In Memory of:

Rev. Dr. Richard W. Shockey and Rev. Dr. Leonard “Bucky” Snyder

“Well done my good and faithful servants.”

Disclaimer

This manual is prepared for pastors, administrators, and laypersons.

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Human Connection

This manual comes to you with a human connection. The ABC’s Board of Directors is listed below. Our desire is to bring the personal touch to your specific church situation. If you should have questions, please feel free to contact any member of the Board of Directors. Many of those listed below also contributed articles and time in the formation of the ABC’s manual.

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We would like to express our gratitude to the following who have contributed articles or entire blocks to the ABC’s Third Edition manual:

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Leadership Styles

Leadership Characteristics

A responsibility of parishioners is to choose those who will lead them. Many leaders are chosen because of their popularity. There should be much more behind a leader than just popularity. Scripture is specific on leadership characteristics. There are additional characteristics that should be considered. Below are listed Scriptural and other characteristics that potential leaders should possess.

The New Testament is very detailed in its descriptions of the characteristics which leaders of the church should possess. Each passage listed below is from the New International Version. The Biblical characteristics of a leader include:

**Titus 1:6-9** – An elder must be blameless, the husband of but one wife, a man whose children believe and are not open to the charge of being wild and disobedient. Since an overseer is entrusted with God’s work, he must be blameless – not overbearing, not quick-tempered, not given to drunkenness, not violent, not pursuing dishonest gain. Rather he must be hospitable; one who loves what is good, who is self-controlled, upright, holy and disciplined. He must hold firmly to the trustworthy message as it has been taught, so that he can encourage others by sound doctrine and refute those who oppose it.

**1 Timothy 3:1-7** – Here is a trustworthy saying: If anyone sets his heart on being an overseer, he desires a noble task. Now the overseer must be above reproach, the husband of but one wife, temperate, self-controlled, respectable, hospitable, able to teach, not given to drunkenness, not violent but gentle, not quarrelsome, not a lover of money. He must manage his own family well and see that his children obey him with proper respect. (If anyone does not know how to manage his own family, how can he take care of God’s church?) He must not be a recent convert, or he may become conceited and fall under the same judgment as the devil. He must also have a good reputation with outsiders, so that he will not fall into disgrace and into the devil’s trap.

It may be difficult in today’s society to find a person of one spouse. Many have used these same passages to state that a female can not be a leader in the church. One should consider Paul’s writing in Galatians 3: 28-29:

“There is neither Jew nor Greek, slave nor free, male nor female, for you are all one in Christ Jesus. If you belong to Christ, then you are Abraham’s seed, and heirs according to the promise.” NIV
God calls both males and females to lead His church. He does not look on gender but on the heart of the individual. Church leaders need to learn to look at the same thing.

George Barna suggests three additional characteristics that should be considered when choosing church leadership:

1. A Christian leader is called by God. He is called to servanthood, but a unique brand of servanthood. This is one who serves by leading.
2. A Christian leader is a person of Christlike character. Because the central function of a leader is to enable people to know, love and serve God with their entire hearts, minds, souls, and strength, the leader must himself possess the kind of personal attributes – characteristics of the heart, manifested through speech and behavior – that reflect the nature of our God.
3. A Christian leader possesses functional competencies that allow him to perform tasks and guide people toward accomplishing the ends of God’s servants. These are the abilities that receive prolific attention: inspiring people, directing their energy and resources, casting vision, building teams, celebrating victories, delegating authority, making decisions, developing strategy, accepting responsibility for outcomes and so on.¹

Gene Getz has designed thirteen leadership principles that potential Christian leaders should ascribe to:

**Leadership principle 1:** A leader should be living an exemplary life that is obvious to both Christians and non-Christians.
**Leadership principle 2:** A leader should be morally pure, maintaining God’s standard of righteousness.
**Leadership principle 3:** A leader should walk by faith, demonstrate hope and manifest true biblical love in all relationships.
**Leadership principle 4:** A leader should be wise, discerning and experienced; the kind of Christian who reflects true humility and is disciplined by God’s grace to live a godly life and to be a person of prayer.
**Leadership principle 5:** A leader should live a well-ordered life that makes the gospel attractive to unbelievers.
**Leadership principle 6:** A leader should be unselfish and generous, willing to open his home for ministry and to share his earthly blessings with both Christians and non-Christians.
**Leadership principle 7:** A leader should be able to communicate in a nonargumentative, nondefensive and nonthreatening way – demonstrating gentleness, patience and teachability without compromising the message of the Word of God.

Leadership principle 8: A leader should not be in bondage to any sinful cravings of the flesh; furthermore, that person should carefully consider the way his or her freedoms in Christ might lead others to sin.

Leadership principle 9: A leader should be able to control angry feelings, never expressing these feelings in hurtful ways nor allowing them to linger indefinitely.

Leadership principle 10: A leader should be able to demonstrate strong conviction and directness in taking a stand for righteousness, but to also balance these attributes and actions with a loving spirit.

Leadership principle 11: A leader should relate to others by using a style of communication that does not make them feel controlled, manipulated and defensive.

Leadership principle 12: A leader should be a generous Christian, giving regularly, systematically, proportionally and joyfully to the Lord’s work.

Leadership principle 13: A leader who is also a parent should have a good relationship with his or her children, giving proper direction to the family unit.

Rarely will an individual be found that has mastered each principle but they should be individuals striving to master these principles.

Leadership Styles

As the leadership styles are reviewed, it needs to be understood that pastors can come from each leadership style. Once a leader is chosen, he or she will operate under his or her own style. There are as many leadership styles as there are leaders. No one leader fits one specific style. Usually leaders will operate in a small variety of styles depending on the situation.

A variety of authors have written about leadership styles. For the purposes of this block, the authors that will be considered are Bill Hybels and Daniel Goleman.

Bill Hybels defines 10 different leadership styles in his article “Finding Your Leadership Style” which was published in Leadership in Winter 1998 and his book Courageous Leadership. The descriptions below will contain parts from these two sources.

Visionary leader

The visionary leader has a crystal clear picture in mind of what the future could hold. They cast visions powerfully and possess indefatigable enthusiasm to pursue the mission. They are not easily discouraged or deterred. The negative side of visionary leaders is that they may not be able to form teams, align talents, set goals, or manage progress toward the achievement of the vision.

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2 ibid.: pp. 84-102.
Directional leader

The directional leader has uncanny, God-given ability to choose the right path for an organization as it approaches a critical intersection. A critical intersection is where the organization starts asking hard questions such as: “Is it time for a wholesale change or should we stay on course? Do we focus on growth or consolidation? Should we start new ministries or deepen and improve existing ones? Should we add facilities or relocate?” Directional leaders may or may not be able to stand up in front of people.

Strategic leader

Strategic leaders have the God-given ability to take an exciting vision and break it down into a series of sequential, achievable steps. This gift of leadership allows an organization to march intentionally toward the actualization of its mission. These leaders form game plans that everyone can understand and participate in.

Managing leader

The managing leader salivates at the thought of bringing order out of chaos. They find deep satisfaction in monitoring and fine-tuning a process, and motivates team members by establishing appropriate mile markers on the road to the destination. Managing leaders often aren’t as popular as the leader who can give the big vision talk or make the big decision around the board-room table or put the big plan in place. But in the day-to-day world, someone has to manage the process to make sure the organization is getting where it wants to go.

Motivational leader

The motivational leader has the God-given ability to keep their teammates fired up. They are on the constant lookout for “sagging shoulders and dull eyes,” and they move quickly to inject the right kind of inspiration into those who need it most. They have a keen sense about who needs public recognition and who needs just a private word of encouragement. They seem to know exactly when a particular team member would get a necessary boost from a day off, an office move, a title change, or a training opportunity.

Shepherding leader

The shepherding leader loves team members so deeply, nurtures them so gently, supports them so consistently, listens to them so patiently, and prays for them so diligently that the mission of the team gets achieved. This kind of leader draws team members into such a rich community experience that their hearts begin to overflow with good will that energizes them for achieving their mission.
Team-building leader

The team-building leader knows the vision and understands how to achieve it, but realizes it will take a team of leaders and workers to accomplish the goal. Team-builders have a supernatural insight into people that allows them to successfully find and develop the right people with the right abilities, the right character, and the right chemistry with other team members. This kind of leader is driven by a clear understanding of the vision. One negative is that this leadership style may not be gifted in managing teams.

Entrepreneurial leader

The entrepreneurial leader possesses vision, boundless energy, and a risk-taking spirit. Their distinguishing characteristic is they function best in a start-up operation. They love being told it cannot be done. Once the effort requires steady, ongoing leadership – once things get complex and there are endless discussions about policies, systems, controls, and databases – the entrepreneurial leader loses energy and may even lose focus and confidence.

Re-engineering leader

The re-engineering leader is at their best in turn-around environments. These leaders are gifted by God to thrive on the challenge of taking a troubled situation – a team that has lost its vision, a ministry where people are in wrong positions, a department trying to move forward without a strategy – and turning it around. Re-engineering leaders love to patch up, tune up, and revitalize hurting departments or organizations. But when everything is back on track and operating smoothly, these leaders may or may not stay around.

Bridge-Building leader

The bridge-building leader makes important contributions to large organizations such as parachurch ministries, denominations, and educational institutions because they have the unique ability to bring together under a single leadership umbrella a wide range of constituent groups. This enables a complex organization to stay focused on a single mission. They are diplomats who possess a supernaturally inspired ability to compromise and negotiate. They are specially gifted to listen, understand, and think outside of the box.

Daniel Goleman describes 6 leadership styles in his book, *Primal Leadership*, and on the following website:

http://www.12manage.com/methods_goleman_leadership_styles.html

The descriptions below are taken from these resources.
Visionary leader

The visionary leader inspires, believes in own vision, is empathic, and explains how and why people’s efforts contribute to the “dream.” This leadership style is appropriate when changes require a new vision or when a clear direction is needed or radical change is needed.

Coaching leader

The coaching leader listens, helps people identifying their own strengths and weaknesses, is a counselor, encourages, and delegates. This leadership style is appropriate to help competent, motivated employees to improve performance by building long-term capabilities.

Affiliative leader

The affiliative leader promotes harmony, is friendly, is empathetic, boosts morale, and solves conflicts. This leadership style is appropriate to heal rifts in a team, to motivate during stressful times, or to strengthen connections.

Democratic leader

The democratic leader is a superb listener, is a team worker, a collaborator, and an influencer. This leadership style is appropriate to build support or consensus or to get valuable input from employees.

Pacesetting leader

The pacesetting leader has a strong urge to achieve, has high own standards, and initiative. They are low on empathy and collaboration. They can be impatient, micromanaging, and numbers-driven. This leadership style is appropriate to get high-quality results from a motivated and competent team.

Commanding leader

The commanding leader is commanding: “Do it because I say so.” They can be threatening, a tight controller, and studious monitors. They can create dissonance and contaminate people’s mood. They tend to drive away talent. This leadership style is appropriate in a grave crisis or with problem employees or to start an urgent organizational turnaround.

When choosing the correct leadership style for a church’s particular situation, the church needs to review their current situation and where they are desiring to head. Keep in mind that the right person may not have the full leadership package but a strong leader will recognize this and draw those around them that have strengths in their areas of weakness.
Resources Cited


[http://www.12manage.com/methods_goleman_leadership_styles.html](http://www.12manage.com/methods_goleman_leadership_styles.html)

Revised June 2008
Governance Structures

In times past, it was standard for a church to operate under a church council structure with multiple committees. In some cases this structure called for more positions than there were people attending the church to fill them. In recent years, churches have been moving towards elderships, leadership team, steering committee, and other governance structures.

There is no one structure that is perfect for every church. Determining the proper governance structure of a church should take into consideration the vision and mission of the church, the size of the church, and the training/mentoring of leaders.

Before a church can determine how it’s going to operate, it needs to know where they are going and what it is they are trying to accomplish. Remember that Robert’s Rules of Order Newly Revised 10th Edition on page 12 states:

“...bylaws...of a society are documents that contain its own basic rules relating principally to itself as an organization…”

Just as bylaws are specific for a particular organization, the governance structure should be selected based on the vision and mission of the church. The governance structure should be such that it enhances the ministry vision and mission and not bog it down.

If the church leadership has not established the vision and mission statements for the church, it should stop the bylaw revision at this point and concentrate on those statements first. See Block A3 – Directional Statements for guiding questions in formulating these statements. Once the statements are agreed upon, the congregation needs to be educated about them. The statements should become living statements of the congregation. Every ministry, church event, or program should be assessed to see if they are in alignment with the vision and mission statements. If they do not enhance or accomplish the vision and mission of the church, it may be necessary to determine whether that ministry, church event, or program should be discontinued, eliminated, shelved, or not started.

