

## Questions and Answers for the Annual Giving Campaign

### 1) What is the Annual Giving Campaign?

- Churches in general rely upon their congregants to fund their operations. There are many different traditions and customs for raising revenue among religious denominations. Some churches charge what amounts to membership dues, others conduct continuous appeals, and a very few get the bulk of their funding from other sources such as a parent denomination or endowment.
- **Financial support for the church is a requirement of membership in UUCA.** Additionally, we rely upon the generosity of friends, particularly those who regularly attend and use our facilities, to supplement our income. Unlike governmental entities that have taxing authority and access to data such as income and real estate values upon which to base income generation, UUCA relies upon individuals each year to make a considered decision as to what donation is appropriate for personal circumstances known only to them.
- At UUCA, we conduct a limited duration annual appeal campaign to gather “pledges” of financial support from the congregants for the coming year with the expectation that congregants will fulfill those pledges over the course of a fiscal year. During this period we ask congregants to take the time to carefully consider their individual pledge commitment. **We derive approximately 85% of our annual income from pledges.** In keeping with our denominational commitment to democratic practices, our annual budget is essentially determined by the covenant of the congregation’s pledged income, so we gather the pledges first before establishing a budget for each fiscal year by congregational vote.
- We do not ask or require that pledged funds be provided during the annual campaign period, rather, the expectation is that congregants fulfill their pledges in installments during the course of the fiscal year for which the pledge is made.

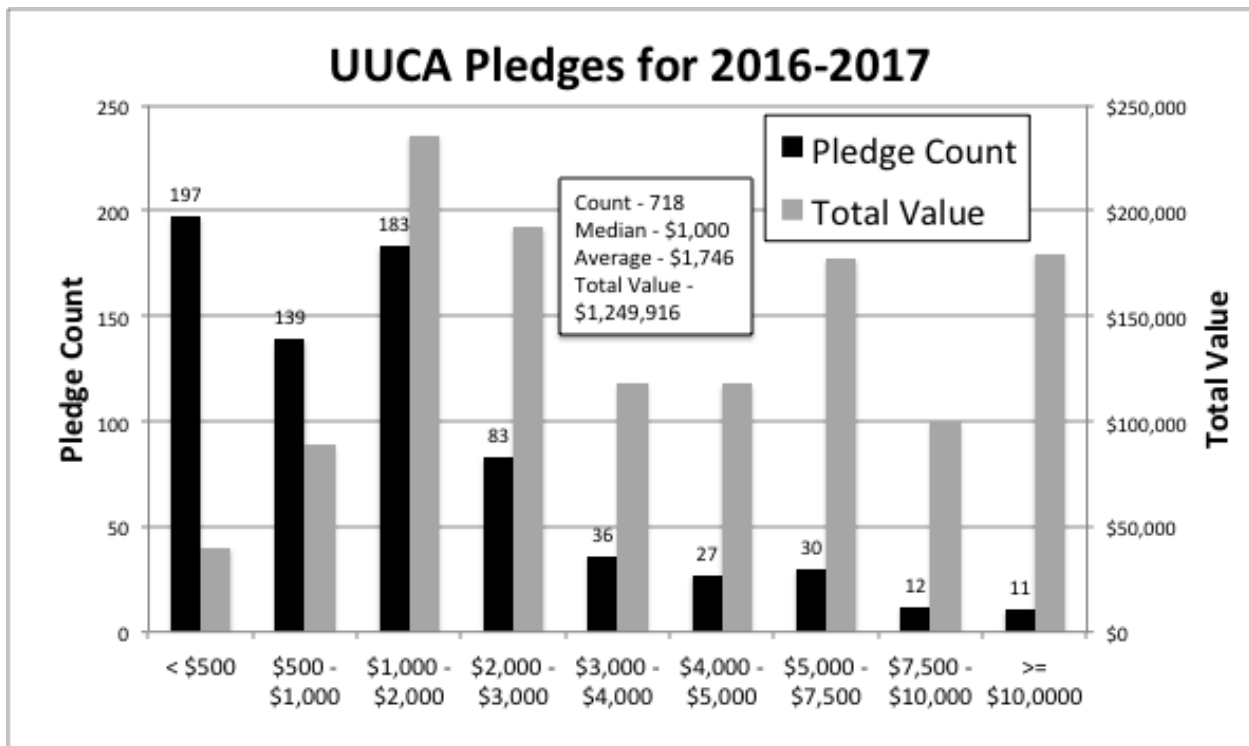
### 2) What is the timing for the Annual Giving campaign?

