

Many years ago, the Temple Emanuel Board of Trustees discussed the topic of formalizing the Rabbi Discretionary Fund policies. In order to fulfill what we believe to be our fiduciary responsibility to the congregation, we felt it was important to memorialize the issues inherent in this. It wasn't until earlier this year that we prepared the policy statement that is presented below.

Please note that this policy is a blend of two other policy statements, one from CCAR and the other from RRA, cited below in References.

April 2, 2012 10:20am

Temple Emanuel of the Merrimack Valley

Rabbi Discretionary Fund – Policy Statement

1. **Intent.** This document describes the Temple Emanuel Rabbi Discretionary Fund policy, procedures, and responsibilities. It shall take effect after affirmative vote of the Board of Trustees, be recorded in the minutes of the Board of Trustees, and shall continue as the Temple's policy thereafter.
2. **Terms.** "Temple" is Temple Emanuel of Lowell, DBA Temple Emanuel of the Merrimack Valley. "Rabbi" is the rabbi or rabbis currently employed by the Temple. "RDF" is the Rabbi's Discretionary Fund. "Board" is the Temple Board of Trustees.
3. **Compliance with Applicable Laws.** This policy is intended to comply with all relevant local, state, and federal tax laws. If any section of this policy is found to be in contradiction with such law(s), the law(s) shall prevail.
4. **Purpose.** The Temple shall maintain a RDF to receive donations directed to the fund. The purpose of the RDF is to allow the Rabbi to support needy congregants and other individuals, as well as other charitable [501(C)3] organizations, including the Temple.
5. **Prohibited Use.** The RDF cannot be used for the personal benefit of the Rabbi or his/her family. The RDF cannot be used, directly or indirectly, for payment of Rabbi's professional association dues or for the Rabbi's attendance at professional conferences.
6. **Confidentiality.** Because disbursements from the RDF deal with the personal and private lives of those in need, confidentiality is imperative. People need to know that their privacy will be protected when they approach the Rabbi to discuss their personal needs.
7. **Control.** The RDF is under the sole control of the Rabbi.
8. **Ownership.** The RDF is a fund of the Temple.
9. **Donations.** All checks deposited into the RDF shall be made out to the RDF and not made out to the Rabbi personally, to comply with IRS regulations on deductions for charitable contributions. Individual donations to the RDF cannot be designated by the donor for a specific cause, person, or expenditure (see #14 below).
10. **Review.** The RDF shall be reviewed annually by an individual who shall be jointly agreed upon by the Rabbi, and the Temple President with Board approval. The intent of this review is to insure that the RDF is being used in accordance with prevailing tax laws and this RDF policy. A report

of the review and compliance shall be entered into the Board minutes. Confidentiality is of prime importance and must be maintained at all times by the individual performing the review.

11. **Records.** The Rabbi shall keep a record of all income and expenditures but should not disclose the names of recipients when a review of the RDF is done. The Rabbi should indicate the nature (category) of the disbursement (for example, “emergency shelter for family”, “payment of utility or medical bill”, “donation to a charitable cause”, etc.)
12. **Reports.** The Rabbi shall provide a report to the Board on an annual basis, within 30 days following the end of the fiscal year. This report shall not name any individuals, and shall only provide the general nature or categories disbursed by the RDF (see #11). This report shall include:
  - The total amounts received by the fund
  - The total number of expenditures during the year
  - The total number of individuals or organizations who were assisted
  - The total dollar amount of expenditures subtotaled by purpose (category or nature) of disbursement
  - The closing balance of the RDF
13. **Banking.** The RDF shall be a checking account and shall be single-signature for the Rabbi to sign. A temple board officer, normally the Treasurer, shall be a co-signer on the account, so that in case the Rabbi becomes incapacitated or dies, the temple can have access to the RDF. Unless the Rabbi becomes incapacitated or dies, the board officer co-signer may not have access to the RDF.
14. **Pass-Through.** Even though the Rabbi can use the RDF for worthy purposes, the RDF shall not be used as a “pass-through”. If a donor wants to support a particular program in the temple, then the donor should make a contribution directly to the temple for that purpose, rather than through the RDF.

## References

1. Suggested Guidelines for Rabbi’s Discretionary Funds, Rabbi Richard Hirsh, Executive Director, RRA, January 2008. <http://www.reconplacement.org/RDF-Guidelines-Feb2008.pdf>
2. Guidelines for Rabbis’ Discretionary Funds, CCAR. <http://ccarnet.org/rabbis-communities/professional-resources/discretionary-fund-guidelines/>