Once these statements have been established, the next item to consider is the size of the congregation. If the size of the congregation is 30 but the governance structure calls for 45 positions, there is a problem. Don’t laugh, this really happens in churches that have faced decline but have not revised their bylaws to address the decline. On the other side of the coin is the governance structure that calls for 3 to 5 people while the congregation has grown to over 400. These 3 to 5 individuals become overwhelmed and burned out trying to keep up with the expanding ministry needs.

The governance structure should be fluid in that it can be increased or decreased depending on the life cycle of the church. Governance structures are not a “one size fits
all.” Each needs to be designed to meet the specific calling of the individual church. Each needs to be designed so that ministry can occur effectively and efficiently. Waldo J. Werning in his book, 12 Pillars of a Healthy Church, quotes George Barna on page 33:

“…Most of our research suggests that the typical church is structured in ways that prevent it from effectively ministering to people. In most cases, the very organizational framework of the congregational church is inappropriate for addressing the needs resident in today’s world…The design of the typical local church – which remains the primary model of ministry – sets them (and us) up for defeat….They often confuse structure and methods with theology and message.”

To assist in determining the best structure for a particular church, the church leaders must be ready to address some hard questions. These questions call for complete honesty and courage to evaluate what the church is currently doing against what God has called it to do. This evaluation may call for some “sacred cows” to be sacrificed. At this point every function, duty, ministry, and event must be evaluated against the mission and vision statements. As each is evaluated consider the following questions:

- Why are we doing this?
- Does it help us accomplish our mission effectively?
- If it is not helping effectively, is this something that can be eliminated?
- Who would be affected adversely if it was eliminated?
- If deemed necessary to continue, how can it be revised to help better accomplish the mission of the church?

This may be a long process and some feelings may get hurt especially from those with a “we’ve always done it this way” perspective.

When the above step has been completed successfully, a list of ministry needs should remain that focuses on the mission of the church. Now is the time to start thinking creatively about what a governance structure would look like to meet those needs. Waldo J. Werning states on page 34:

“Building a functional structure and administration requires less use of Boards and Committees, and more dependence on ministry teams and ad hoc groups which accomplish both short-term and long term tasks. It demands fluidity and pro-active responses to ministry and mission opportunities for the people to do God’s work.”

The organizational chart should literally be drawn before any words describing it are recorded. The organizational chart should display fluidity, strategy, resources, vision/mission, and ministry.

The foundation of the organizational chart should always be the vision and mission. The areas between vision/mission and ministry should describe how the church will be
equipping for ministry, the ministry needs, and how the church will multiply leaders for the future.

Once the organizational chart has been buffed, it is now time to name the structure and put words to it to describe how it works. There is no rule that says the governance structure has to be called a Board of Elders, Leadership Team, Steering Committee, etc. Select a name that best fits the needs of the church. Next describe the flow of the structure. Be as detailed as possible at this point. Be creative in the descriptions. Write them in simple language.

The governance structure of the church has now been created to fit the specific mission and needs of the church. It’s time to review and revise. The following guiding questions may help:

• Is the structure fluid?
• Is it effective?
• Does it help us accomplish our mission?
• Is it easy to follow?
• Does it set the church up for failure?
• Has anything fallen through the cracks?
• Are there any areas that are unclear?
• Does it allow for the people to be involved in the ministry of the church?
• Does it empower people to minister?
• Does it provide resources for people to do ministry?
• Does it provide avenues for multiplying leaders?

After answering these questions there may be areas that will need revision.

When implementing a new governance structure to a church it is essential during the first two years that periods of evaluation occur frequently. Invariably there will be something that falls through the cracks. By evaluating frequently, corrections can be made.

The next item to be considered is training/mentoring leadership. Not all pastors are strong leaders or good mentors. Not all strong leaders make good pastors. Pastors need to draw around them individuals that are gifted in the various ministry areas of the church’s vision and mission. The pastor needs to empower these individuals to lead. By empowering, the pastor needs to provide the resources, guidance, and mentoring that these leaders need to succeed. The hardest part of empowering is letting go to let these leaders do their ministry knowing that they may make mistakes. When/if they do make a mistake a good mentor will help them evaluate and process how not to make the same mistake again.

The next piece is often overlooked. These leaders need to train/mentor others with similar giftedness or potential to grow in their leadership skills. No governance structure will sustain itself effectively without an intentional determination to mentor and grow new leaders to carry it forward.
Roles

Each section of the governance structure has a specific role. When these roles are fulfilled as they are intended, ministry happens.

Governance Board

The governance board functions as the gate keeper. They set the boundaries within which the pastor(s) and any committees must function.

“A governing board can create and enforce guiding principles that not only define the outcomes desired from pastoral leadership but also set the boundaries of acceptable means to pursue those outcomes.”

(John Edmund Kaiser, Winning on Purpose, page 65)

Guiding principles can be compared to a rule book and the governing board is the referee. So long as the players are playing by the rules, the governing board shouldn’t need to blow their whistle. However, the governing board has the responsibility to hold the players accountable if they violate the rules. By functioning under the concept of guiding principles or boundaries, leaders are empowered to do ministry without having to constantly clear every move with the governing board.

Besides setting the guiding principles, the governing board has the responsibility of supporting and holding accountable the pastor or senior pastor. They do not manage support staff but work directly through the pastor or senior pastor. They should be the cheerleaders for the pastor. They should empower and not micromanage the pastor.

Pastor

The pastor is the primary leader of the church. They are the visionary. They seek to determine the resources that are needed to empower other staff and church leaders to accomplish the mission and vision of the church. The pastor is accountable to the governing board not only for him/herself but also for any support staff and church leaders. They either receive the praise or are in the hot seat for successes or failures by themselves or those under them.

The pastor oversees all support staff and church leaders. They have the responsibility to interpret the guiding principles and train the support staff and church leaders on these interpretations. Once they have trained the support staff and church leaders on these interpretations, they then have the responsibility to hold those positions accountable to follow them. The pastor is the liaison between the governing board and the support staff.

The pastor has the responsibility to empower the support staff and church leaders to perform the ministries they oversee. The pastor is not only the manager of the support staff but also their cheerleader.
Support staff or church leaders

The support staff or church leaders are the managers of the congregation. They are accountable to the pastor or senior pastor. They draw people around them to implement their ministry assignments. By having the freedom to draw people around them, they are able to help individuals find their niche in ministry. They can draw people for a short time or an extended time.

Advantages of a Governance System

The major advantage of a governance system is that ministry can be done without micromanagement of the governing board. The pastor, support staff, and church leaders are empowered to focus on the vision and mission of the church. In other words, they are empowered to do ministry as opposed to being bogged down with administration.

Another advantage of a governance system is that it requires fewer individuals to long term commitments. In today’s society, people’s time is very limited. People can commit to short-term commitments much easier than 2 or 3 year commitments. The governance structure permits for a variety of taskforces or subcommittees as are necessary to accomplish the ministry needs. It provides an avenue through which more individuals can become involved in the ministry of the church.

Examples of Bylaws

For an excellent example of bylaws for a governance structure, go to www.flcog.org.

For examples of leadership team, eldership, steering committee, or other leadership structure bylaws contact revdrjules9093@insightbb.com.
Resources Cited


Revised June 2008
Organizations, churches, and ministry groups are products of the ways people think and interact. For positive change to occur, people need to adjust their manner of cognitive reflection and individual relationships. A leader is challenged to assist individuals in mental-model adjustments leading toward an alteration of their attitudes, beliefs, skills, capabilities, perceptions, and/or level of commitment. Participation in the writing of directional statements creates an environment for a new level of strategic thinking.

The directional statements that will be addressed in this block include: vision, mission, goals and objectives, core values, code of ethics, strategic planning, and evaluation.

The continued capability for change may be constructed in directional statements. Given directional focus, individuals gain new insight for ministry and purpose. Interaction will lead them to greater intensity, stronger relationships, and heightened commitment. Motivation for involvement occurs as individuals catch and understand the vision of future direction.

**Vision Statements**

There is much confusion between a vision statement and a mission statement. For many they seem to be one-in-the-same. Each statement has its own unique purpose and value in setting the direction for the church.

A vision statement is defined as:

“A vision statement is a vivid idealized description of a desired outcome that inspires, energizes and helps you create a mental picture of your target.”

[http://www.timethoughts.com/goalsetting/vision-statements.htm](http://www.timethoughts.com/goalsetting/vision-statements.htm)

“A vision is a statement about what your organization wants to become. It should resonate with all members of the organization and help them feel proud, excited, and part of something much bigger than themselves. A vision should stretch the organization’s capabilities and image of itself. It gives shape and direction to the organization’s future.”

[http://humanresources.about.com/cs/strategicplanning1/a/strategicplan.htm](http://humanresources.about.com/cs/strategicplanning1/a/strategicplan.htm)

A vision statement should not only reflect the present situation but be forward-thinking to the next 5 to 10 years. It should be a statement that arouses emotion and passion. Questions that can be used in the process of developing a vision statement include:

- What ministry(ies) do we provide that is unique to our community?
• What ministry(ies) do we do well?
• What do you think God is calling this specific church to do for the community?
• What are we, as a church in this community, going to do to reach it for Christ?
• Do we understand where the vision is leading us? Are individuals empowered to share in the vision?
• Has the vision caught the imagination and energy of all participants?

There is not specific word length for a vision statement. It should be long enough to define the vision and express the emotion inspiring the vision but short enough that all involved can embrace, express, and fulfill it.

*Examples of vision statements:*

• To become a diverse congregation, reflecting the diversity of our communities, through the love of Jesus Christ.

• To become a New Testament community of spirit-led believers in which every person is completely committed to accomplishing God’s purposes for the world.

• We envision sharing the good news of Christ’s death and resurrection with thousands of unchurched friends and neighbors in the valley area. We envision developing new believers, as well as established believers, into fully functioning followers of Christ through people-friendly worship services, discipleship, training, small groups, and special events. We envision becoming a church of small groups where our people model a biblical community: a safe place where we accept one another and are accepted, love and are loved, shepherd and are shepherded, encourage and are encouraged, forgive and are forgiven, and serve and are served. We envision helping our people, youth as well as adults, to discover their divine designs so that they are equipped to serve Christ effectively in some ministry, either within or outside of our church. Our goal is that every member will be a minister. We envision welcoming members into our body who are excited about Christ, experiencing growth in their marriage and family relationships. We envision recruiting, training, and sending out many of our members as missionaries, pastors, and church workers all over the world. We also see some pursuing short term mission service in various countries. We envision helping plant churches in America and abroad. We envision a facility that will accommodate growth. This facility will provide ample room for teaching small groups, Bible study, prayer, and other meetings. While we do not believe that “bigger is better,” numerical growth is a by-product of effective evangelism. Thus, we desire to grow as God prospers us and uses us to reach a lost and dying world.
Mission Statements

The vision statement defines where the church is headed. The mission statement will describe how the church is going to get there. A mission statement is defined as:

“Mission or Purpose is a precise description of what an organization does. It should describe the business the organization is in. It is a definition of “why” the organization exists currently. Each member of an organization should be able to verbally express this mission.”

http://humanresources.about.com/cs/strategicplanning1/a/strategicplan.htm

The mission/purpose statement declares the ministry direction of the church and should help the church accomplish its vision. It is written as a comprehensive, understandable, distinctive, and invariable statement of intention. It serves as a rationale for existence.

Questions that can be used in developing a mission/purpose statement include:

- Why do we exist?
- What makes us distinct in this community?
- What adjectives best describe our church? Be honest with your responses. Use words that actually describe the church as it is, not what you desire it to be.
- What kind of individuals does our church attract?
- How does this statement describe our intention for witness and ministry?
- Is the statement brief, direct, and to the point? Is it understandable?
- How are we different from other churches in this community?
- Does the statement reveal the policy, practice, and teaching of Scripture?

As with the vision statement, there is no set length for a mission statement. It should be long enough to express the detailed mission of the church but concise enough for all to be able to express it easy.

Examples of Mission/Purpose Statements:

- To help persons become completely committed servants of Jesus Christ.
- To share the knowledge and saving love of Jesus Christ by doing God’s will to glorify His name.
- “Whatever it takes to Know, Grow, & Sow” – To know God intimately; To Grow in the knowledge of His Word; & To Share the Gospel with others!
- A presence shaped to inspire excellence – personally, spiritually, & corporately.
- Touching lives, reaching out, building the Kingdom.
- To expand the Kingdom of God.
- To develop people into fully functioning followers of Jesus Christ.
Objectives

Objectives are viewed as the larger picture of the desired outcomes. As broad considerations, they are general, focused, and collective. Objectives identify the desired possibilities for change and improvement. They offer a specified end which can be established for an indefinite length of time through which purposes can be achieved and translated into goals and actions.

Objectives share the broad considerations in contrast to goals which are more specific intentions. Objectives state the general purposes of an organization. What changes do we desire to implement?

Objectives focus the resources on the change efforts. What elements in the organization are needed for change to be accomplished?

