



THE LIGHT OF THE WORLD

2012 Pledge Emphasis ~ Questions and Answers

What does my pledged offering support? How is Knox funded?

Our offerings allow us to fulfill the Knox vision as “a joyful community of Christian faith....a growing reflection of God’s love.” Knox is funded entirely by participants in our worship community, including a small endowment interest draw each year and other unpledged income. Our pledges and other offerings help us show and share God’s love through our pastors, our varied worship and our music ministry. They help us share our faith through Christian education for children, youth and adults. Our gifts to Knox also allow us to extend our caring beyond the walls of the church, through mission projects such as Mission Possible, IHN, prison ministry, MEAC, Third Church Tutoring and the Stephen Ministry, among many others.

If budgets for the coming years must be larger to support higher costs and enhancements to ministries and missions, how will we make that happen?

We will need both increased pledges and additional pledges to support the larger budgets for the coming years. The Session Committees responsible for overseeing various Knox ministries and programs have carefully reviewed, prioritized and submitted known budget requirements and contingencies for the next five years, based on the needs and wishes of the congregation. We need budget increases in order to replace fiscal reserves, cover significant maintenance and repair needs for our building, increase our mission distributions, and offset rising costs in current programs—particularly in worship and music, and personnel. The budget represents what the congregation envisions for our faith community in the coming years.

What happens if pledges fall short of meeting this budget?

Knox has tightened its belt considerably over the last several years and, in addition, has used fiscal reserves to cover shortfalls in pledges and meet the budget. This year, we will need some increases in pledges simply to maintain the status quo and to allow for building repair expenses. If we fall short, we must continue to tighten our belts even more, and Session could face hard choices regarding reduction in programs and staffing.

In addition to increased annual budget requirements, will I soon be asked to give to another capital or debt reduction campaign as well?

No. The five year budget plan rolls the remaining repayment of building debt into the annual budget. Due to low interest rates and our decision to use a variable rate loan (instead of a fixed rate) we have saved over \$100,000 in interest expense. This leaves the principal balance of our remaining mortgage debt at approximately \$300,000, which is lower than originally projected. The Budget and Finance Committee thinks it prudent to avoid a debt reduction campaign and instead pay the mortgage loan through an increased annual budget. *Provided we meet this budget*, there is no need for a capital campaign at Knox in the foreseeable future. This may allow you an opportunity to increase the amount of your annual pledge while decreasing your total yearly donation to Knox. Many of you will wish to take this into consideration in determining the size of your gift.

What should I give?

Many of you have asked this question and are understandably frustrated when there is no clear answer. What we give has a true impact on how our church community manifests itself, and it is a very personal decision. Our offerings represent a deeply spiritual act, as we return a portion of the fruits of our labor to God. *(continued on back)*

Some determine the amount of their gift by starting with a tithe (a tenth of their income) or trying to come closer each year to a tithe, realizing that we are called to give from a grateful heart the first fruits---the best of what God gives us.

Some give based on the actual budget needs of the church and their greatest personal ability to contribute toward those goals. The gift chart below represents an approximate distribution of gifts needed to meet the current budget goal for 2012. Please consider raising your gift to the next level on the chart, or increasing within your current level.

However you may decide, your gift is between you and God, and is held in confidence in the financial offices at Knox.

Exactly what is Needed to meet next year's budget?

To meet a budget of \$1.5 million, we need pledges approximating \$1.4 million. The remainder will be made up from our endowment interest and unpledged income. To attain this goal, we need gifts at approximately the following numbers and levels. This represents an increase in the level of giving at Knox, and in the number of households making a pledge.

Gifts Needed to Meet Budget for 2012

<u>2011</u>	<u>Increase</u> <u>over 2011</u>	<u>Number of Gifts</u>	<u>Gift Amounts</u>	<u>Totals</u>
0	[+1]	1	40,000	40,000
0	[+2]	2	35,000	70,000
1	[+2]	3	30,000	90,000
5		4	25,000	100,000
3	[+2]	5	15,000	75,000
15		15	10,000	150,000
29	[+1]	30	7,500	225,000
25	[+10]	35	5,000	175,000
29	[+6]	35	3,500	122,500
27	[+8]	35	2,500	87,500
33	[+7]	40	2,000	80,000
33	[+7]	40	1,500	60,000
52	[+13]	65	1,000	65,000
119		90	<1,000	60,000
371		400		1,400,000 PLEDGE GOAL

How and when do I make my pledged gift?

Many prefer to make weekly, monthly or quarterly offerings to fulfill their annual pledge. For a more tax advantaged way of making your gift, you may wish to consider donating appreciated securities that you have held more than one year. By doing so, your gift costs you less. In addition to any qualifying tax deductions, you may also be able to avoid the capital gains tax that would become due if you were to sell the security rather than donating it. For those age 70½ or older, federal legislation allows for a tax free charitable rollover gift from your IRA **through the end of 2011**. Please consult your accountant or attorney for additional information on these methods of giving. For instructions on making a stock transfer, please call Renche le Roux in the church office, at 321-2573.

If you have additional questions about the Knox budget, you may contact John Adams, Church Administrator or Renche LeRoux, Financial Secretary, at 321-2573.