- The official launch of the 2017-2018 campaign is Sunday, February 5, 2017; all Members and most Friends should receive a letter around then, with a pledge card asking for your intentions. Return your pledge card (or pledge online) any time in February. Remember, the pledge is your prediction of what you will give between July 2017 and June 2018; no one expects you to pay when you submit the card. The Annual Giving campaign officially ends on Sunday, February 26. By mid-March, after contacting those we have not heard from to confirm their intentions, the Annual Giving Team will announce the final results. The UUCA Chief Administrative Officer, recognizing the anticipated pledge income, will then proceed to formulate a budget for congregational review at spring budget forums and a congregational vote at the Annual Congregational Meeting in June, 2017.

### 3) What is the right amount for me and my family to pledge?

- As much as you can, of course! See the accompanying chart of giving levels for the current pledge year for an idea of what others give if that is helpful for you.

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The Unitarian Universalist Association publishes a “Suggested Fair Share Contribution Guide” [http://www.uua.org/sites/live-new.uua.org/files/fair\\_share\\_contribution\\_guide.pdf](http://www.uua.org/sites/live-new.uua.org/files/fair_share_contribution_guide.pdf) for your reference.

- Though we live in one of the most prosperous areas in the United States, we seek to be inclusive in our congregation and do not impose an income test or verification for membership or participation. We do ask that you consider your own circumstances. Consider the relative importance of UUCA in your life. Consider what relationship you wish to have with this religious community. Then decide.
- Please remember that “generosity” implies **“generous for your circumstances.”** For some people, that means a pledge of more than a thousand dollars a month. For some, it’s ten dollars a month, or fifty. For most of us, it’s somewhere in the middle. A few people truly cannot afford to pledge at all. With an average pledge of about one hundred fifty dollars a month (eighteen hundred annually) for the current year, and with some one-time income sources, we were able to establish a tight budget that reflects the phase in of our new larger mortgage commitment. For next year, we do not have the same income flexibility and so the average pledge needs to increase, the number of pledges needs to rise, or both. What will UUCA be able to do? How generous will we manage to be?
- Reflect on what UUCA has made possible in your life and in our community this year. Think about where your circumstances place you, and consider your aspirations and your ability: what will “generosity” mean for you? Our congregation is diverse and a pledge decision is a very individual one based upon personal circumstances and judgments as well as what is in each of our hearts about the community we love.
- The goal of the annual giving team is to be as transparent as we can be about the needs, what it costs to operate our church, and other information that you need to make your individual decision an informed one. The projected budget is posted on our webpage. While we cannot tell you what the right pledge amount is for you, please let us know how we might be able to help to get you the

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information that you need to make that decision for yourself. You can send questions to [pledge@uucava.org](mailto:pledge@uucava.org) or drop by our table in fellowship hall each Sunday in February.

### 4) What's the big deal about pledging in advance?

- If stewardship is about all of the ways we take care of one another in our congregation—and it is—why do we need to talk about financial pledging? Every February the Annual Giving Team, the ministers, and other church leaders ask us all to make a generous pledge for the coming fiscal year, which is still months away. What's the big deal? Why not just give when we get around to it? Why not just hope that others will give enough?
- The broad answer is that if we—the members and friends of UUCA—if *we* don't support our church, no one else will. A narrower answer is that giving is good, but pledging is better; think of your yearly pledge as a plan or a prediction. The most specific answer is that the practice of pledging is essential for the church and good for us as individuals.
- For the church, our pledges let staff and church leaders plan a budget to bring to the congregation as part of our covenant with one another. When our collective pledges are generous, then the church can make happy choices and do the big things the congregation expects. When our collective pledges are insufficient even to meet our basic needs, then the church must cut back; those choices are far less pleasant and are sometimes irreversible, even if funds come in later.
- For us individually, pledging is a reminder and a spiritual practice. If there comes a time when we are disappointed with something at church, our pledge recalls us to our covenant of goodwill and generosity. It's analogous to unconditional love: Just as we love our family members even when they are being difficult, so too we support UUCA through our pledges even when things are not perfect.

