

Your Guide to Starting an Adoption Fund



We firmly believe that God wants to do new and amazing things through you, the Church. He is moving in the hearts of His people, and your reading this guide is evidence of that.

-Steven Curtis Chapman

Shaohannah's Hope wants to join you in creating an adoption fund for families in your faith community. To that end, we have developed this guide to walk you step by step through the process. It is our prayer that churches across the nation will step up to care for orphans by "building bridges of hope" to connect children who have no home with loving families wanting to adopt.

Beginning an adoption fund at your church does not have to be a scary and daunting task. We have found that being a part of God's provision for adoptive families is such a blessing, and to enable churches to do the same, Shaohannah's Hope offers a matching "seed grant" to jump-start your own fund. After you have gone through all the materials, [click here](#) for more information and to apply for a Church Adoption Fund Matching Grant.

Establishing an adoption fund is likely part of a broader adoption and orphan care ministry within your church or in collaboration with other churches. For help in setting the direction for your church's adoption or orphan care ministry, check out the [Building a Bridge Resource Guide](#) booklet. This resource guide offers spiritual guidance and practical advice to assist you in designing your ministry, including links to sites providing information on legal, logistical, and financial issues for both domestic and international adoptions.

To move forward with set-up and operation of your fund, continue reading or skip to one of the following sections:

- Building Your Team
- Choosing the Right Model
- Setting Your Course
- Growing the Fund
- Making the Grant Decision

Also available in the Complete Guide: www.shaohannahshope.org/fund

- Case Studies
- Additional Resources
- FAQ
- Sample Application

Building Your Team

God is raising up people to answer His call to act on behalf of orphans. One of Scripture's abiding themes is God's tenderness for the orphan (Jas. 1:27), those without a home. The adoption of these children is near to our Father's heart, and with more than 100 million orphans around the world, there is no better time to act than now.

The resources in this document reflect the wisdom and experience of churches with effective adoption funds and ministries. Ministry is always done in community, and these guidelines will assist you in building your community as you develop the ministry.



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1. Do your homework.

You don't need to be an expert in adoption before stepping out, but wisdom suggests that you acquire a basic understanding of the overall issues. You can continue your education at the [Shaohannah's Hope web site](#). More specifically, you can:

- Visit www.HowtoAdopt.org, and click on the adoption and orphan care links located on the site under Helpful Links;
- Read the *Building a Bridge Inspirational Guide* and check out the references listed in the appendices; and
- Contact those who have [walked this road before you](#). The most practical help on starting an adoption fund or creating an adoption ministry will come from those who've already done it. Shaohannah's Hope wants to assist you in connecting with others who are committed to a similar mission.

Due diligence at this stage will help you build the foundation for a sustainable ministry. A dedicated team with shared vision, clear roles, open hearts and minds—and commitment to consistent prayer—is essential as you move forward.

2. Establish a Core Team

If God is calling you to start an adoption fund and/or orphan care ministry, then most likely He is already working in the hearts of others around you. Ask God to connect you with others in your church or community with a similar call. Look for those who may have already adopted a child, traveled

on a mission trip to visit orphanages, or simply expressed an interest in caring for orphans. Here are several other principles for creating a team:

- *Contact your pastor.* Meet with your pastor or one of the staff pastors to discuss your passion and vision for an adoption ministry. Those in church leadership may know others with a similar call or perhaps another church in the community with an adoption ministry.
- *Gather for prayer.* Pray that God would guide you as you select members for the team. Conflict is inevitable in every enterprise, and it's important that those whom you recruit reflect the gracious, humble characteristics of Christ. You need team members with energy for the work as well as a servant's heart.
- *Define your roles.* All effective ministries require strong leadership, and it's important from the start that the team leader has been clearly identified and that the rest of the team recognizes who has been given the mantle to lead.
- *Create a "Vision Map."* This is a one or two-page document that clearly lays out your ministry's mission (your purpose), values (what you think is important), and vision (what the future looks like when you have achieved what God has called the team to accomplish). Your vision should encompass any existing orphan care activities of your church.
- *Write concise ministry goals.* Write both short-term (0-9 months) and long-term (2-3 years) goals. Here is where you should evaluate whether establishing a fund to support adoption expenses should be a part of the vision. Or should your ministry support orphans and adoptive families in other ways, such as facilitating support groups, organizing mission trips, or other activities aimed at caring for orphans?



