth Director in conjunction with the Youth Committee following this policy. Plans for a trip, fundraising, etc. should be communicated by the Youth Director and Youth Committee throughout the year. Specific use of funds is as follows:

- a. Cost of the trip for each participating youth: $\frac{1}{2}$ is expected to be paid by the youth/youth's family and $\frac{1}{2}$ by fundraising in year of the trip. All youth going on the trip are expected to actively participate in the various fundraising activities. This is important for the youth to take ownership of the trip. It is also meaningful for the youth or youth's family to pay $\frac{1}{2}$ of the trip. This commitment is important to insure the trip participant is committed to the trip. Issues in the past have led to this requirement. For those families where the Lead Pastor of LCR has determined there is a financial hardship, a "Mission Trip/Youth Gathering Scholarship" can be considered. Please see the section below. The cost should be estimated by the Youth Director and Youth Committee. Help from the Finance Lead is suggested.
- b. Paid chaperone costs are expected to be raised through fundraising by the group attending the trip. Required chaperones are determined by the number of LCR youth that attend an individual trip. This should be the greater of the chaperones required by the particular organization running the trip and the LCR Youth trip policy. For example, if LCR requires 1 adult for each 10 youth under the age of 18 but the organization sponsoring the trip requires 1 adult for every 8 youth under the age of 18, then the required chaperones in this case would be 1 adult for every 8 youth under the age of 18.

Once the required number of chaperones is determined, as stated above, that identifies the number of paid chaperones. Additional chaperones can attend but

Lutheran Church of the Resurrection

Youth Funds Policy

those not considered “required” must pay for the trip themselves (including food, transportation, lodging, etc.). If more chaperones desire to attend then are required, priority to the Youth Director and any gender requirements should be met first. Also, paid chaperones should be members of LCR and meet any chaperone guidelines set by LCR related to age requirement, responsibilities of chaperones, etc. After the Youth Director and gender requirements are met, if additional paid chaperone positions are open and the specific trip require special skills, such as carpentry skills, teaching skills, nursing skills, etc., these skills should be considered as the next priority within the paid chaperone determination. The Youth and Scrip Policy covers how chaperones’ costs will be covered. Requirements to be a chaperone such as must be age 25 or older, gender requirements, etc. should be stated in a separate policy approved by Council.

- c. Scholarships for youth attending the trip can be granted if funds are available and/or earned through the fundraising process or if Finance Lead and Lead Pastor determine another appropriate fund can be used. The scholarship can cover up to the full amount of youth/youth’s family expected cost (this would be ½ of the individual’s total trip cost). A scholarship should not cover the entire cost of the youth’s trip as that youth should participate in all fundraising activities which covers the second ½ of the individual’s total trip cost.
- d. Fundraising Expenses are to be covered by this account. All fundraising income and all expenses related to fundraising should be included in this account.

C. Reporting and Monitoring:

The Youth Committee, with oversight from the Finance Committee, is responsible for ensuring that this account is maintained and used only as described in this policy. This fund must be reconciled and reported in the annual report for the church. This account is to be included in the annual financial audit.