### 5) My income is variable and I don't really know right now what I can commit for next year. Can't I just do it later?

- Certainly you may make or increase a pledge to UUCA at any time and your generosity will be gratefully received, however, from a church budget perspective, your pledge received after about the first week of March will not be able to be used by the church as income it can rely upon to devise a budget.
- Life intervenes and circumstances change. UUCA frequently receives new pledges and pledge updates throughout the year. All new members are asked to make a pledge, including those who become members after the period of the annual campaign. The budget team does project a certain amount for later pledges but this income is simply not as reliable as a pledge in hand and can present constraints in the budget process.
- Your pledge is your covenant to the other members of UUCA of the amount you feel you can contribute to be a fully participating member in the church. Even if you only know a baseline amount that you can comfortably project, please consider a pledge of that amount. You can always increase it later if your circumstances improve.

### 6) I put cash in the collection plate every Sunday I'm at service, doesn't that help the church?

- UUCA's policy is that all undesignated donations in the collection, essentially all the cash and checks that are not marked otherwise, are donated to a named charity. This certainly helps UUCA build its recognition outside the walls of the church and supports our spiritual and social justice mission. However, cash in the plate does not support the day to day operations of the church such as paying staff, paying our mortgage, and keeping the lights on.

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- Cash in the plate is not able to be recognized in the statements UUCA provides to pledging members to use for tax purposes. If you are relying upon a tax deduction for your donations to UUCA to go further wouldn't it be better to formalize your commitment and have a supporting statement?

### **7) Can I just write a single annual check and be done with it?**

- The frequency of installments for payment of a pledge is completely up to you. Because a pledge amount can represent a significant proportion of a household's income, most people space out the payment over the year reflecting the frequency of income (salary, social security, investment distributions etc) coming into their household.
- If a single annual payment works best for your household, certainly it's appropriate to fulfill a pledge that way. We prefer that the payment be made during the fiscal year for which the pledge is made and that the check be marked "pledge" in the memo section so that it can be properly allocated to the correct year.

### **8) Why can't I just give to the things I support rather than a general purpose pledge?**

- UUCA is a very diverse congregation of people and interests. We have strong social justice, religious education, music, theatre, horticulture, humanist, Buddhist, and cultural circles of interest just to name a few. These are wonderful dynamics that make our UUCA experience richer for everyone. How many of us have been introduced to new spiritual growth through an experience introduced to us at UUCA? The problem with narrowly directed financial giving, however, is that it diverts from our need as a church to support the church mission of the whole. Funds attracted to these very attractive interests are funds diverted from the more mundane, and perhaps less popular, requirements of a staff and the facility where the expression of all of these interests takes place and are supported. The general purpose pledge is what creates the conditions for all of these interest circles to thrive. Directed giving, while not an inherently bad instinct, substitutes the priorities of the individual for the priorities of the whole of UUCA in covenant with one another. We remain vigilant to the longer term deleterious effects of this potential imbalance in a covenant community and so we will not be recognizing directed pledges during the annual campaign.

### **9) I've heard the Capital Campaign has ended, what does that mean?**

- Several years ago the congregation made a decision to embark upon a program of space additions and physical improvements to the church to better position us to grow our mission. These improvements were funded by pledges to a special onetime "Capital Campaign"(CC) that people fulfilled over the five year duration of the campaign, in addition to their regular pledges to the annual budgets during those years. UUCA congregants generously pledged more than \$5 million through the CC and the improvements have been completed. That pledge and construction period closed at the end of last fiscal year.
- Although CC pledges provided an amazing 85 percent of the cost of our capital improvements, the congregation voted to approve a construction loan to finance the project. The end of the CC meant that the amount not covered by pledge payments would be refinanced into a new permanent mortgage loan that became a regular operating cost.
- **Pledges to the Capital Campaign have essentially been fulfilled and the mortgage has been refinanced resulting in a higher mortgage cost that is paid from regular operating funds**

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derived from regular annual pledge fulfillment. During this fiscal year, some of our income was derived from residual Capital Campaign pledge fulfillment; that additional income source will not be available to us next fiscal year.