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If you decide to create an adoption assistance fund in your ministry through either a simple line item in your church's budget or by setting up an entirely new organization, this will require raising funds and distributing them to those in need, creating more complexity to your ministry. However, when you consider the rewards for bridging the financial gap between children in need of loving families and the Christian parents who long to embrace them, there are compelling reasons to step out in faith.

Recruit one person or a sub-committee to research the fiscal accountability issues inherent in accepting and disbursing charitable dollars. Most ministries will likely use the church budget as the means to raise and distribute funds.



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Helpful Links:

Blackbaud's Non-profit Fiscal Fitness

<http://www.blackbaud.com/files/newsletters/fiscalfitness/2005/fiscalfitnessseptember2005.htm#Whattodo>

ECFA Child Adoption Fund Guidelines

<http://www.ecfamembers.org/Pdf/TopicFundRaising/ChildAdoptionFunds.pdf> SH

Choosing the Right Model

How to structure your adoption fund

Your decision to start an adoption fund has potential legal implications. There are, essentially, two ways to structure an adoption fund for your ministry: through the budget of a local church or through an entirely new non-profit organization, an independent 501(c)(3) organization. The “501(c)(3)” is an IRS designation for a non-profit (or not-for-profit) organization. Your local church has a 501(c)(3), tax exempt IRS classification, so that’s why you may not need to set up a separate organization.



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So, what should you do? Most funds of local church adoption ministries will likely be run through the church budget. That’s the easiest. The decision to do so, of course, will need to be made in concert with the church leadership. Some ministries, for example, operate their adoption fund through a line item in their church’s missions budget.

However, if your team is wrestling with whether to set up an entirely new organization, here are several factors that may shape your decision:

- size of your church
- breadth of your vision for an adoption and orphan care ministry
- the willingness of your leadership team to assume the administrative and accountability responsibilities associated with managing a non-profit entity

Some churches start their adoption ministries as church-sponsored mission projects. Later, as the ministry grows, they seek independent non-profit status, with the church providing ongoing financial support. By operating within the church’s accounting system (and thus its 501(c)(3) umbrella), particularly in the start-up phase, you avoid some administrative tasks, such as processing receipts for gifts, and the expense and effort to file the paperwork with the IRS. More of your volunteer time, then, can be spent promoting adoption and raising funds.

If you choose to apply to the IRS for independent tax-exempt status, you will need to file articles of incorporation and by-laws for your adoption fund. You will also be required to appoint trustees for the fund and provide a narrative description of the organization’s activities. As an exempt organization, you will be required to file an IRS form 990 each year. Many independent foundations

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also submit to periodic independent audits as an assurance of accountability for donors.

The following links may be helpful in choosing the right model:

- <http://www.irs.gov/charities/charitable/>. This site, provided by the IRS, offers practical resources, such as “Exemption Requirements,” “Filing Requirements,” and “Employment Taxes for Exempt Organizations.”
- <http://www.tgci.com/magazine/96summer/tobe1.asp>. This site asks and answers some fundamental questions about whether and when to create a separate non-profit entity.

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Setting Your Course

8 questions for creating grant guidelines

By deciding to create an adoption fund—no matter the size of the ministry—your team faces some key decisions. You are about to raise and disburse funds, and the more guidelines that you set up at the beginning of the process the better.

The diversity of church-based adoption ministries reveals that there are many ways the body of Christ can care for orphans. You will find some of these ideas in the [Case Studies](#) and [Additional Resources](#) pages. Before you hold your first fundraiser or solicit your first contribution, your team may want to weigh eight key questions:

1. What type of adoptions will we fund?

- Private domestic
- International
- Domestic adoptions from state foster care
- Kinship/relative
- Specific minority groups and/or children with special needs
- Agencies approved by your church
- Agencies that are for-profit or nonprofit
- Other types of adoptions, such as: independent adoptions, private adoptions through attorneys and/or facilitators, physicians or other intermediaries
- All adoptions

For Consideration: This decision should be driven by the felt needs and specific callings of your church. Shaohannah's Hope has chosen to fund any type of adoption as long as the prospective adoptive parents use an agency with a 501(c)(3) status. The agencies with whom we have built trusting relationships are referenced on the [Partners](#) page of our website.

