



2020 Calvary Lutheran Church
Capital Campaign

CAPITAL CAMPAIGN

FREQUENTLY ASKED QUESTIONS

Why is a renovation project necessary?

Items in our church building need replacement. Visible examples of those are the current pews made of pressboard, the carpet in the Narthex, and the painting/drywalling in the Sanctuary. An audible example is the organ. The current lighting system was state-of-the-art in 1980; advances in lighting have made it obsolete.

Other areas of our church building can use upgrades. Our Social Hall as currently configured is not large enough to host congregational activities with more than 75 people in attendance. The Narthex bathrooms do not meet current ADA requirements, while the fixtures could be improved. The Kitchen can be enhanced for use by replacing the sink system and the stove.

Other improvements would increase our ability to live out our identity as a congregation of Christ's followers. Increasing the seating capacity of the Sanctuary will provide more space for our current number of worshipers, while also allowing for new people to be added to our congregation. Updating the Social Hall, Entry Way, and Bathrooms will also allow for these areas to be more attractive to visitors and more conducive for parish events.

Who is the builder? How were they chosen?

Our builder is ECI Construction based out of Dillsburg, PA. The Renovation Committee interviewed four building firms before selecting ECI. That process included visiting churches where renovations by these firms were done. This allowed the Renovation Committee members to see samples of their work and to speak with representatives from those congregations about their interactions with the building firms. After a multi-month process, the Renovation Committee selected ECI as the firm to use for our project.

Are we doing any of the work ourselves?

Some minor projects may be done by members who desire to use their talents to glorify God and to enhance the building dedicated to Him. But 95% or more of the work will be done by the various vendors that we have selected.

What is the schedule for the campaign and construction phases?

The capital campaign kicks off with an Inform Event on January 26, which will take place after Divine Service. A luncheon will be held and a presentation made about the capital campaign. After visits with members take place in late-February and early-March, a Commitment Celebration will happen on March 22. Another important date is April 5, Palm Sunday, when the Commitment Dedication is done where individuals bring their first gifts committed to the renovation project.

We are striving for construction to begin in May 2020, which is after Holy Week and Easter are completed. The phases of construction are (a) Sanctuary, (b) Entry Way, (c) Bathrooms, and (d) Social Hall & Kitchen.

In what order will the phases of construction be completed?

ECI is currently arranging the sequence of construction phases. This is being designed so that the building can be used as much as possible during the renovation project. When that sequence is determined and approved by the Renovation Committee, we will share that information with the congregation.

Will the construction affect worship and other parish functions?

We anticipate that some worship services and other parish functions will be affected by the construction. Because we construction should be slated for the summer, we believe that this is a time when we can accommodate changes of venues for events within our building.

Based on estimates from our builder, we may have to move worship services out of our sanctuary for two or three Sundays. Depending upon how the phases of construction are completed and the time of year, that may necessitate holding worship services in the Social Hall or outdoors in our Pavilion. While work is being done in the Social Hall or Kitchen, we may not be able to use those areas for after-worship coffee hour or other events.

Will the construction impact/disrupt the preschool?

No. Renovations to the preschool room were completed in August 2019. This included an expansion of the preschool room, as well as new flooring and painting. The preschool has operated in this new area for the entire 2019-2020 academic year. Both staff and parents of students have been pleased with the improvements that were made.

What is the total cost of the project?

The total cost of the project is being determined. Costs of various portions of the project are known now. We have firm prices for new pews and seating and for a new organ. Other costs are being finalized by the Renovation Committee in conjunction with vendors and our builders. A total cost will be presented to the congregation in mid-February.

Will we have to collect all the money before we start?

Our goal is to collect as many donations as possible before starting the renovation project. However, we don't expect to collect all the money before the project begins. Additionally, some necessary improvements have been delayed just about as long as possible. Those need attention sooner rather than later.

Will we take on additional long-term and/or short-term debt?

We anticipate incurring a loan to pay for the project over time. This is similar to how the Education Wing expansion project was financed.

From whom would we borrow money?

At the Voters Assembly meeting on September 8, 2019, our congregation decided to designate Lutheran Church Extension Fund (LCEF) as its lender of choice with the Renovation Project. This means that Calvary will seek financing through LCEF instead of other lending sources that were investigated.

Why did we choose LCEF as our lending partner?

LCEF has served as the financial extension of The Lutheran Church--Missouri Synod (LCMS) since 1978, offering funding and resources in support of the Church. That support includes the investment opportunities that LCEF offers for members of LCMS congregations; members of Calvary have money invested through LCEF. For our purposes of obtaining a construction and mortgage loan, LCEF understands the needs that congregations have when borrowing money to expand ministries or improve facilities. LCEF also wants congregations to be successful in their endeavors, as those are connected to the essential mission of the Church to make disciples of Christ.