### 10) What's the relationship between our pledges and the annual budget?

- The budget will be created by staff, advised by finance leaders and congregants, with our pledges as its income basis. It will not be a deficit budget; that is, what we give is pretty much what we get. If we pledge enthusiastically, the new budget will allow the church to sustain the growth we have declared that we want; if we aren't able to realistically commit to our vision then painful adjustments become necessary.

### 11) How big is our budget for next year and what is our budget goal for this campaign?

- The UUCA Chief Administrative Officer working with the Treasurer and the Finance Committee devised a forward looking 5 year budget projection together with the proposal for this year's budget. The result of their work was included with the materials all members received before last year's annual meeting. It is important to note that the 5 year budget did not project any program changes for 2017-2018 from our current fiscal year. Essentially the budget projects our transition from the Capital Campaign with a higher mortgage and the continuation of our current operations with inflation adjustments. See the accompanying budget summary.

#### Annual Giving Campaign Information - FY2018

\*\* Not Actual Budget Numbers - have not been finalized for FY2018

| Expenses                |                 | Revenue        |                 |
|-------------------------|-----------------|----------------|-----------------|
| Staff                   | \$ 1,100,000.00 | Annual Pledges | \$ 1,491,000.00 |
| Church Office           | \$ 70,000.00    | Fundraising    | \$ 50,000.00    |
| Ministry and Worship    | \$ 20,000.00    | Rental         | \$ 170,000.00   |
| Children/Youth Ministry | \$ 25,000.00    | Program        | \$ 5,000.00     |
| Member Support          | \$ 25,000.00    | Other          | \$ 10,000.00    |
| Communications          | \$ 10,000.00    |                |                 |
| Faith in Action         | \$ 20,000.00    |                |                 |
| Our Wider Movement      | \$ 36,000.00    |                |                 |
| Building and Grounds    | \$ 180,000.00   |                |                 |
| Mortgage                | \$ 240,000.00   |                |                 |
| Total                   | \$ 1,726,000.00 |                | \$ 1,726,000.00 |

- At that, the cost of operating UUCA is more than \$4,500 a day this year. Next year the budget will rise to approximately \$1.75 million or \$4,800 a day (about 6.6%) with a larger proportion required from pledged income reflecting the fact of one time other income sources this year, such as residual Capital Campaign income.
- As projected, pledge income will need to rise from \$1.25 million this year to approximately \$1.5 million next year.

### 12) How can I affect budget decisions?

- First, pledge as generously as you can; urge your friends to do the same. Second, attend one or more of the open budget meetings as the budget is drafted and refined during the spring of 2017. They will probably start in April and end in May; dates will be announced in *Connections* and through other communications.

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- Participate as a member of the congregation in the annual meeting in June.

### 13) Besides my pledge, what are UUCA's other sources of income?

- **Pledges are about 85 percent of the income.** Other sources include rental income (which has increased this year and represents more than half of "other income"), occasional special gifts, the Annual Services Auction, and other streams—all of which add up to only 15 percent. Pledges are by far the most important income source.

### 14) Can't we get more money from facility rentals?

- Yes it is possible we could raise more money from the facilities; UUCA is actively pursuing income opportunities including room rentals. We are seeing some success though there may still be room to increase rental uses. There continues to be confidence that facility rental income could be an element contributing to our financial sustainability.
- At the same time, it is important to balance income and mission needs. Fulfilling our mission requires that we have space available for our activities and to host community events that expose people to us. That helps us attract new members and furthers our mission.