Our funding priority, however, is given, but not limited, to families adopting through listed agencies. Due to the financial problems associated with giving funds directly to grant recipients, an issue that is dealt with in the ECFA (Evangelical Council on Financial Accountability) documents found in [Additional Resources](#), we do not provide grants for independent adoptions.



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2. Who is eligible for grants?

- Church members only
- Christians from churches with similar theological values
- Christians from churches within specific geographic boundaries
- Couples only
- Couples *and* single parents wishing to adopt

For Consideration: Shaohannah's Hope limits financial assistance to Christians who are U.S. citizens.

3. What are the financial guidelines for eligibility?

- Should there be a household income maximum?
- Should grant recipients borrow for any part of the adoption process?

For Consideration: It is a good idea to develop criteria for financial eligibility based on clearly stated standards in your grant-making guidelines. At Shaohannah's Hope, we desire to help those who represent the greatest financial need. Therefore, in addition to the financial questions on the application form, we request the following supporting documents: IRS forms for the last two years and the most current W2 forms. You may also choose to investigate an applicant's investments and require documents that may pertain to them. While a solid financial overview will help you assess the needs presented, remember that many families have special circumstances that may not be reflected in financial documents. You might ask them to inform you of such considerations on their application.

4. How far along in the adoption process must families be to apply for a grant?

- At the beginning of the process, or after the home study?

For Consideration: Because of the large number of applications that we receive on a monthly basis, Shaohannah's Hope has chosen to allow only those applicants who have a completed (approved) home study by a licensed social worker. This means that families have already had the opportunity to step out in faith and have proven that they are serious about adopting. However, we do not disburse funds to the adoption agency until after the family has received their referral, which prevents problems arising in retrieving funds if the adoption process is interrupted for some



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reason. However, the needs in your community may differ. Maybe the real hurdle for families is the initial funds required to get started in the process, and you may choose to provide grants for home study expenses.

5. What percentage of the total adoption process will this grant supply?

For Consideration: If your goal is to facilitate as many adoptions as possible, your grants will probably cover only a portion of eligible families' expenses. Shaohannah's Hope desires to encourage and assist as many people as possible. It is our hope that prospective adoptive parents will go from saying, "This can't be done" to saying, "With God's help, we can do this." We provide smaller grants, ranging from \$2,000 to \$7,000, with the average being around \$3,000 dollars, in order to help boost people over potential financial barriers. Average adoption costs range from \$20,000 to \$25,000; so a \$3,000 grant in conjunction with the \$10,000 dollar Federal Adoption Tax Credit, when applicable, may cover more than half of the expenses, leaving room for an investment by the adoptive parents. Some funds provide smaller grants, while Antioch Adoptions at Antioch Bible Church finances the entire domestic foster care adoption process for qualified families.



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6. Who on the team will make the actual grant decisions?

For Consideration: Allocating funds within a church community is a delicate process. You will be dealing with sensitive financial information as well as emotionally vulnerable grant applicants. This makes having a grant committee all the more important for the decision-making process. Not only does this help depersonalize the process, but individuals who feel too tied to a particular applicant can remove themselves from the decision-making process as a pre-emptive measure against any conflicts of interest. The Shaohannah's Hope grant committee recommends steeping the process in prayer as you will inevitably have hard decisions to make and it is unlikely you will please everyone.

7. To whom or to what organization will the funds be disbursed?

- To the adopting family
- To the adoption agency

For Consideration: IRS regulations place strict limits on disbursement of charitable funds directly to individuals or families. According to IRS publication 526, it is not permissible to use a fund to raise money for a specific family or for your fund to be a conduit through which a specific family raises money. Shaohannah's Hope executes the awarding of committee approved grant funds to the placement agency (a 501(c)3 organization) and not the individual family (grant awardees) for one reason in particular. While the recipient family has presented a great need for adoption assistance, allocating funds to and in cooperation with their placement agency, in the name of the awardees, assures our ministry and its supporters that funds are used for adoption expenses as the placement agency credits their fee schedule the allocated amount. This policy ensures that funds are used for its intended purpose.