Objectives cluster groups of information and needs into categories that will be found within the scope of the organization. What are the collective factors and constituents that need to be changed?

Examples of objective statements:

- To construct a multi-ministry facility on the church’s new property and move our operation to that new facility.
- To seek to bring unchurched people into a relationship with Jesus Christ and into the fellowship of the church.
- Encourage Bible learning and life application of Biblical principles among members and help them find and execute God’s individual ministry for them.
- Encourage church members to grow in love and care for each other and encourage a family atmosphere at the church.
- Help those in need of our community, our state and around the world simply because they have a need and we have ability to provide help.
- Increase attendance at church activities.
- Giving to the church should grow proportionately with attendance.
- Continue to staff the church for growth.

Goals

A goal is a statement of dated intent to obtain a describable quality and/or quantity of results. It is written as a measurable, attainable, pragmatic, and specific plan for accomplishing an objective. It serves as a precise concentration for task attainment.

A goal should contain a quantifier which provides the standard for measuring completion. Does the goal describe a means for determining the level of achievement?

A realistic goal is reachable. Can the goal be accomplished?
Given the needs and available resources, is it practical to invest time and talent in the goal? Is it a sensible and worthy cause?

A goal states in detail the task to be accomplished and when it will be completed. Does the goal state what the organization wishes to accomplish and the time frame for completion?

**Examples of goal statements:**

In relation to the above mentioned objectives three goals are listed for each:

- The building committee will seek wish-lists from its various subcommittees. These lists will be compiled by the end of January 2004.
- The building committee will select architects or design/build firms to make proposals by the end of February 2004.
- The building committee will present a building plan to the board by the end of June 2004.
- The staff will continue to design worship that will be comprehensible and attractive to the unchurched to challenge them to come to faith in Jesus and become part of the church.
- To baptize 100 people in the next five years.
- In time for the budget process in 2004-2005 the board will appoint a task force to assist the pastor with formulating a marketing/advertising strategy and budget.
- The Sunday school in its present form is about maxed out. The rooms that are not being used are very small. They are now being used for short-term classes, but they are not really adequate. The ministries division should continually evaluate the current Sunday school situation to see if and what can be done to make room for growth now and to prepare for growth in the new facility.
- At least one new small group Bible study should be added each year.
- The staff and ministries division will sponsor annual training opportunities for Sunday school teachers and Bible study leaders.
- The ministries division will plan quarterly all-church fellowship events. Examples: Harvest Dinner, bowling night, skating party, church picnic. (The ministries division may want to appoint a fellowship task force to plan these events.) This should start in 2004-2005.
- The ministries division will continue the Suppers for Eight Program and find ways to encourage more participation.
- The board and ministries division will encourage the newly starting senior adult fellowship as it develops.
- The church will continue to give from the general offerings 6% to Church of God World Ministries and 4% to Indiana Ministries of the Church of God.
- The mission’s task force will submit to the board a missions budget beginning in 2003-2004 that will be funded largely by special giving and fund raisers to do special mission projects that the task force recommends.
• The mission’s task force will sponsor a work camp Kima International School of Theology in Kenya in 2004-2005. They will plan ways to raise money for the materials needed for the project and to help participants with expenses.
• The attendance in Sunday morning worship at the church should be about 400 in 2007-2008.
• Sunday school attendance should be about 160 the same year.
• 150 people should be involved in Sunday evening activities by then.
• The regular budget giving should be around $550,000 per year by 2007-2008.
• Capital funds giving should be around $175,000 per year by 2007-2008.
• By the end of this period the “over and above” giving for missions should be about $25,000.
• Every effort should be made to keep our fine current staff.
• In 2004-2005 a new support position should be created as Business Manager. This part-time position would combine the two financial secretary jobs and oversee the maintenance of the building and grounds, vacation and sick leave days, filing system, etc.
• In 2006-2007 our youth pastor, given continued growth in the youth program, should be brought on to the full-time staff.

Core Values

Core values are consistent, passionate, and particular convictions that have a biblical basis for influencing our decisions, driving our ministry, and describing our behavior. They are the penetrating motivators which describe an organization’s intrinsic excellence or desirability. They describe the essence of an organization. Written in the present or past tense, they state the organization’s driving passion.

Core values will remain in tact throughout an organization’s duration. They may be tweaked, but they may not be changed. Will these values stand the test of time?

Associated with emotions and intellect, they inspire and move people to action. Do these values generate enthusiasm and energy? Do these values touch people’s emotions?

Core values describe the essence of a person’s or organization’s existence. They must be based on biblical principles which reflect God’s unique assignment. Can these values be found in scripture?

Decisions are made based on clearly expressed values. Are the core values comprehended so that the correlating behavior will be recognized? Are decisions of the organization based on the stated values?

When everyone in the organization shares the values, then they act together for the common cause. Can the motivations of strong commitment within the organization be tied to the statement of values?
The characterization of the organization will be recognized by the stated values and the way in which they are exercised. The values will be congruent and model a consistency of behavior. Does the performance of the organization reflect the core values?

*Examples of core value statements:*

- **Become:**
  - Balance
  - Excellence
  - Commitment
  - Others-centered
  - Multiplying
  - Engaging Culture

  We are living out our value of multiplying by our becoming a multi-site church --- one church with multiple locations.

- **Values:**
  - Accountability to God and the Body
  - Biblical Preaching and Teaching to Equip the Body
  - Equipping the Body to be Equippers
  - Mobilizing the Laity
  - Training through Discipleship
  - Outreach to Meet Felt Needs
  - Excellence in All things to Please God

- **Core values define who we are and who we will become as we make choices and engage in the world around us.**
  - Truth: The Bible is our ultimate guide and authority, the standard by which we live.
  - Worship: We respond to the greatness and goodness of God by humbling ourselves before Him.
  - Community: Our love for God is proved true by the way we love one another.
  - Mission: Jesus came to proclaim, heal, free, and restore. So do we.

- **Those values which define our mission and drive our ministry.**
  - Christ’s Headship: We acknowledge Christ as the head of our church and submit ourselves and all of our activities to His will and good pleasure (Ephesians 1:22-23).
  - Biblical Teaching: We strive to teach God’s Word with integrity and authority so that seekers may find Christ and believers will mature in Him (2 Timothy 3:16).
  - Authentic Worship: We desire to acknowledge God’s supreme value and worth in our personal lives and in the corporate, contemporary worship of our church services (Romans 12:1-2).
Prayer: We rely on private and corporate prayer in the conception, planning, and execution of all the ministries and activities of this church (Matthew 7:7-11).

Sense of Community: We ask all our people to commit to and fully participate in biblically functioning small groups where they may reach the lost, exercise their gifts, be shepherded, and thus grow in Christlikeness (Acts 2: 44-46).

Family: We support the spiritual nurturing of the family as one of God’s dynamic means to perpetuate the Christian faith (2 Timothy 1:5).

Grace Orientation: We encourage our people to serve Christ with hearts of love and gratitude rather than guilt and condemnation (Romans 6:13).

Creation and Innovation: We will constantly evaluate our methods, seeking cultural relevance and maximum ministry effectiveness for Christ (1 Chronicles 12:32).

Lost People: We value the unchurched and will use every available Christ-honoring method to pursue, win, and disciple them (Luke 19:10).

Mobilized Congregation: We seek to equip all of our uniquely designed and gifted people to effectively accomplish the work of our ministry (Ephesians 4:11-13).

Ministry Excellence: Since God gave his best (our Savior), we seek to honor Him by maintaining a high standard of excellence in all of our ministries and activities (Colossians 3:23-24).

**Code of Ethics**

A code of ethics describes the behavior that is expected not only on the part of pastors and staff but also for the congregation. It is a statement that calls for accountability. A code of ethics provides:

- guidelines which reflect the values of ministry.
- expectations of minister’s and congregation’s conduct in relationship to peers and community.
- support and protection to the individual and the minister.
- (in specific relation to pastors) defines the ministerial profession and competence.


**Example of Congregational Code of Ethics:**

http://humanresources.about.com/cs/strategicplanning1/a/strategicplan.htm

*(some language was changed to fit the Church of God, Anderson, IN)*

We, the members of this congregation, following much prayer and discussion of our attitudes and practices in the light of the life and teachings of Jesus, hereby resolve to follow the ethical principles delineated in the New Testament. The following Ethical Guidelines For Congregational Conduct, while not to be construed as a set of rules or law, will help us to make specific application of our New Testament faith to our practices.
as a congregation. May God guide us and give us strength and determination as we endeavor to understand and to fulfill the resolves mentioned in these guidelines.

I

OUR RELATIONSHIP AS MEMBERS TO ONE ANOTHER

A. We will treat one another with courtesy and kindness. We will endeavor to maintain an attitude of Christian love in all our relationships.

B. We will welcome the expression of differing viewpoints and will seek to create an atmosphere of trust and confidence that will encourage free discussion.

C. We will seek to keep confidences and will refrain from gossip. We will seek in all we do and say to strengthen character and dignify personality.

D. We will remember that our personal conduct gives evidence of our sincerity and reflects upon the good name of the Church, the Body of Christ.

E. We will reaffirm this document at least triennially and review these guidelines whenever we are in the process of calling new pastoral leadership.

F. We will work within the framework of the constitution and by-laws of this congregation. These guidelines will not supersede our own church’s constitution and by-laws but may be helpful in their revision.

G. We will establish and follow a policy on receiving and using special gifts, memorials, trusts, and endowed funds in such a way as to be consistent with Christian stewardship. Reception of the gift entails a consideration of its appropriateness. The policy should also give consideration to when an item outlasts its usefulness.

II

OUR RELATIONSHIP AS MEMBERS TO OUR CHURCH OFFICERS AND LEADERS

A. We will select our officers intentionally and impartially on the basis of their commitment, competence, compassion and maturity in the faith. We are committed to having men, women and youth serve in the various responsibilities of the congregation.

B. We will endeavor to distribute our offices among many persons and be appreciative of the services of every member.

C. We will provide them opportunities for training, skill development and faith formation. We will provide the resources needed for each to be an effective leader.

D. We will nurture through encouragement and prayer our officers, committees, classes, auxiliary groups and the board of the congregation.
E. We will expect our officers to manifest Christian principles in their conduct.

F. We will offer constructive support and feedback to our officers and leaders.

III
OUR RELATIONSHIP AS MEMBERS TO OUR MINISTER(S)

A. When seeking a minister, we will follow our credential guidelines, work through the Regional Office, and will conduct all negotiations with integrity, courtesy and orderly procedure, without unfair discrimination with regard to marital status, sex, age or race.

B. We will keep informed on how ministers are compensated in our movement through information supplied by the Board of Pensions of the Church of God and by the regional office, and will support our ministers with salary, housing, a pension plan, health insurance, necessary expense funds, vacation, and the time and financial means for continuing education consistent with the demands and resources of our congregation.

C. We will provide our minister with necessary facilities and equipment for his or her work and will respect study hours. We will be considerate of the need for rest and relaxation and will be sensitive to the need for time with family.

D. We will respect the time and talents of members of the minister's family and will have no greater expectations of them than of other lay people.

E. We will grant our minister responsible freedom of the pulpit and the right to present Christian convictions without fear.

F. We will respect and cooperate with our minister's spiritual and intellectual leadership.

G. We will call on our present minister for weddings, funerals and other special services. Our former ministers or others unconnected with the congregation may be invited to participate in such services only when appropriate and at the present minister's invitation.

H. We will cooperate with our minister to best utilize our congregation's talents in fulfilling the mission of the church.

I. We will keep our minister informed when pastoral services are needed.

J. We will support our minister's reasonable participation in Cluster, Area, District, Regional, and/or general activities of the movement, as well as civic and ecumenical activities.

K. We will encourage and assist our minister through constructive feedback, appropriate praise, constant prayer and faithful participation with him or her in ministry.
L. Because the congregation is a priesthood of believers that minister to one another (pastor to the congregation and congregation to the pastor), our relationships in the church will be covenantal as well as contractual, and we will maintain and conclude all pastoral relationships in a spirit of Christian love.

M. The church will be sensitive and will voluntarily find specific ways to go the second mile in ministry with love, compassion and trust in the event of personal and/or family crisis, illness of the minister or minister's family, a death in the family, psychological or emotional difficulties or other extenuating circumstances.

N. We will have an active Pastoral Relations Committee or a corresponding body to continually monitor the relationship between our minister and the congregation, and we will call on the assistance of the regional staff before a conflict situation grows into a crisis.

O. We will observe similar appropriate principles with all other professional staff of our congregation.

IV

OUR RELATIONSHIP TO OUR COMMUNITY AND/OR COUNTRY

A. We accept our missional responsibility for the moral and spiritual development of our community. We agree to live in a manner consistent with our Christian convictions.

B. Because our Christian convictions set the standard for our citizenship, our faith will lead us to be informed, to respect law, to vote our conscience and to influence government officials in working toward a just and morally responsible community.