### 15) What happens to the Give the Plate funds—couldn't they be used to fill a budget shortfall?

- UUCA's general policy is that 100% of undesignated funds in each Sunday's collection are donated by UUCA to a specific named charity. In this way, UUCA makes its impact known in our community, and beyond, outside the walls of our church. These donations allow us as a congregation to support charities and causes that specialize in particular needs and social justice work and that can perform particular tasks far more efficiently than UUCA can alone. Charities receiving our support are chosen on the basis of our UU values and how their work can supplement our own active ministry. For example, we have typically donated cash to the Arlington Food Assistance Center at the same time that UUCA has a very active ministry in food collection and distribution. We have supported the organized Dreamer movement at the same time as we have participated in social action for that cause. These are generally not donations to substitute for our works but to supplement them in a targeted way. Many of these charities are organizations that individual members would and do support with their own direct individual donations. This support through UUCA increases our visibility in the community and multiplies the impact of individual donations to organizations that rely upon us.
- From prior experience we have learned that bundling charitable contributions by giving the entire plate brings in higher gross income resulting in more funds for the affected charities with no net decrease in our operating income. In the past when we have directed the collection plate to UUCA operations, even when we have designated charities within our operating budget, far less money comes to the collection plate. Over the past year UUCA has donated more than \$100,000 from the plate. Previously, our charitable contributions were less than one half that amount. By giving the entire plate, we eliminate budget line items from our operating budget while increasing the amounts we donate.
- **Giving the Plate helps us to walk the walk and enjoy the spiritual benefits of generosity.** Using Give the Plate to supplement routine operations diminishes UUCA's impact in the world at the same time as it distracts from our commitment to one another to support ourselves as a congregation.

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### **16) We seem to be getting a lot of new members-won't they take up some of the slack?**

- Over the past two years new membership has approximately replaced attrition. Our membership today is comparable to our membership a year ago. As of December 31 2016, there are 806 members compared to 827 at the end of last year.
- Like most churches, especially in the transient DC area, UUCA experiences a steady loss of membership due to members moving out of the area as well as to deaths. In addition, we purge the membership roll on a regular basis to drop members who have not attended or contributed for a sustained period of time. As a result we are very confident of a membership list that is relatively stable. Growth in membership is certainly an aspect of growth that the church is pursuing and one that is an element of the Strategic Plan. The improvements made in the Capital Campaign were made with a goal of a net increase in membership by 20-25% over a period of time. There is some confidence that increased membership is an element of achieving long term sustainability for UUCA over the next few years, but we aren't there yet.
- New members also tend to pledge less in the beginning and build their giving levels over a period of years so it does take some years for new memberships to reach full potential from a budget perspective.

### **17) UUCA seems to have a lot of people who are Friends. What do they contribute?**

- Some, but not all, Friends pledge regularly and generously, even though they are not required to do so. Our Friends are a very diverse group. The largest proportion is people who are on a pathway toward membership and might stay in a Friend category for anywhere from a few months to a couple of years while they seriously consider making a membership commitment.
- Some Friends remain in that status for many years for a variety of reasons. Some are spouses or partners of Members. Some feel an ethical commitment to some other faith tradition they may have been born into though attending regularly with us. There are any number of individual circumstances that cause people to remain Friends rather than signing the membership book and assuming the commitment to pledge financially.
- All Friends, including newer Inquiring Friends, are asked to participate in the annual pledge campaign although there is no monetary commitment required from Friends as there is for Members. Nonetheless, a significant proportion of Friends and some Inquiring Friends do make a pledge.

### **18) Is UUCA asking everyone to increase their pledges by 20%? It seems like a lot to expect.**

- It seems like a lot because it is a lot. The Annual Giving Team would not be doing its job if we did not ask for what it appears we need to fulfill the mission the congregation has expressed that it wants to pursue. We are asking everyone to consider their ability to increase their pledge significantly. Do we expect that everyone will increase their pledge by 20%? No. All we ask and can expect is that each congregant will seriously and thoughtfully consider their pledge amount for the upcoming year.
- While our net pledge income has remained stable for a number of years, that number belies the true dynamic of pledge commitments. Everyone has an individual journey. Many people made a big jump last year-in fact more than 25% of pledges represented an individual increase of 20% or more. Some members tithe (donate 10% of their income to the church and/or other charitable work). Some people have been giving the same amount steadily for a number of years regardless of inflation. Some are newer and may not yet feel integrated into the church enough to make as generous a commitment as they might a few years later once they more fully appreciate the

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mission and its importance to them. We know that some may have had changes in circumstances this year that cause them to need to reduce their financial commitment.

- UUCA is not alone among churches as seeming like a “bottomless well of need”. The needs that we fulfill as a community of faith and social justice are bottomless. The simple fact is that the more resources we have available to us, the more needs we can address that are often not addressed in any other way. UUCA consistently expresses high expectations for what we can accomplish in the world and this should be an element of every individual’s deliberation about an appropriate annual pledge amount.