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8. What follow-up is required from grantees?

- Periodic check-in reports
- Post-adoption interview

For Consideration: Shaohannah's Hope has found that fund recipients often prove to be the best volunteers, spokesmen, and donors for the ministry, as well as a good resource for prospective adoptive parents. They are usually more than willing to provide testimonies and pictures to encourage and inspire others in your church community to further support your adoption ministry.

Clearly stated guidelines upfront will protect the ministry from perceived unfairness and the perils of making arbitrary decisions on a case-by-case basis.

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Growing the Fund

6 Ideas to Raise the Money You Need

Now that you are ready to establish an adoption fund, how will you raise money? Most churches have policies about how and when its ministries can raise money outside the general giving policy of the church. So if your adoption fund will be operating within the budget of a local church, you will want to ask your pastor or other staff members about the church's fundraising guidelines.

Your fundraising vision must be clearly stated and ministry-specific before you accept even one donation. All funds generated for this particular ministry must be strictly allocated for the purposes that are clearly defined to those who contribute. If you haven't addressed those issues, read through the [Setting Your Course](#) document.

Raising money is fundamental to an effective adoption ministry. It's not a "necessary evil," but part of your calling to serve those who have no power and no voice. The best training for successful fundraising is, mostly, trial and error, but a fundraiser will only be successful if people show up or respond to the appeal.

Before you roll out a large fundraising event, you may want to ask, "Who is our audience?" and "How many are likely to respond?" That will assist you in setting realistic goals for income and expenses and thus avoid the pitfall of coming up short on the income side. Donors want to know their contributions are funding adoption expenses, not event expenses.

That said, here are several ideas that may "juice your creative flow" for coming up with your next event:

- 1. Adoption Sunday.** Dedicate a Sunday at your church for adoption. Have adoptive parents give their testimony, focus the songs of worship on the Father who adopted us into His family and has called us His own, and ask your pastor to preach a sermon on God's heart for adoption and His heart for the fatherless. Dedicate some portion of the tithe that day to the adoption ministry or take up a love offering.
- 2. A Benefit Concert, Performance, or Play.** If a musical artist or your church music staff is willing, having a benefit performance is a way to engage the whole church family as either performers or as the audience. Promote the event in your community, at other churches and local schools.



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3. A Banquet Featuring a Keynote Speaker. No doubt the older your audience, the more a sit-down event with a well-known speaker will be appealing.

Recruit a speaker to address a compelling aspect of adoption.

You can sell individual tickets or recruit key supporters to sponsor tables and invite guests to join them—or both. Part of the event will be a fundraising appeal using pledge cards that encourage some form of ongoing giving, such as Electronic Funds Transfer/Direct Debit. To be successful, you will need to cast a wide net for your invitation list and do some type of follow-up mailing to those unable to attend.

4. A Silent Auction. You may consider doing this in concert with a luncheon or banquet. This requires volunteers to solicit donations of auction items, displaying those items at the banquet so donors can write down their bids. You will raise the most money if you have a few “big ticket” items, such as golf outings or vacation packages. Smaller items, such as restaurant and theater gift certificates can be combined into themed packages.

5. A Walk-a-thon or Bike-a-thon. The fundraising for these events is through a combination of entry fees for participants and sponsorship pledges collected before the walk or bike ride. Promote the event as a fun family outing, and include adoptive families on your solicitation list.

6. Alternative Direct Mail Campaign. Rather than the standard appeal, create a series of three or four visually striking postcards with portraits of children and their adoptive families. The messages should be short and simple, such as “Every child deserves a loving family” or “Adoption brings orphans and their forever families together.”

Include a simple response card and envelope. The key is to hand address and personalize the mailing, then send it first-class. Donors are more likely to open an envelope from a friend or colleague than an impersonal mailing from a charity. One agency serving homeless children used this type of mailing and increased both their response rate and average gift amount nearly tenfold!

Most folks give generously to causes that speak to their hearts. The key is communicating your message so it can be heard and making it easy for people to respond.