C. We will be attentive to the moral and ethical implications of every project we are asked to support.

D. We will maintain a good credit standing in the community. We will expect our staff to do the same.

E. We will respect the rights and privileges of persons living near the church and will endeavor not to inconvenience our neighbors nor harm their property.

F. We will establish no barriers that might prevent anyone from worshiping with us.

G. We will work in a complementary way with community service agencies and organizations to most effectively serve and improve our community.
V
OUR RELATIONSHIP AS MEMBERS TO THE CHURCHES IN OUR COMMUNITY

A. We will seek to understand the beliefs and practices of others. While we may be constructively critical of their doctrine, we will refrain from unkind remarks about people who differ from us.

B. We will encourage unity and harmony among the various communiions of Christian people and will give evidence of our sincerity through participation at appropriate local, state/province, national and/or world levels.

C. We will not be part of proselytizing members from other congregations in our community, nor will we exploit the problems or crises of other congregations. We will present the witness of our congregation in a manner not injurious to others.

D. We will respect the privilege of borrowing from other congregations.

E. We will consider sharing our facilities according to the necessities of the community and the purpose for which they are needed.

Example of a Ministerial Code of Ethics: from Ministerial Ethics, pages 253-255

Preamble

As a minister of Jesus Christ, called by God to proclaim the gospel and gifted by the Spirit to pastor the church, I dedicate myself to conduct my ministry according to the ethical guidelines and principles set forth in this code of ethics, in order that my ministry be acceptable to God, my service be beneficial to the Christian community, and my life be a witness to the world.

Responsibilities to Self

1. I will maintain my physical and emotional health through regular exercise, good eating habits, and the proper care of my body.
2. I will nurture my devotional life through a regular time of prayer, reading of the Scriptures, and meditation.
3. I will continue to grow intellectually through personal study, comprehensive reading, and attending growth conferences.
4. I will manage my time well by properly balancing personal obligations, church duties, and family responsibilities, and by observing a weekly day off and an annual vacation.
5. I will be honest and responsible in my finances by paying all debts on time, never seeking special gratuities or privileges, giving generously to worthwhile causes, and living a Christian lifestyle.
6. I will seek to be Christlike in attitude and action toward all persons regardless of race, social class, religious beliefs, or position of influence within the church and community.

7. I will be truthful in my speech, never plagiarizing another’s work, exaggerating the facts, misusing personal experiences, or communicating gossip.

Responsibilities to Family

1. I will be fair to every member of my family, giving them the time, love, and consideration they need.

2. I will understand the unique role of my spouse, recognizing his or her primary responsibility is as marital partner and parent to the children, and secondarily as church worker and assistant to the pastor.

3. I will regard my children as a gift from God and seek to meet their individual needs without imposing undue expectations upon them.

Responsibilities to the Congregation

1. I will seek to be a servant-minister of the church by following the example of Christ in faith, love, wisdom, courage, and integrity.

2. I will faithfully discharge my time and energies as pastor, teacher, preacher, and administrator through proper work habits and reasonable schedules.

3. In my administrative and pastoral duties, I will be impartial and fair to all members.

4. In my preaching responsibilities, I will give adequate time to prayer and preparation, so that my presentation will be biblically based, theologically correct, and clearly communicated.

5. In my pastoral counseling, I will maintain strict confidentiality, except in cases where disclosure is necessary to prevent harm to persons and/or is required by law.

6. In my evangelistic responsibilities, I will seek to lead persons to salvation and to church membership without manipulating converts, proselytizing members of other churches, or demeaning other religious faiths.

7. In my visitation and counseling practices, I will never be alone with a person of another sex unless another church member is present nearby.

8. I will not charge fees to church members for weddings or funerals; for nonmembers I will establish policies based on ministry opportunities, time constraints, and theological beliefs.

9. As a full-time minister, I will not accept any other remunerative work without the expressed consent of the church.

10. In leaving a congregation, I will seek to strengthen the church through proper timing, verbal affirmation, and an appropriate closure of my ministry.
Responsibilities to Colleagues

1. I will endeavor to relate to all ministers, especially those with whom I serve in my church, as partners in the work of God, respecting their ministry and cooperating with them.
2. I will seek to my minister colleagues and their families with counsel, support, and personal assistance.
3. I will refuse to treat other ministers as competition in order to gain a church, receive an honor, or achieve statistical success.
4. I will refrain from speaking disparagingly about the person or work of any other minister, especially my predecessor or successor.
5. I will enhance the ministry of my successor by refusing to interfere in any way with the church I formerly served.
6. I will return to a former church field for professional services, such as weddings and funerals, only if invited by the resident pastor.
7. I will treat with respect and courtesy any predecessor who returns to my church field.
8. I will be thoughtful and respectful to all retired ministers and, upon my retirement, I will support and love my pastor.
9. I will be honest and kind in my recommendations of other ministers to church positions or other inquiries.
10. If aware of serious misconduct by a minister, I will contact responsible officials of that minister’s church body and inform them of the incident.

Responsibility to the Community

1. I will consider my primary responsibility is to be pastor of my congregation and will never neglect ministerial duties in order to serve in the community.
2. I will accept reasonable responsibilities for community service, recognizing the minister has a public ministry.
3. I will support public morality in the community through responsible prophetic witness and social action.
4. I will obey the laws of my government unless they require my disobedience to the law of God.
5. I will practice Christian citizenship without engaging in partisan politics or political activities that are unethical, unbiblical, or unwise.

Responsibilities to my Denomination

1. I will love, support and cooperate with the faith community of which I am a part, recognizing the debt I owe to my denomination for its contribution to my life, my ministry, and my church.
2. I will work to improve my denomination in its efforts to expand and extend the kingdom of God.
Strategic Planning/Action Plans

Strategic planning/action plans describe the strategy to be employed in accomplishing the goals. They proclaim the methods, resources, activities, and training necessary for moving toward the desired change in an organization. They serve as a road map for the journey.

A systematic path needs to be established for the journey toward change. What procedures will be used to fashion a completed plan?

Financial, physical, and human resources are available. Action plans should capitalize on the skills and interests of individuals in the organization. What will be utilized in the change process?

Various steps are created to lead from the beginning point to the final destination. What activities will be designed to guide the excursion?

Provisions to train individuals for implementing the plan are necessary. What training events will be conducted to equip leaders?

Examples of an action plan can look more like a time line:

2003-2004
- Staff will offer an evangelism training experience
- Staff will offer a spiritual gifts class
- Administration division will implement maintenance and beautification plan
- Administration division will implement policy manual
- Continue and expand the Suppers for Eight program this year and subsequent years
- Ministries division will offer a ministries fair
- Ministries division will evaluate current Sunday school situation and a plan to deal with continued growth
- Continue Meals that Heal and funeral dinner ministries this year and subsequent years
- Continue giving 6% to Church of God Ministries and 4% to Indiana Ministries of the Church of God and subsequent years
- Mission task force will submit a mission budget and a plan to raise
- Continue the ministerial internship program this year and subsequent year

2004-2005
- Task force for marketing/advertising will offer a strategy and budget
- Finance division will provide quarterly stewardship education bulletin inserts or articles
- Ministries division will implement quarterly all-church fellowship activities
• Missions Task Force will develop a procedure to enable the church to react to special emergency situations such as fire, flood, or other disasters both locally and world-wide
• Staff and ministries division will plan a special event with the express purpose of interesting unchurched in the Lord and our church.
• At least one new small group will be added this year and subsequent years
• The staff and ministries division will provide an appreciation event(s) for teachers and workers this year and subsequent years
• Ministries division will take an interest survey and use it to place volunteers in ministry and to determine interest in new ministry possibilities
• Finance division will sponsor a workshop, seminar or class on Christian financial management and a similar event in each subsequent year
• Staff and ministries division will offer a marriage retreat
• Finance division will study the feasibility of providing funds for continued formal education for staff members who request it
• Ministries division will encourage the senior adult fellowship
• Ministries division will work with the youth staff to find ways to serve college age people
• Nicholas Ministry will keep pace with the growth of the church this year and each subsequent years

**Evaluation**

Evaluation is the ending activity which provides new insight for futuring. Assessment and compliance help to determine if the direction of the organization has remained on target.

How well did we achieve the objectives and goals? What changes needed to be made in the strategy and action plans? What would we do differently if we were just starting the journey now? How did we respond to road blocks and difficulties? What did we learn that will guide a new directional plan for the organization?

How did our efforts remain congruous with the mission and values of our organization? Where and why did we deviate from our directional statements?

To see how you have done, review your list of objectives and goals. How are you doing? How many were accomplished? How many were done well? What are the road blocks that kept you from accomplishing other objectives and goals? What can be done to eliminate those road blocks?
Resources Cited


http://www.timethoughts.com/goalsetting/vision-statements.htm

http://humanresources.about.com/cs/strategicplanning1/a/strategicplan.htm

http://humanresources.about.com/cs/strategicplanning1/a/strategicplan.htm

Revised June 2008
Incorporation and Bylaws

Incorporation

Some may wonder why churches should incorporate. Doesn’t that make them too much like the secular world and a business instead of a house of worship? Whether we wish to admit it or not, reality is, there is a side of the church that is a business. The church has the opportunity to demonstrate to the world how financial and leadership issues can be handled in a highly ethical and correct manner. One of leadership’s main goals should be to set the example of being good stewards of all the resources (money, facilities, and people) that God has entrusted to them. One way to demonstrate this is for the church to be incorporated.

Advantages of incorporating

By incorporating, churches can receive the following advantages over being unincorporated:

- Limited liability of directors, officers, and staff – This is not an absolute, but in most cases, directors, officers, and staff are protected from personal liability in lawsuits. If the church is sued or finds itself in excessive debt, the creditors typically would not be able to touch the personal assets of the directors, officers, and staff. If the church is not incorporated, directors, officers, and staff may find themselves personally liable to creditors to settle debt or for lawsuit settlements. Even if the church is incorporated, in unusual situations, the assets of the directors, officers, and staff may be sought by creditors through “piercing the veil,” if the settlement is the result of gross mismanagement or self-dealing.

- Tax exemptions – An incorporated church is eligible for exemptions from the payment of federal and state corporate income tax as well as state sales tax.

- Receiving Public and Private Donations – The majority of foundations and philanthropists require nonprofits (churches) to be incorporated before they will consider them for grants.

Protecting those that serve the church should be top priority for any church. Over the last several years we have seen businesses fall and their leaders held accountable. We’ve even seen the same thing happen in the church. We live in a society that is quick to sue. These litigations can reach deep into pockets for settlements. People need to know that they are going to be protected from losing homes and assets if their name is attached to leadership decisions. Though incorporation is not a failsafe, it does protect leaders in cases that do
not involve gross mismanagement or self-dealing. Conflict of interest policies can also help provide a safeguard against self-dealing.

There is an act that has passed that would protect the directors, officers, and staff of unincorporated churches just as if they were incorporated. The details of this act are listed below. Please keep in mind that only 11 states have passed this act into law.

**Uniform Unincorporated Nonprofit Association Act**

During the annual conference meeting of the National Conference of Commissioners on Uniform State Laws held in San Antonio, TX in 1996, the Uniform Unincorporated Nonprofit Association Act was drafted. The purpose of this act was to “encourage involvement in small community groups and other organizations that aim to benefit the public but don’t want to establish a formal corporate structure.” (“Starting & Building a Nonprofit” by Peri H. Pakroo, p. 1/9)

This act provides unincorporated nonprofits with legal status of being a separate entity for purpose of liability. Under this act, directors, officers, and staff would be protected from liability the same as their equals in an incorporated nonprofit.

The act provides unincorporated nonprofits with five benefits:

1. It gives the associations the legal capacity to receive, hold, and transfer real and personal property.
2. It provides limited liability for members and functionaries of the groups for personal injury and contract claims.
3. It gives groups the right to sue and be sued as associations.
4. It creates a procedure for disposing of the property of inactive associations.
5. It allows an agent of the association (such as the activities coordinator, the president, or just a simple member) to be designated for service of process – the designated person then has the authority to receive legal papers on the group’s behalf.
   (ibid.: 1/9)

To date only 11 states have adopted the act. These states include:

Alabama
Arkansas
Colorado
Delaware
District of Columbia
Hawaii
Idaho
Texas
West Virginia
Wisconsin
Wyoming
The steps to incorporate a church (nonprofit or not-for-profit) vary from state to state. The contact information for all states can be found in Appendix A.

**Completing an Articles of Incorporation Application**

The articles of incorporation forms may look different but there is essential information that is consistent on all forms. IRS Publication 557 provides examples of information that must appear on organizational forms.

1. Name – A search should occur before the articles of incorporation is filed to be sure that the name is not already used. If the name is already in use, you may be able to still use the name by just adding the name of the city. Ex.: New Hope Church could become New Hope Church of City X.

