

Respite Benevolence Policy

Special thanks to Tony Cooke Ministries of Broken Arrow, OK for their paper on Benevolence Policy submitted by Richard D. Locke, Locke & Associates, PC
This was a wonderful resource in helping us develop a framework for this policy paper.

Respite Voucher Program

In respite voucher programs, the congregation provides no direct services of respite care but helps pay the family or caregiver's cost of hiring the provider of their choice. Actual payment is made to the family and does not need to be counted as income in their taxes. A benevolence fund is a great way to fund such services allowing those who wish to contribute to the fund to receive a tax deduction for their support of families.

Benevolence Defined

Benevolence is defined as an act of kindness or generosity. Faith communities benevolence programs are those that provide for the "basic necessities of life to needy persons". A faith community can give cash to a needy person from the benevolence fund; however, as with all other benevolent gifts, the purpose of the funds must be to provide for the basic necessities of life. The faith community must agree that a break (respite) from the ongoing responsibility of care giving in an at-risk family is necessary for a family's health.

The reason the classification of a gift as benevolence is so important is because benevolence is not taxable to the recipient. Normally, all other types of payments to individuals are some form of taxable compensation: wages, salary, honorariums, contract labor, payments for professional services, etc. Even gifts for birthdays, holidays, or special occasions are taxable if the value of the gift exceeds \$25. Benevolence, however, is never taxable to the recipient because it is considered a charitable program of the church or faith community.

For this reason, the faith community must take steps to ensure that all benevolent gifts are made for only the basic necessities of life and only to those who are needy. Persons with fiscal responsibility, "related" to the faith community (employees, pastors, board members, and their family members) should never be given benevolence payments. Those who "control" a tax-exempt organization should never take tax-free money from the organization. All payments to employees, pastors, board members and members of their families should be treated as some type of taxable compensation.

Respite Benevolence Policy

We recommend that each faith community establish its own written “Respite Benevolence Policy”. *Items in italics below are policies that the faith community may choose from to either open or restrict your individual policy.* An appropriate policy should include the following:

1. The purpose of respite benevolence program.

Example: The purpose of the respite benevolence program is to provide the needed service of respite from the ongoing care giving responsibilities to (choose: *members of the local congregation or those living in our local community*).

2. Criteria to be used to determine whether a person qualifies to receive a respite voucher.

Example: The eligibility criteria to qualify for respite services are: any family who requests a respite voucher, applies for a voucher using the appropriate application form (see forms), and who is responsible for the ongoing care-giving responsibilities of a loved one (please choose what you wish to include in your policy: *child, and/or adult with: special needs, mental health challenges, aged, dementia, Alzheimer’s, chronic illness etc*).

3. Liability of services provided.

Example: Respite benevolence gifts are given to the family as a voucher/reimbursement.

- a. The faith community is not responsible for hiring, training or the conduct of respite care providers and is not responsible in any way for their service delivery.
- b. The primary family care giver, is responsible for finding, hiring and training the respite care provider.
- c. The faith community simply provides the financial resources in the form of a respite voucher to assist in the payment of such services. You, as a caregiver, release, indemnify, and hold harmless the above named faith community from any and all claims, damages or other liability and for injuries to or damage by your respite provider.

4. Identify employee, pastor or clergy of faith community, or committee chair who is responsible for approving benevolent gifts.

Example: _____ is responsible for approving all respite benevolence vouchers. If _____ is not available two board members may approve a respite voucher. A regular accounting of all voucher distributions is to be given to the financial manager to be included in the faith community’s regular financial statements.

5. Develop a process of writing checks and dispersing of respite payments.

Example: Upon the receipt of a signed respite voucher application (see forms) the financial manager will distribute a check for the approved amount to the family caregiver. (This can be developed as a voucher *prior to respite* or a reimbursement *after services have been delivered* and exact hours and agreed-upon amount of payment has been determined). Persons “related” to the faith community, its employees, clergy, board members, and their family members) are excluded from benevolence payments. Those who control a tax-exempt organization are propitiated from receiving tax-free money from the organization. All payments to employees, pastors, board members and members of their families will be treated as some type of taxable compensation.

6. Identify amounts and frequency of gifts.

Example: Respite vouchers cannot exceed \$50 in any *given month* without written approval from the Board of the faith community. It is the responsibility of the family care giver to provide a IRS form 1099 MISC to an one individual respite care provider who receives payment of over \$600 in a given tax year. (See http://www.ehow.com/topic_584_irs-form.html)

7. Use of donations to respite benevolence fund.

Example: One hundred percent (100%) of gifts given to the respite benevolence fund will go directly to supporting families needing respite services *or the support of their families*.

8. Develop a process of accountability.

Example: Respite providers may be contacted at any time to confirm the time and amount of respite provided. Families or providers found to be falsifying reporting will be exempt from future funding through this program.