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Making the Grant Decision

If you have laid a solid foundation for your adoption fund ministry by following the suggestions in the “Building Your Team,” “Setting Your Course,” and “Growing Your Fund” sections of this guide, you should have no trouble getting to the fun part—giving the money to adoptive families!

Most churches whose adoption funds serve only member families often assist nearly all of the qualifying applicants. If your fund reaches beyond your church, you will likely have wider access to contributions, but it may not be necessary to turn away worthy applicants.

The number and size of grants that you make will obviously be determined by the size of your fund and the number of applicants. To ensure fairness and the effective use of funds, map out your plan for decision-making. Then facilitate agreement of, or consensus for, the plan among your team members. As outlined in the “Setting Your Course” section, establish well-defined parameters for your adoption fund. If you plan to serve families from outside your home church, criteria may include:

- Geographic boundaries
- Types of adoption (international, domestic, children of a specific ethnicity or from a certain country, or adoptions from foster children, etc.)
- Household income
- Statement of faith

Whatever your criteria, clearly state them in your grant-making guidelines. Your application form and process should screen applicants for the qualifications that your team has agreed upon. While you will no doubt assess the commitment of applicants from an emotional perspective, your grant decisions should be based primarily on measurable, practical considerations, such as home study outcomes and real financial need.

To ensure that you cover all the bases in your communication pieces and forms, look at examples from other churches and organizations like [Shaohannah's Hope](#) that make adoption assistance grants.

WHO DECIDES?

How the decision-making process works will be driven by how many people on the team want to be actively involved. And how much time they are willing to



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commit. If your adoption ministry is small, as many are, then most likely every team member may participate in some way.

Some committees require face-to-face meetings with all applicants, while others work largely from application materials and references. There is no right way to approach this, as long as the process honors your guidelines and your stated intentions for the use of donors' funds.

You should discuss in advance and agree upon a policy for dealing with applications from close friends or relatives of committee members. Any process you can put in place to ensure you are being fair and objective, leveling the playing field for ALL applicants, is highly recommended. Also, bathe your decisions in prayer—after all, we are stewards of the resources God gives to us as individuals and as a church.

For a sample application template that you can download and customize for your own use by adding your logo, [click here](#).

FOLLOW-UP

There are two areas of follow-up to consider:

- Notification of applicants; and
- Post-adoption information-gathering from grantees.

You can send a rejection letter only, but depending on the size and scope of your adoption ministry, you may want to consider including at least a phone call in your process to notify applicants of the decision. Many families considering adoption use receiving a grant as part of their confirmation from God to continue in the adoption process, so declining an applicant should be done with grace and wisdom. Rejection letters should include a clear explanation for the decision, and if appropriate, the steps that should be taken before reapplying.

For families who receive grants, consider creating a system for following up with them after their adoptions are completed. This can be done through a form, an interview, a photo session—or all of them. There is no better incentive to potential donors than a heartwarming story in an appeal letter or newsletter! Some churches feature adoptive families in short videos, which are shown at adoption awareness and fundraising events.

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Your Feedback

Help us improve our adoption fund resources

Our passion is to match orphans with their forever families. Your responses to the following questions will help us improve the resources we provide for churches working to launch or expand adoption ministries. Your completed form can be faxed to Shaohannah's Hope at (703) 554-8570.



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Church Name: _____

Church Address: _____

Church Website: _____

Contact Person: _____

Phone: _____

Email: _____

May we put your contact information on our networking list and/or contact you for a phone interview? Yes _____ No _____

On a scale of 1 to 5, with 1 being not helpful at all and 5 being very helpful, please rate this set of Adoption Fund documents for your ministry.

Circle only one.

1 2 3 4 5

Explain your rating in a sentence or two:

If you were improving the content in these documents, how would you do so? What would you add? What would you delete?

What one thing helped you the most?



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Do you know of other churches with adoption ministries that should be listed in our networking contacts? If so, please provide contact information and website address(es) in the space below.

What additional informational resources not included on our site (either print or web) would be helpful to you? Please provide titles, where they can be obtained, website addresses, etc.

Add any insights, problems/solutions, and/or “out-of-the-box” ideas that you think would be helpful to us as we improve our service to you.

Thank you for your response.

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