2. Location – The city, county, and state where the church is located. This must be physical address and not PO Boxes.

3. Purpose – This wording must be exactly as the IRS has stated it. “Said corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.”

4. Name and address of registered agent – This person is the primary contact and individual with authority to do business on behalf of the church.

5. Names and addresses of initial trustees or incorporators – These are usually the initial officers (at the time of incorporation) and board members. Some applications ask for officers to be listed in one place and the board members in another.

6. Members – Many forms ask whether the corporation will have membership. Churches should mark this as no.

7. Duration – Churches should mark this as perpetual.

8. Dissolution – The IRS requires a dissolution clause on articles of incorporation. The first three paragraphs below must appear as worded by the IRS. The last two paragraphs are examples of statements that can be added to name the state, regional, or provincial agency as the one receiving the property and assets.

   1. Said corporation is organized exclusively for charitable, religious and educational purposes, including, for such purposes, the making and distributions to organizations under Section 501(c)(3).
2. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, directors, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of Section 501(c)(3) purposes. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including the publishing or distribution of statements any political campaign on behalf of, or in opposition to, any candidate for public office. Notwithstanding any other provision of the Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by the corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code or (b) by a corporation, contributions to which are deductible under 170(c)(2) of the Internal Revenue Code (or corresponding section of any future Federal tax code).

3. Upon dissolution of this corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future Federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose.

Choose one to add:

Should a division occur in this Congregation, its property, real and personal, shall belong to that part, regardless of size, which remains faithful to the doctrines and teachings of the Church of God, with general offices in Anderson, Indiana. Should this Congregation elect to no longer affiliate with the Church of God, whose general offices are in Anderson, Indiana or should the Congregation elect to dissolve, its property, real and personal, shall become the property of (state, regional, or provincial office, city, state). All properties of the Congregation are to be conditionally deeded to (state, regional, or provincial office).

Or

Should a division occur in this Congregation, its property, real and personal, shall belong to that part, regardless of size, which remains faithful to the doctrines and teachings of the Church of God, with general offices in Anderson, Indiana. Should this Congregation decide on any of the following, its property, real and personal, shall become the property of (state, regional, or provincial office):

1. Decide to no longer adhere to the doctrines of the Church of God, Anderson, Indiana.
2. Decide to sever relations with the Church of God, Anderson, Indiana.
3. Decide to stop functioning as a church body.

All properties of the Congregation are to be conditionally deeded to (state, regional, or provincial office, city, state).

If a church ever wishes to file for their own 501(c)(3) status, the church must be incorporated and the dissolution clause must be included on their incorporation papers. If it does not, the IRS will require that an amendment be done adding the dissolution clause which includes verbatim the first three paragraphs listed above. Many states are helping churches be aware of this requirement by including a dissolution section on their incorporation application.

**IRS Requirement of Dissolution Clause**

The IRS requires that when a nonprofit organization dissolves, its assets must be distributed to another nonprofit organization. **Churches are not permitted to dissolve to themselves and distribute the assets among the remaining members.**

IRS Publication 557 states the following on pages 19-20:

“Assets of an organization must be permanently dedicated to an exempt purpose. This means that should an organization dissolve, its assets must be distributed for an exempt purpose described in this chapter, or to the federal government or to a state or local government for a public purpose. If the assets could be distributed to members or private individuals or for any other purpose, the organizational test is not met.

To establish that your organization’s assets will be permanently dedicated to an exempt purpose, the articles of organization should contain a provision insuring their distribution for an exempt purpose in the event of dissolution. Although reliance may be placed upon state law to establish permanent dedication of assets for exempt purposes, your organization’s application probably can be processed much more rapidly if its articles of organization include a provision insuring permanent dedication of assets for exempt purposes.

Revenue Procedure 82-2, 1982-1-C.B. 367, identifies the states and circumstances in which the IRS will not require an express provision for the distribution of assets upon dissolution in the articles of organization. The procedure also provides a sample of an acceptable dissolution provision for organizations required to have one.

If a named beneficiary is to be the distribute, it must be one that would qualify and would be exempt with the meaning of section 501(c)(3) at the time the dissolution takes place. Since the named beneficiary at the time of dissolution may not be qualified, may not be in existence, or may be unwilling or unable to accept the assets of the dissolving organization, a provision should be made for
distribution of the assets for one or more of the purposes specified in this chapter in the event of any such contingency.”

For additional information regarding dissolution clauses for your particular state, contact your state, regional, or provincial office of the Church of God. The issue conditional deeding/safeguarding is discussed in detail in Block B5.

**Bylaws**

History has proven that in times of difficulty in the church, bylaws become a more widely read document than the Bible. When a new pastor comes to a church, one of their first tasks is to revise the bylaws. In both cases a new pastor or church struggle, the bylaws are not used as a document that defines who the church is but as a power document. Bylaws are essential to the operation of the church, but pastors and church leaders need proper understanding of their true purpose and contents.

Robert’s Rules of Order Newly Revised, current edition is the standard resource for guidance in the understanding and development or revision of bylaws. On page 12 of the 10th Edition, bylaws are defined:

“In general, the constitution or the bylaws – or both – of a society are the documents that contain its own basic rules relating principally to itself as an organization, rather than to the parliamentary procedures that it follows.”

The contents of the bylaws basically describe how the church functions. These functions include, but are not limited to, who are voting members, who are the leaders, how are leaders elected or ratified, what powers or limitations the leaders have, how pastor(s) are called or removed, and/or how business will be transacted in the church.

Robert’s Rules of Order Newly Revised, 10th Edition describes the contents of bylaws on page 12 as:

“prescribes how the society functions; and includes all rules that the society considers so important that they (a) cannot be changed without previous notice to the members and the vote of a specified large majority (such as a two-thirds vote), and (b) cannot be suspended (with the exception of clauses that provide for their own suspension under specified conditions).”

In the process of defining the purposes and functions of the church, pastors and church leaders need to make sure that the following items are included in the bylaws:

- Name of the Church – As registered with the Secretary of State
- Address of the Church
- Object or purpose
- Definition of members
- Officers
• Meetings
• Executive Board
• Committees
• Parliamentary Authority
• Amendments

Additional items should be considered:

• Nominations, elections, or ratifications
• Pastoral Relations
• Member Relations
• Dissolution
• Indemnification
• Quorum
• Order of meeting

When deciding the right time to review and revise the church’s bylaws, leaders should consider the following:

• Bylaws **should not** be changed within the first year of a new pastor coming to the church. The congregation and pastor need time to get to know each other first and spend the first year defining the vision and mission of the church.

• Bylaws **should not** be changed when the church is in the middle of a major struggle. In such a situation, the purpose of changing the bylaws becomes one of giving one group more power over another group. The change does not resolve the issue behind the difficulty. In reality a bylaw change at this point in time can just add fuel to the fire.

• If it has been 3 years or more since the bylaws have been reviewed, they should be reviewed to check for correct information and to confirm they accurately describe how the church is functioning.

• If the church has undergone a major restructuring of governance styles (ex.: church council structure to leadership team structure), the bylaws need to be revised to define the new structure.

**Beware of traps**

There are a variety of traps that can be encountered in the revising of bylaws. By avoiding these traps, a clean, concise set of bylaws can be achieved.

**Trap #1**
Many bylaws become weighed down when administration information is included. Step-by-step procedures and details of committee work are better served in a policy and procedures manual. Block A6 contains information for developing a policy and procedures manual.
Trap #2
Church bylaws are read and utilized by common individuals not lawyers. The language used in bylaws should be plain English so that any church member can read them and hopefully understand them. Keep the language simple and straightforward.

Trap #3
Make sure measures are taken to keep the bylaws amendable. Provide a statement outlining how the bylaws can be amended.

Trap #4
Keep in mind the bylaws are effective when they are approved for adoption. Therefore, do not include dates in the body of the bylaws. The only dates that should be included are the date appearing on the first page in the title section and at the end of the bylaws where a listed can be provided that records all the dates the bylaws have been amended or revised in the history of the church.

Trap #5
Use specific language. Incorrect use of words can create major headaches when problems arise. Do not use, “may” or “should” because they infer the issue is optional. Use specific words like “must,” “shall,” or “will.”

Trap #6
Be clear on the parliamentary authority. If “Robert’s Rules of Order” is used, the reference is to the original 1876 document. To be accurate use, “the current edition of ‘Robert’s Rules of Order Newly Revised’.”

Amended vs. Revision

Some may confuse the terms amended or revised bylaws. If only one section or subsection of the bylaws is being changed, then the bylaws are being “amended.” If there are multiple sections or the body of the bylaws is undergoing a major re-writing, then the bylaws are being “revised.”

Step-by-Step Revision Guidelines

The following will walk through the process of reviewing and revising bylaws.

Step One – Name and Address

This is a great time to check on the church’s incorporation status. Many times churches will change their name or relocates but do not change this information with the Secretary of State’s office. The church’s legal information can be easily checked and updated at the Secretary of State’s website. See Appendix A for Secretary of State information.
If the church has changed its name or relocated, the new information should appear on the revised bylaws. The name that appears on the bylaws should be the exact legal name that is registered with the Secretary of State’s office. Check for exact punctuation.

Remember the church name that appears in the Secretary of State records, Church of God yearbook, bank accounts, utilities, etc. should all be the same name.

**Example of Wording:**

The name of this corporation is *(enter legal name of church as registered with Secretary of State and Church of God Yearbook)*, hereafter referred to as *(this can be “the Church” or “the Corporation”) and is located at *(enter the complete physical address of the church)*.

**Step Two – Purpose/Affiliation**

This section should define clearly why the church exists. It is important to include in this section a statement that includes: “the buying, selling, and holding of real estate” and “the collecting and disbursing of money.” It is also wise to add in this section a subsection stating the affiliation of the church. This can be accomplished with a statement such as: “We recognize the term, “Church of God” when used in these bylaws as to affiliate us only with Church of God with general offices in Anderson, Indiana.”

**Example of Wording:**

**Section 1.** The purpose of the Community Church of God is to inspire ordinary people to become fully devoted followers of Christ.

**Section 2.** These bylaws are to guide and facilitate the business activities of this church in the acquiring and holding of real estate, the collecting and disbursing of money, and the appointing and directing of the agencies of the church.

**Section 3.** To accomplish these purposes, it is voluntarily associated with and thus a consistent part of a larger group of similar churches known as the "Church of God," whose doctrines, customs, and practices shall be in harmony with the standards of God's Word as held by the State Ministries, and the General Assembly of the Church of God, Anderson, Indiana.

**Step Three – Membership**

This section should define clearly who is allowed to participate in business meetings of the church and in voting. It is essential that church leaders understand the nonprofit corporation laws for their state. The majority of state nonprofit corporation laws require a person to be 18 years of age to vote on the business of the church especially financial issues. These same nonprofit laws may also require a voters’ roster be on file for each business meeting.
The subsections under membership can include:

- Definition of a member
- Age
- How long they must have been attending the church
- Lifestyle standard in harmony with church standards
- Definition of eligibility for voting
- Who defines eligibility
- How eligibility can be challenged
- Percentage of vote by congregation to waive attendance requirement
- Notice and posting requirements of meetings

**Example of Wording:**

Section 1: Membership in the Congregation shall be defined as those who:

a. Have accepted and assimilated into their individual lives the precepts and principles of Christianity according to the Bible and their most honest understanding and evaluation of the same, and profess to be a Christian.

b. Live in harmony with the teachings of the New Testament according to their personal understanding, providing they try harmoniously and honestly to accept and assimilate the views, doctrines, and practices of the Church of God, Anderson, Indiana.

Section 2: All members of the congregation shall have the right to vote in its annual and or special business meetings, as herein provided:

a. They must be eighteen (18) years of age or over.

b. They must have worshipped regularly with this congregation at least six (6) months, and if the member desires to participate in the annual or special meetings their name shall be added to a voting membership roster which the secretary shall maintain.

**Step Four – Officers**

Church leaders should understand their state nonprofit corporation laws regarding the number of required officers. In the majority of states three officers are required. These three officers can be: President (chairperson); Vice President (vice-chairperson); and Secretary/Treasurer.

This section should define the titles of the officers; how they are selected; term of service. The powers and limitations of these officers will be discussed under “Executive Board.”
Example of Wording:

Officers of the Corporation shall be:
  a. President (chairperson of the Church Council), designated as the senior pastor.
  b. Vice-chairperson of the Church Council.
  c. Secretary, designated as the secretary of the Church Council.
  d. Treasurer, nominated by the Nominating Committee, approved by the Church Council, and ratified by voting members of the corporation.
  e. Member-at-Large, a member of the pastoral staff designated by the Church Council to act as “Interim President” in the event the corporation is without a senior pastor.

Step Five – Meetings

This section defines when annual business meetings will occur. This section may contain several subsections.