Will the money already donated for the renovations be used in this project?

Yes. Donations that were previously made to the Renovation Fund will be used to pay for the renovation project. As of December 31, 2019, that total was \$101,126, held in our LCEF account. Another \$6,178 was given to the Renovation Fund in 2019 that will be transferred to that account.

Because we paid off our previous mortgage loan for the Education Wing at the end of 2018, donations marked as Building Fund on offering envelopes were designated to be used for the renovation project. In 2019, that amount totaled \$16,240.

What is the Pew Fund? What happened to the Pew Fund?

The Pew Fund was the name of an account created by the congregation to raise money to replace the pews. The condition of the pews requiring replacement has been known since the early 2000s. The congregation renamed the Pew Fund as Renovation Fund in 2019, as members realized that other improvements to the church building, particularly the sanctuary, should be made. All donations previously given to the Pew Fund were transferred to the Renovation Fund.

Does the size of a gift matter?

Our capital campaign's theme verse is: *"But who am I, and what is my people, that we should be able thus to offer willingly? For all things come from You, and of Your own have we given You."* (2Ch 29:14) We are looking for people to willingly give from what the LORD has granted to them. Every gift that is offered willingly to the Renovation Fund is valuable.

Jesus also says: *"Everyone to whom much was given, of him much will be required, and from him to whom they entrusted much, they will demand the more."* (Lk 12:48) That sets up a principle of equal sacrifice but not equal giving, similar to the tithing system of the Old Testament. We are not expecting each member to give the same amount for the renovation project. But we do expect that each member would consider what the LORD has provided to them, including their financial blessings, and contribute proportionately.

Can I give to just one project in the campaign?

The desire is that members would give to the entirety of the renovation project that is slated to be done in one summer. Members will benefit from all the work that will be done, not just one aspect of it.

Do you have to be a member to give to the project?

No. We will gladly receive donations from individuals who are not members of Calvary but have some ties to our congregation. Categories of people who may have interest in financially supporting our project include former members, relatives of members, and preschool families.

How can I get involved in the campaign beyond giving?

Some members are already using their time and talents by working on the Campaign Leadership Team or its various sub-teams. We also need every member of the congregation to pray for the campaign's success.

What if I want to contribute through an RMD or QCD?

Required Minimum Distributions (RMDs) generally are minimum amounts that a retirement plan account owner must withdraw annually. You generally have to start taking withdrawals from your IRA, SEP IRA, SIMPLE IRA, or retirement plan account if you were required to make a RMD in 2019 OR at age 72 if you were not required to take a RMD in 2019 (this is a new law as of December 2019). Retirement plan participants and IRA owners, including owners of SEP IRAs and SIMPLE IRAs, are responsible for taking the correct amount of RMDs on time every year from their accounts, and they face stiff penalties for failure to take RMDs. Roth IRAs do not require withdrawals until after the death of the owner.

A Qualified Charitable Distribution (QCD) is a wonderful way to support the life-giving ministries of Calvary Lutheran Church, meet your RMD (required minimum distribution) and reduce taxable income.

Here's how it works:

If you are 70½ and have an Individual Retirement Account (IRA), you are required by law to withdraw a certain amount of money from the account each year — this is known as your required minimum distribution (RMD). Many people find that they don't need the extra income, but they're required by law to take it. With the recent tax code changes, not everyone can itemize deductions, which means the RMD is taxed as income. Making a gift to charities directly from your retirement account in the form of a QCD may allow you to meet your RMD requirement without increasing your taxable income.

Why should I use a QCD?

- Distributions redirected to a charity are not considered income.
- Because these distributions aren't added to your income, you may qualify for lower Medicare premiums and lower Social Security tax rates and avoid higher tax rates and phaseouts.
- They may count toward your RMDs.
- You don't have to change your will or trust.
- It's simple to report on your 1040 form.
- Your gifts immediately support Calvary Lutheran Church.

Rules to keep in mind:

- Gifts must maximum gift - \$100,000 per person/\$200,000 per married couple.
- It must come from an IRA, not a 401(k).
- Be paid directly to a charity **from** your IRA custodian.
- And be received by your charity prior to December 31 of the calendar year.

The examples and information provided are for illustrative and educational purposes only and should not be considered tax or legal advice. Please consult with your tax or legal advisor about proceeding with your gift plan.