Benevolence Policy Form

Whenever payments are made from the respite benevolence fund, the faith community should maintain documentation to show that the benevolence policy was followed. This should be accomplished through the use of a form that includes the following information:

- First and last name and address of individual receiving respite benevolent gift.
- The reason and amount for the payment.
- Statement (and signature line) that the recipient is not a member who has control or related to one who has control in faith community affairs.
- Approval by person or persons responsible for benevolence voucher program (plus signature line).
- Statement that the recipient has read and understands (and signs to the same) the Respite Benevolence Policy. (See Respite Voucher form)

Contributions Designated for Individuals

The faith community may receive contributions that are designated for the benevolence fund. The faith community then decides, through its written benevolence policy, who should receive the benevolent gifts. It is important that the faith community always decide to whom benevolence is given. Donors to the benevolence fund should never be able to direct their contribution to a certain individual. Such a transaction could jeopardize the faith community's tax-exempt status. An example is: a grandfather of an autistic child giving a tax-exempt gift must be given to the faith community's respite benevolence program with no guarantee that it be used for his grandson's parents who may attend that faith community. Faith communities then have the opportunity to disperse these funds as they see fit.

Since faith communities are granted nonprofit status because of their charitable religious purpose, no individuals are allowed to personally benefit from the nonprofit status. Such personal benefit is referred to as "personal inurement" and is illegal.

Benevolence programs are provided to bless those in need. The intention should be to help the distressed, which is one of the purposes of the local faith communities. There are certain guidelines to be followed, but these should not discourage a faith community from participating in benevolence programs.



This document and other tools can be found at: www.familyconnectionsc.org under resources, *Respite Voucher Program*

Or contact wchoecke@familyconnectionsc.org

1-800-578-8750

Much of this paper is taken directly or in part from Tony Cooke Ministries of Broken Arrow, OK policy paper on "Benevolence Policy":
http://www.tonycooke.org/free_resources/articles_others/church_benevolence.html

Respite Voucher Form

Name of family receiving respite _____

Loved one receiving respite _____

Family's mailing address _____

Respite Care Provider's name _____

Contact information _____

Relationship _____

The reason I am requesting respite is:

The amount I am requesting a voucher for is \$ _____ (not to exceed \$ _____)

OR

My respite provider cared for my loved one on _____ date, for _____
hours at a cost of \$ _____ (not to exceed \$ _____)

I do not have control nor am I related to one who has control in (faith community's name) affairs and decision-making. I am not an employee, a member of its clergy, a board member, or a family member of such.

I have read and fully understand the (faith community's name) Respite Benevolence Policy and give permission for them to verify the hours of service and amount I have received from the above stated respite care provider,

Signed _____ Date _____

For office use:

Approved by _____ Date _____

Amount of \$ _____

Check issued by _____ Date _____

Check # _____ Date sent _____

CHILDRENS RESPITE AGREEMENT FOR FAMILIES

CONSENT OF SERVICE

I, _____, hereby give _____
(parent or guardian) (respite care provider)
permission to provide respite service to my child or children: _____
(list children by name).

By my initials after each point and consent signature at the end of this document, I give my consent to these stated points.

LIABILITY AND INDEMNITY RELEASE

____ I hereby release, indemnify, and hold harmless the above named respite provider from any and all loss or damage to clothes or other personal articles belonging to my child or children named above.

I hereby release, indemnify, and hold harmless the above named respite provider from any and all claims, damages or other liability for injuries to or damage by my child or children named above which are not the result of gross negligence by the respite provider in the provision of respite services.

I hereby give the permission to discipline the above named child or children in a firm and consistent manner, utilizing individual talks, removal of privileges or any other nonphysical punishment appropriate for his/her developmental level. Spanking, emotional maltreatment, or any other form of physical punishment are not allowed at any time.

MEDICAL CONSENT

____ I hereby grant permission in an emergency for necessary and required transportation and medical care, including admission to a local hospital, anesthesia when it is indicated and when it is deemed necessary by a duly licensed or recognized physician or surgeon. I hereby give consent to surgical aid as deemed necessary by the above mentioned physicians. It is understood that a conscientious effort will be made to locate and contact me or the designated emergency contact before any action will be taken.

I hereby authorize the above mentioned respite provider to administer prescriptions and nonprescription medications to _____ (child's or children's names) as medically indicated. I also give my permission to the provider to consult a doctor for medical care for the above-mentioned child or children.

CONSENT TO TRANSPORT

____ I hereby release the above mentioned respite provider to transport my child or children in their personal vehicle which is registered and insured for liability at the minimum level required by South Carolina law. The respite provider shall be the sole driver of this vehicle. Provider's valid driver's license number is _____ as registered in the state of _____.

Signed, _____ Date _____
(parent or guardian)

I, _____, the above mentioned respite provider have read and
(respite care provider) seen the initialed and above signed agreement.

Signed _____ Date _____