- Annual business meeting: includes month and day of the meeting; when notice will be posted; officer responsible for posting notice; voter registration requirements.
- Special meetings: process for calling a special meeting; who has the authority to call a special meeting.
- Absentee ballots: declaration if absentee ballots are permitted or not; if permitted, process by individuals may request and submit absentee ballot.
- Nominees: process by which individuals appear on the ballot.
- Quorum: Robert’s Rules of Order Newly Revised 10th Edition on page 20 defines quorum as:

  “The minimum number of members who must be present at the meeting of a deliberative assembly for business to be legally transacted.”

It is recommended that the quorum be a percentage instead of a set number. A percentage of those eligible to vote allows for the size of the church to increase or decrease without hindering the ability to conduct the church’s business.

Example of Wording:

Section 1. Regular Meetings
  a. The annual business meeting of the church shall be held at the church building on the last Sunday of August, unless it coincides with Labor Day weekend.
  b. The Secretary shall post a written notice of the meeting, the proposed budget, and list of nominations, announcing the annual business meeting, at least 2 weeks prior to the meeting.
c. A quorum shall consist of 20 of the members as defined in Article 2 (or appropriate number), Section 1.
d. All ratifications shall be by ballot.
e. In the event a member of the corporation is unable to be present, for extenuating circumstances; he/she may cast an absentee ballot. The absentee ballot must be requested, not later than two (2) days before the meeting. The completed ballot must be sealed in an envelope, with the name appearing on the exterior of the envelope, and presented to the Chairperson or Secretary, before the business meeting. The absentee elector must be ratified as a qualified voting member, and recorded in the minutes.
f. The procedural format followed in meetings shall be “Roberts Rules of Order, newly revised, current edition.”

Section 2. Special Meetings
a. Special meetings may be called at any time by the Pastor or upon written requests by the Leadership Council.
b. Special meetings, and their purpose, shall be previously announced at regular services of the church at least one (1) week prior to the meeting.

*Step Six – Executive or Governing Boards*

This section defines the governance structure of the church. It also defines the powers and limitations of that governing body. Before discussing the specifics of this section, church leaders and pastors need to consider the following.

Determining the proper governance structure of a church should take into consideration the vision and mission of the church, the size of the church, and the training/mentoring of leaders.

Before a church can determine how it’s going to operate, it needs to know where they are going and what it is they are trying to accomplish. Remember that Robert’s Rules of Order Newly Revised 10th Edition on page 12 states:

“…bylaws…of a society are documents that contain its own basic rules relating principally to itself as an organization…”

Just as bylaws are specific for a particular organization, the governance structure should be selected based on the vision and mission of the church. The governance structure should be such that it enhances the ministry vision and mission and not bog it down.

If the church leadership has not established the vision and mission statements for the church, it should stop the bylaw revision at this point and concentrate on those statements first. See Block A3 – Directional Statements for guidance in formulating the vision, mission, and other statements for the church. Once the statements are agreed upon, the
congregation needs to be educated about them. The statements should become living statements of the congregation. Every ministry, church event, or program should be assessed to see if they are in alignment with the vision and mission statements. If they do not enhance or accomplish the vision and mission of the church, it may be necessary to determine whether that ministry, church event, or program should be discontinued, eliminated, shelved, or not started.

Once these statements have been established, the next item to consider is the size of the congregation. If the size of the congregation is 30 but the governance structure calls for 45 positions, there is a problem. Don’t laugh, this really happens in churches that have faced decline but have not revised their bylaws to address the decline. On the other side of the coin is the governance structure that calls for 3 to 5 people while the congregation has grown to over 400. These 3 to 5 individuals become overwhelmed and burned out trying to keep up with the expanding ministry needs.

The governance structure should be fluid in that it can be increased or decreased depending on the life cycle of the church. See Block A2 for guidance into selecting the best governance structure.

The third item to be considered is training/mentoring leadership. Not all pastors are strong leaders or good mentors. Not all strong leaders make good pastors. Pastors need to draw around them individuals that are gifted in the various ministry areas of the church’s vision and mission. The pastor needs to empower these individuals to lead. By empowering, the pastor needs to provide the resources, guidance, and mentoring that these leaders need to succeed. The hardest part of empowering is letting go to let these leaders do their ministry knowing that they may make mistakes. When/if they do make a mistake a good mentor will help them evaluate and process how not to make the same mistake again.

The next piece is often overlooked. These leaders need to train/mentor others with similar giftedness or potential to grow in their leadership skills. No governance structure will sustain itself effectively without an intentional determination to mentor and grow new leaders to carry it forward.

Now that the vision and mission statements have been established, the best governance structure has been chosen to fit the vision and mission, the size of the congregation, and a leadership mentoring plan has been established the rest of the governance section of the bylaws can be addressed.

The governance structure has been named. Next the powers and limitations of this governance structure and its officers need to be stated specifically and concisely. This section can become weighed down with items that would be better served in a policy and procedures manual.
An example of the powers follows:

- Appoint ministry committees and task forces as needed.
- Prepare the annual church budget for ratification by the Corporation at the annual business meeting.
- Serve as the legal arm of the Corporation.
- Appoint a Senior Pastor Search Committee when the need arises.
- Work with senior pastor in the hiring of all other church staff. The calling of pastoral staff persons shall require ratification of such person(s) by the Corporation in a properly called business meeting.
- Develop and hold job descriptions for pastoral staff and supportive staff positions.
- Monitor the church’s life, ministry, and develop long-range goals and direction for the congregation.
- Appoint the Corporation Treasurer for a term of two (2) years.

Each of the above statements can be expanded in a policy and procedures manual. The policy and procedures manual should spell out specifically the fiduciary responsibilities of pastors and church leaders.

Limitations could include but are not limited to:

- Purchases over a specific dollar figure.
- Purchase of land.
- Removal of pastor.

This section can include the powers and limitations of the corporate officers.

Examples of powers for corporate officers follows:

- President/Chairperson: It shall be the duties of the President/Chairperson to chair the Annual Business Meeting and Leadership Council meetings and exercise general supervision over the affairs of the church.
- Vice-President/Vice-Chairperson: It shall be the duties of the Vice-President/Vice-Chairperson to perform the duties of the President/Chairperson in his/her absence or in the event of his/her inability to serve as President/Chairperson.
- Secretary: Shall keep an orderly record of the proceedings of the Annual Business Meeting and Leadership Council meetings of the Corporation in a book provided by the Corporation for that purpose. This book shall be carefully preserved by the Secretary and shall remain the property of the Corporation.
- Treasurer: (the powers/responsibilities listed here will be determined by the separation of duties covered in the internal controls section of the church’s policy and procedures manual) A generic example is: The treasurer of the Corporation shall receive and deposit the funds of the church in whatever bank is recommended by the Leadership Council. He/she shall be authorized to give receipts for all monies paid to the church. The bank account should be in the name
of the Corporation. He/she shall cause all vouchers and orders paid by him/her to be filed and properly preserved as a part of the records of the Corporation. He/she shall make regular reports to the Leadership Council and at the Annual Business Meeting of the Corporation, showing receipts and disbursements and their relationship to the budget. The books shall be subject to inspection by other members of the Leadership Council. He/she shall post such bond as shall be required by the Corporation.

The specific powers and duties of each officer can be expanded in the church’s policy and procedures manual.

The limitations could include but are not limited to:

- Authority to sign contracts
- Purchases up to a specified amount
- Investments
- Changing banks

**Step Seven – Committees**

The specific duties of committees should appear in the church’s policy and procedures manual. The only information that should appear includes:

- Name of committee
- Membership of the committee
- Representation on/in governance structure
- Who the committee is responsible to

**Step Eight – Pastoral Relations**

This section specifies the calling, disciplining, and removal of pastors. These areas need to be defined precisely and concisely. The calling section can include the responsibilities of the Pastoral Search Committee.

Example of the Pastoral Call section follows:

Selection and call of a pastor:
In the event the church is without the services of a regular pastor, the pulpit committee selected by the Church Council shall have the following duties:
   a. It shall be responsible for the regular services during the period when the church is without pastoral leadership.
   b. It shall investigate the availability of prospective pastors and study their qualifications as to character, leadership abilities, experience, ministerial recognition, and state. It shall seek the guidance of both *(state or region office)* and Congregational Ministries in Anderson, Indiana.
c. When agreement has been reached by the pulpit committee on the prospective pastor, a special business meeting of the Congregation shall be called. It shall present the name of one prospective pastor and give a description of his/her qualifications.

d. It shall submit the name of only one prospective pastor at a time for consideration and possible call. In the event he/she does not receive as much as a three fourths vote of the members present and voting, the committee shall proceed to select the name of another prospective pastor for presentation. This order of procedure shall be followed until a pastor is duly elected.

e. The pulpit committee may arrange with the duly elected pastor and with ministers of the area for a service of installation that will add dignity to his/her call and express the Congregation’s recognition of his/her leadership.

f. A clear agreement shall be reached with the pastor regarding responsibilities and working relationships, preferably in writing.

g. The pastor’s salary allowance, provision for housing, fringe benefits, and similar considerations shall be reviewed annually by the Church Council when the Congregation budget is being prepared.

Example of the Disciplining and Removal of a Pastor follows:

Paid Staff and Pastoral Resignations and Terminations

a. The Leadership Council, after consulting with (state or regional office) to determine proper course(s) of action, shall have the authority to ask for the resignation of any member of the pastoral or paid church staff, in light of clear evidence that inappropriate sexual relationships and conduct, intentional mishandling of church funds, or teachings clearly contrary to the Church of God as a whole, has taken place.

b. The Leadership Council, after consulting with (state or regional office) to determine the proper course(s) of action, shall immediately place any member of the pastoral or church staff on a paid or un-paid (as appropriate) leave of absence if said person is arrested on either a misdemeanor or felony charge under (state) or Federal statutes. If said person is found guilty of said charge, the Leadership Council and Board of Trustees shall terminate that person in consultation with (state or regional office).

c. If the Pastor is inclined to retire or answer another calling, he/she shall notify the Leadership Council first, and then the congregation of his/her intentions. A formal letter of resignation shall then be submitted to the Leadership Council. A 30 to 60 day notice is requested.

d. The Corporation’s maximum financial responsibility to a member of the pastoral or paid staff that is leaving under Paragraph A of this article shall be one (1) week of pay per year of service, but shall not exceed two (2) months pay severance package. If a member of the
pastoral or paid staff is leaving under the circumstances of Paragraph C, in cooperation with the Leadership Council, shall determine an appropriate severance package.

**Step Nine – Membership Relations**

Not all churches choose to include this section. However, including it may provide strategies for handling conflict between church members. The principle behind this section is Matthew 18. *See Appendix B for an expanded explanation of the Matthew 18 Principle.*

Example of this section follows:

**Conflict Resolution**

a. Conflict resolution with the church leadership (or any members) shall be handled by scriptural direction as per Matthew 18:15 and following.
   1. A person having a difference with another should privately and lovingly, discuss that issue, to seek resolution, after prayerful consideration.
   2. If the person with a complaint involves a third party, the third party should refer that person back to the individual with whom they have conflict. Then, if there is still no resolution, the third party should be willing to go with the first person and to mediate differences.
   3. If resolution is still not reached, the third party should accompany the first party, and bring the issue to the Leadership Council, for resolution. All three parties involved shall be invited to this meeting.

**Step Ten – Parliamentary Authority**

The authority listed in this section should be “Robert’s Rules of Order Newly Revised, current edition.”

*Example of Wording:*

The rules contained in the current edition of *Robert’s Rules of Order Newly Revised* shall govern the church in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules the Board of Directors may adopt and any statutes applicable to this organization that do not authorize the provision of these bylaws to take precedence.

**Step Eleven – Amendments**

A statement must be made that defines the process by which the bylaws may be amended.
Example of this section follows:

These bylaws may be amended by a two-thirds (2/3) affirmative vote of the recognized members present at any regular or special meeting provided the suggested amendment shall have been studied by a committee of not less than three (3) members, appointed by the Board of Directors and shall have been posted on the church bulletin board at least seven (7) days previous to the time of voting thereon. Not more than one (1) member of the Board of Directors shall be appointed to this committee.

*Step Twelve – Dissolution Clause*

The IRS requires all 501(c)(3) organizations to have a stated dissolution clause. Basically this should appear on the church’s Articles of Incorporation but it is recommended for it to appear in the bylaws as well. Keep in mind it is unlawful for a church or nonprofit organization to dissolve to itself and distribute funds to its members or church leaders. The assets of a church or nonprofit organization must be distributed to another nonprofit organization. *See Appendix E for an expanded explanation.*

Example of this section follows:

Should a division occur in this Congregation, it’s property, real and personal, shall belong to that part, regardless of size, which remains faithful to these bylaws, and which adheres to the doctrines and teachings of the Church of God, with general offices in Anderson, Indiana. Should this Congregation decide on any of the following, its property, real and personal, shall become the property of *(state or regional office)*:

1. Decide to no longer adhere to the doctrines of the Church of God, Anderson, IN.
2. Decide to sever relations with the Church of God, Anderson, IN.
3. Decide to stop functioning as a church body.

All properties of the Congregation are to be conditionally deeded to *(state or regional office)*.

*Step Thirteen – Order of Meeting*

Robert’s Rules of Order Newly Revised 10th Edition on page 25 recommends the following order:

- Reading and approval of minutes
- Reports of Officers, Boards, and Standing Committees
- Reports of Special Committees – these committees only exist until they have accomplished their task
• Special Orders – matters which have previously been assigned a type of special priority
• Unfinished Business and General Orders – matters previously introduced which have come over from the preceding meeting
• New Business – matters initiated in the present meeting

In the church setting the following will satisfy the parliamentary procedure:

• Opening Prayer
• Reading and approval of minutes
• Financial Report
• Reports of Pastor(s), Governance Chairperson, Committees
• Reports of Special Committees: ex.: Search Committee
• Old Business
• New Business
• Adjourn

Church leaders may consider adding two additional sections to their bylaws.

First optional statement – Nominations, Elections, or Ratifications

This section would appear after the Committees Section. It would define how leadership is nominated and either elected or ratified. Keep in mind for it to be an election, two or more individuals must be vying for the same position. Ratification is stating an agreement or disagreement for an individual nominated for a leadership position. The Nominating Committee only selects individuals for the committees and governance body as they are given authority to do so.

Example of this section follows:

• The Leadership Council shall appoint a Nominating Committee of 3 to 5 persons.
• The Nominating Committee shall elect a Chairperson and Secretary from its membership.
• The Nominating Committee shall recommend persons to serve on the Finance Committee, Education Committee, and Leadership Council. The recommendations of the Nominating Committee shall be presented to and approved by the Leadership Council; and ratified by the Corporation at its annual meeting. If a vacancy occurs between Annual Business Meetings, the Leadership Council shall have the authority to make an interim appointment which shall be ratified at the next Annual Business Meeting of the Corporation.

Second optional statement – Indemnification Clause

This section defines what the church will provide as far as legal council and expenses should a pastor or church leader be accused of any type of misconduct. This is not a
required section but helps protect church leadership and church funds should such a situation arise.

Example of this section follows:

Section 1. General
The church shall indemnify any person, including heirs and legal representatives, who shall be made a party to, or threatened with, any civil or criminal action, suit or proceeding because of being a member or agent of the church or because of any acts or omissions in such capacity taken or not taken, for and in the interest of the church, in good faith and in the exercise of reasonable care. This indemnification is against all liability, and reasonable expenses, including attorneys’ fees, actually and necessarily incurred in connection with such action, suit, or proceeding, whether actual or threatened, or in connection with any appeal thereof. If a director or officer in any such action, suit or proceeding is wholly successful, on the merits or otherwise, he/she is entitled to complete indemnification.

The church may also reimburse to any member or agent the amounts (other than amounts paid to the church) of judgments, fines, and penalties resulting from, and the reasonable costs of settlement and expenses, including attorneys’ fees, actually incurred and connected therewith, of any action, suit or proceeding if a majority of the directors not involved in the matter of controversy (even if such directors do not constitute a quorum), or a majority vote of the church, finds that such member or agent acted in good faith and in the exercise of reasonable care in the judgment of duty and that the payment of such judgments, fines or penalties, whether resulting from a plea of nolo contendere or otherwise, and costs of settlement are in the interests of the church. The fact that an action, suit or proceeding was terminated by judgment, settlement or conviction, or upon a plea of guilty or nolo contendere or its equivalent, shall not create a presumption that any such member or agent did not act in good faith for purposes reasonably believed to be in the best interest of the church. However, no member or agent shall be indemnified in relation to any matter to which he/she is adjured in any such action, suit or proceeding to be able for negligence or misconduct in the performance of duty to the church. The church may, in its discretion, advance any expenses to, or at its expense undertake the defense of, any such member or agent, by any amounts so advanced or spent shall be repaid to the church to the extent that is ultimately determined that such member or agent is not entitled to indemnification or reimbursement.

Section 2. Non-exclusive Rights
The rights of indemnification or reimbursement provided in this section do not exclude any other rights to which any member or agent of the church or such other corporation may be entitled by law.
**Final Step**

Now that the process of bylaws revision has been walked through, it’s time to go through them one more time and look for the following:

- Is the language straightforward that everyone in the church can understand?
- How many pages are the bylaws? The standard size of church bylaws is 7 to 10 pages. If they are longer than 10 pages, check to see if there are sections that can be stated more concisely then expanded in a policy and procedures manual.
- Check for typographical errors, misspelled words, grammatical errors, and punctuation errors.

Before the bylaws are presented to the congregation they should be proofread by several individuals who were not on the bylaws revision committee. These different eyes will help catch errors.

When the revised bylaws are presented to the church, attach a page listing the changes and the reasons behind the changes. Allow the congregation at least one week to review the revised bylaws before meeting to discuss and vote.


**Resource help:** If you wish to obtain complete examples of bylaws that address your church’s leadership structure or would like to have your bylaws reviewed, contact: revdrjules9093@insightbb.com.

Revised June 2008
## Appendix A

**Secretary of State Information**

<table>
<thead>
<tr>
<th>State</th>
<th>Secretary of State</th>
<th>Business Division</th>
<th>Address</th>
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<th>Phone Number</th>
<th>Website</th>
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<tr>
<td>Alabama</td>
<td>Secretary of State</td>
<td></td>
<td>PO Box 5616</td>
<td>Montgomery, AL 36103-5616</td>
<td>(334)242-5324</td>
<td><a href="http://www.sos.state.al.us">www.sos.state.al.us</a></td>
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<tr>
<td>Alaska</td>
<td>Corporation Section</td>
<td></td>
<td>PO Box 110808</td>
<td>Juneau, AK 99811-0808</td>
<td>(907)465-2530</td>
<td><a href="http://www.state.ak.us">http://www.state.ak.us</a></td>
</tr>
<tr>
<td>Arkansas</td>
<td>Arkansas Secretary of State</td>
<td>Business and Commercial Services</td>
<td>1401 West Capitol Avenue, Ste. 250</td>
<td>Little Rock, AR 72201</td>
<td>(888)233-0325</td>
<td><a href="http://sos.state.ar.us">http://sos.state.ar.us</a></td>
</tr>
<tr>
<td>California</td>
<td>Business Programs Division</td>
<td></td>
<td>1500 11th Street</td>
<td>Sacramento, CA 95814</td>
<td>(916)657-5448</td>
<td><a href="http://www.sos.ca.gov">www.sos.ca.gov</a></td>
</tr>
<tr>
<td>Colorado</td>
<td>Colorado Secretary of State</td>
<td>Business Division</td>
<td>1700 Broadway, Suite 200</td>
<td>Denver, CO 80290-5169</td>
<td>(303)894-2200</td>
<td><a href="http://www.sos.state.co.us">www.sos.state.co.us</a></td>
</tr>
<tr>
<td>Connecticut</td>
<td>Office of the Secretary of State</td>
<td></td>
<td>30 Trinity Street</td>
<td>Hartford, CT 06115-0470</td>
<td>(860)509-6001</td>
<td><a href="http://www.sots.state.ct.us">www.sots.state.ct.us</a></td>
</tr>
<tr>
<td>Delaware</td>
<td>Department of State</td>
<td>Division of Corporations</td>
<td>PO Box 898</td>
<td>Dover, DE 19903</td>
<td>(302)739-3073 Ext. 2</td>
<td><a href="http://www.delaware.gov">www.delaware.gov</a></td>
</tr>
<tr>
<td>District of Columbia</td>
<td>Department of Consumer and Regulatory Affairs</td>
<td></td>
<td>941 North Capitol Street, NE</td>
<td>Washington, DC 20002</td>
<td>(202)442-4432</td>
<td><a href="http://www.brc.dc.gov">www.brc.dc.gov</a></td>
</tr>
<tr>
<td>Florida</td>
<td>Department of State</td>
<td>Division of Corporations</td>
<td>PO Box 6327</td>
<td>Tallahassee, FL 32314</td>
<td>(850)245-6052</td>
<td><a href="http://www.sunbiz.org">www.sunbiz.org</a></td>
</tr>
</tbody>
</table>
Georgia
Office of the Secretary of State
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315 West Tower
#2 Martin Luther King, Jr. Drive
Atlanta, GA 30334-1530
(404)656-2817
http://sos.georgia.gov

Hawaii
Hawaii Dept. of Commerce of Consumer Affairs, Business Registration Division
1010 Richards St.
PO Box 40
Honolulu, HI 96810
(808)586-2744
(808)586-2727
http://www.ehawaii.gov/dakine.index.html

Idaho
Office of the Secretary of State
700 West Jefferson
Boise, ID 83720-0080
(208)334-2301
www.sos.idaho.gov

Illinois
Secretary of State
Department of Business Services
Corporations Division
350 Howlett Building
Springfield, IL 62756
(217)782-6961
www.sos.state.il.us

Indiana
Secretary of State
Corporations Division
302 W. Washington St., RM E018
Indianapolis, IN 46204
(317)232-6576
www.in.gov/sos

Iowa
Secretary of State
Business Services
First Floor, Lucas Building
321 E. 12th St.
Des Moines, IA 50316
(515)281-5204
www.sos.state.ia.us

Kansas
Kansas Secretary of State
Memorial Hall, 1st Floor
120 SW 10th Ave.
Topeka, KS 66612-1594
(785)296-4564
www.kssos.org

Kentucky
Secretary of State
PO Box 718
Frankfort, KY 40602-0718
(502)564-2848
http://sos.ky.gov/business

Louisiana
Commercial Division
PO Box 94125
Baton Rouge, LA 70804-9125
(225)925-4704
www.sos.louisiana.gov

Maryland
State Department of Assessment and Taxation
Corporate Charter Division
301 W. Preston St., Room 801
Baltimore, MD 21201
(410)767-1340
www.dat.state.md.us
Massachusetts
Secretary of State
Corporations Division
Commonwealth of Massachusetts
One Ashburton Place, 17th Floor
Boston, MA 02108
(617)727-2850
www.sec.state.ma.us

Michigan
State Department of Labor of Economic Growth
Bureau of Commercial Services
Corporations Division
7150 Harris Drive
PO Box 30054
Lansing, MI 48909
(517)373-1820
www.michigan.gov/cis

Minnesota
Secretary of State
Business Service Division
180 State Office Building
100 Rev. Dr. Martin Luther King, Jr. Blvd
St. Paul, MN 55155-1299
(651)296-2803
www.sos.state.mn.us/home/index.asp

Mississippi
Mississippi Secretary of State
PO Box 136
Jackson, MS 39205-0136
(601)359-1333
https://secure.sos.state.ms.us

Missouri
Secretary of State
Corporation Division
PO Box 778
Jefferson City, MO 65102
(573)751-4153
www.sos.mo.gov

Montana
Secretary of State
PO Box 202802
Helena, MT 59620-2802
(406)444-3665
http://sos.mt.gov

Nebraska
Secretary of State
Room 1305 State Capitol
PO Box 94608
Lincoln, NE 68509
(402)471-4079
www.sos.state.ne.us/dyindex.html

Nevada
Secretary of State
New Filing Division
206 N. Carson St.
Carson City, NV 89701-4299
(775)684-5708
http://sos.state.nv.us

New Hampshire
Secretary of State
Corporations Division
State House
107 North Main Street
Concord, NH 03301-4989
www.sos.nh.gov

New Jersey
New Jersey Dept. of the Treasury
Division of Revenue/Corporate Filing Unit
PO Box 308
Trenton, NJ 08625-0308
(609)292-9292
www.state.nj.us

New York
Secretary of State
Corporations Division
State Office Building
600 Washington Ave
Albany, NY 12235
(518)455-1212
www.sos.ny.gov

Ohio
Secretary of State
Corporations Division
600 West Read Ave
Columbus, OH 43215
(614)466-7500
www.sos.state.oh.us

Oklahoma
Secretary of State
Corporations Division
P.O. Box 52480
Oklahoma City, OK 73152-2480
(405)521-3960
www.sos.ok.gov

Oregon
Secretary of State
Corporations Division
PO Box 119989
Portland, OR 97211-0989
(503)378-5300
http://www.sos.state.or.us

Pennsylvania
Secretary of State
Corporations Division
PO Box 19450
Harrisburg, PA 17105-9450
(717)787-0830
http://www.sos.state.pa.us

Rhode Island
Secretary of State
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State Office Building
145 William C. Allott Avenue
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Providence, RI 02901-1203
(401)277-1360
www.sos.ri.gov

South Carolina
Secretary of State
Corporations Division
1000 main St.
Columbia, SC 29201
(803)737-2440
www.sos.sc.gov

South Dakota
Secretary of State
Corporations Division
State Capitol
P.O. Box 3280
 Pierre, SD 57509-3280
(605)773-1013
www.sos.sd.gov

Tennessee
Secretary of State
Corporations Division
PO Box 20963
Nashville, TN 37202-0963
(615)741-5800
www.sos.state.tn.us

Texas
Securities Commissioner
Corporate Division
PO box 10253
Austin, TX 78711-5253
(512)463-3400
www.texascorp.com

Utah
Secretary of State
Corporations Division
State Office Bldg.
PO Box 303002
Salt Lake City, UT 84130-3022
(801)328-3600
www.sos.utah.gov

Vermont
Secretary of State
Corporations Division
PO Box 180298
Montpelier, VT 05418-0298
(802)828-2300
www.sec.state.vt.us

Virginia
Secretary of State
Corporations Division
PO Box 251000
Richmond, VA 23225-1000
(804)698-1400
www.sos.state.va.us

Washington
Department of Revenue
Corporations Division
PO Box 40060
Olympia, WA 98504-0060
(360)753-2701
www.sos.wa.gov

West Virginia
Secretary of State
Corporations Division
Capitol, 1st Fl.
PO Box 1817
Charleston, WV 25302-1817
(304)558-2377
http://secretary.state.wv.us

Wisconsin
Secretary of State
Corporations Division
PO Box 10304
Madison, WI 53715-0304
(608)266-3116
www.sos.wi.gov

Wyoming
Secretary of State
Corporations Division
PO Box 30834
Cheyenne, WY 82003-0834
(307)777-7590
www.sos.state.wy.us
<table>
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<tr>
<th>State</th>
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<tr>
<td>New Mexico</td>
<td>New Mexico Public Regulations Commission</td>
<td>(505)827-4511</td>
<td><a href="http://www.nmprc.state.nm.us">www.nmprc.state.nm.us</a></td>
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<td>New York</td>
<td>New York Department of State</td>
<td>(518)473-2492</td>
<td><a href="http://www.dos.state.ny.us">www.dos.state.ny.us</a></td>
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<tr>
<td>North Carolina</td>
<td>North Carolina Department of the Secretary of State</td>
<td>(919)807-2225</td>
<td><a href="http://www.sosnc.com">www.sosnc.com</a></td>
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<tr>
<td>North Dakota</td>
<td>North Dakota Business Division</td>
<td>(800)352-0867</td>
<td><a href="http://www.nd.gov/sos">www.nd.gov/sos</a></td>
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<td>(614)466-3910</td>
<td><a href="http://www.sos.state.oh.us">www.sos.state.oh.us</a></td>
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<td><a href="http://www.sos.state.ok.us">www.sos.state.ok.us</a></td>
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<td>Oregon Secretary of State</td>
<td>(503)986-2200</td>
<td><a href="http://www.sos.state.or.us">www.sos.state.or.us</a></td>
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<td>Pennsylvania</td>
<td>Pennsylvania Department of State</td>
<td>(717)787-1057</td>
<td><a href="http://www.dos.state.pa.us/dos/site/default.asp">www.dos.state.pa.us/dos/site/default.asp</a></td>
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<tr>
<td>Rhode Island</td>
<td>Rhode Island Office of the Secretary of State</td>
<td>(803)734-1790</td>
<td><a href="http://www.ri.gov">www.ri.gov</a></td>
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<tr>
<td>South Carolina</td>
<td>South Carolina Secretary of State</td>
<td>(803)734-1790</td>
<td><a href="http://www.scsos.com">www.scsos.com</a></td>
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</table>
South Dakota
Secretary of State
State Capitol
500 E. Capitol
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Tennessee
Tennessee Department of State
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312 Eighth Avenue North
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Nashville, TN 37243
(615)741-2286
www.state.tn.us/sos

Texas
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PO Box 13697
Austin, TX 78711-3697
(512)463-5555
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Utah Department of Commerce
Division of Corporations
PO Box 146705
Salt Lake City, UT 87114-6705
(801)530-4849
www.commerce.utah.gov

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www.sec.state.vt.us

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www.state.va.us/amsportal3

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http://soswy.state.wy.us
Appendix B
Matthew 18 Principle

The explanation of the Matthew 18 principle is an excerpt from “Block E1 – Resolving Church Conflict: Congregational and/or Pastoral” of the ABC’s of Church Management manual. Dr. Robert Brink is the author of Block E1.

Matthew 18:15-20 - "If your brother sins against you, go and show him his fault, just between the two of you. If he listens to you, you have won your brother over. 16But if he will not listen, take one or two others along, so that 'every matter may be established by the testimony of two or three witnesses.' 17If he refuses to listen to them, tell it to the church; and if he refuses to listen even to the church, treat him as you would a pagan or a tax collector. 18I tell you the truth, whatever you bind on earth will be bound in heaven, and whatever you loose on earth will be loosed in heaven. 19Again, I tell you that if two of you on earth agree about anything you ask for, it will be done for you by my Father in heaven. 20For where two or three come together in my name, there am I with them." 1

An offended person is to approach the offender one-on-one to show him his fault. The purpose is to win the brother.

If the brother will not listen, then one or two other persons are to be taken along to establish every matter by the testimony of two or three witnesses.

If the offender refuses to listen to the small group, then the matter is to be told to the church.

If the offender will not listen to the church, then he is to be put out of the fellowship. 3

There are several positive reinforcements that result from this pattern of confrontation:

1. Every effort is made to preserve the offender’s dignity.
2. The offended person is to confront the offender.
3. The expectation of closure is established.
4. Every step of the process is for redemption, repentance, restitution, and restoration. 4

- Call Evil by Its Name. (Too often disagreement is marked as evil. This is generally not an accurate assumption. “The mark of this evil is unreasonableness that cannot be diminished.”) 5
- Carry out your work with mercy, grace, and justice.

3 Susek, FireStorm. p. 130.
5 Ibid. p. 131.
➤ You have no control over a person’s response. You can only control your motive and method.
➤ It is important to have your plan of action in place.
➤ Be prepared to implement the ultimate consequence. (The worst consequence to impose upon an unrepentant person is handing the person over to Satan. Notice however, that even in extreme discipline, the motive is redemptive.\textsuperscript{6}

\textsuperscript{6} Ibid. p.131-133.
Resources Cited


IRS Publication 557 – Tax-Exempt Status of Your Organization


Employee Manuals

Very few churches have an employee manual because they do not see the need for one. This may be true for a church where the pastor is the only employee but even in that case it is wise to have a document that spells out what is expected of the church’s employees.

Employee manuals provide all employees specific information regarding vacation, work hours, dress codes, leave time, benefits, expected behavior, and much more. For the most part the church has the freedom to set most of the information found in the employee handbook. However, there are some categories that must comply with specific state or federal laws.

This block is going to give a quick overview of what can be contained in an employee manual. For additional information check [www.dol.gov](http://www.dol.gov); Create Your Own Employee Handbook: A Legal & Practical Guide by Attorneys Lisa Guerin and Amy DelPo and published by Nolo; or your state department of labor. It is highly recommended that the church have the finished document reviewed by an attorney to make sure that no state or federal laws are violated in the document.

**Warning:** An employee handbook is not a contract. Make sure that no language in the document would tend to suggest that it is.

**Contents of an Employee Manual**

This block would be well over a hundred pages long if every aspect of an employee manual were addressed. Therefore the elements of an employee will be briefly summarized.

**Welcome**

The first pages should include a welcome statement, a brief history of the church, and why the church has an employee manual. The basic purpose for having an employee manual is to provide all employees the same information and is an accountability tool.

**At-Will Declaration**

A clear declaration needs to be included if the state in which the church is located is an at-will state. This means that the church or the employee has the right to break their employee relations without warning except if such a breakage is considered illegal.
Acknowledgment Form

The manual should include a page that can be easily removed which the employee signs acknowledging that they have read and understand the contents of the employee manual.

Hiring practices

This section includes a statement stating that the church is an equal opportunity employee. Keep in mind that the only grounds on which a church can discriminate is on religious belief. This section can also include a section describing how employees will be recruited.

Orientation

This section can be an option for the church. It basically covers the orientation process for new employees. It can include an orientation period if the church is hiring employees on a trial basis.

One piece that must be included in this section is the work eligibility section. This statement describes proving work eligibility. The federal government requires that all employees must complete a Form I-9 within the first three days of employment. This form must be kept in a safe place on the church property and be available for presentation should any federal agent request to see it.

States have filing requirements for new employees. This filing helps courts locate individuals that owe back child support payments. The church is not exempt from this filing. Therefore, there needs to be a statement letting employees know that their hiring will be filed with the state.

Employee Classification

This section spells out which employees are temporary, full-time, part-time, exempt or nonexempt. This section needs to be described clearly because many benefits will depend on the employees’ status.

Work Hours

This section defines regular work hours, meal and rest breaks, and overtime. Churches are subject to overtime. If the church plans to offer flexible scheduling, that would be spelled out in this section as well.

Pay Policies

The first thing new employees want to know is when they’re going to get paid. This section defines payday. It should also include sections describing any payroll deductions...
the church is willing to offer. Churches are subject to garnishing wages if the court orders
so a section needs to be included stating that fact. This section can also include a
description on how and when expenses will be reimbursed.

**Employee Benefits**

This section details health care coverage, state disability insurance, workers’
compensation, and unemployment insurance. This section may or may not be applicable
for the church. If the church is not able to provide health care insurance, that needs to be
stated. The church needs to contact their state department of labor to see if they are
exempt from unemployment insurance or not. Basically churches are exempt from
unemployment insurance as far as ministers go but the state may have different rulings
for non-ministerial positions. Churches are not exempt from workers’ compensation.
Contact your insurance agent for more information.

**Use of Church Property**

Many people have the misconception that because they either work for the church or are
members of the church that they can use any equipment for their personal use as they
need to. This section spells out specifically the use of the church’s equipment, vehicles,
and phones. Computers will be discussed in a separate section. This section should
include policies for borrowing and returning property.

**Leave and Time Off**

Next to knowing when payday is, new employees want to know how much vacation they
are entitled to, what holidays are observed, etc. This section details the days employees
are permitted off. The following should be detailed in this section:

- Vacation
- Holidays
- Sick leave
- Paid time off – not usually used by churches
- Family and Medical Leave – unless the church has 50 employees, this doesn’t
  apply.
- Bereavement Leave
- Military Leave
- Time Off to Vote
- Jury Duty

Be sure to include which apply to full-time and part-time employees. If not stated
specifically, all employees may interpret that they are entitled to the same privileges.
Job Performance

This section states the church’s expectation for all jobs to be done well. It also includes an explanation of the job review process.

Workplace Behavior

When dealing with adults and the church, one would think the employee would already know how they should dress for work and what behaviors are expected or not tolerated. This can not be assumed. We’re not all perfect Christians yet! This section should include:

- Professional Conduct
- Punctuality and Attendance
- Dress, Grooming, and Personal Hygiene
- Practical Jokes
- Threatening, Abusive, or Vulgar Language
- Horseplay
- Fighting
- Sleeping on the Job
- Insubordination
- Progressive Discipline

In the progressive discipline, the church must spell out the steps of discipline which can include verbal or written warnings, suspension, and termination.

Health and Safety

Churches are not exempt from meeting OSHA regulations. This section not only covers OSHA regulations but also security procedures. This is the place to also instruct employees what to do in the case of emergencies, smoking regulations, and the handling of violence on church property.

Employee Privacy

Because of computer technology, employees need to understand the church’s position on workplace privacy. Be upfront and detailed in this section. Do not lead employees to believe their communications either by letter, email, or phone are free from monitoring.

Computers

What would our world be without computers? More and more churches are installing computer systems to handle everything from bookkeeping, e-newsletters, and multimedia worship. The church should spell out in detail their expectations on how these computers are used. This section should include email usage, Internet usage, and software
usage. To protect the church’s computer system from virus, they should not allow personal software to be loaded onto the church system.

It is recommended that the church prepare acknowledgment forms for email use and Internet use that employees must sign to prove they have read and understand these policies.

**Employee Records**

Employee records contain personal information such as social security numbers and contact information. These records need to be kept in a locked file with limited access. This section includes:

- How employee records will be handled.
- The church’s policy on confidentiality.
- How to make changes to personal information.
- Who can and how to inspect personnel records.
- How the church will protect medical records.

**Drugs and Alcohol**

It would be the assumption of the church that this section could be overlooked. It is possible for pastors or non-ministerial employees to have issues with drugs and alcohol. This section should discuss the prohibition of drugs and alcohol on church property. The church can also include a section regarding rehabilitation.

**Conflict of Interest**

For the most part this would involve mainly board and committee members in the church. The church can develop a statement that states the employee will disclose any situation in which they would be in a position for personal gain. This could involve a family member owning a construction company and that company is selected to do an addition on the church facility.

**Discrimination and Harassment**

As mentioned earlier churches can only discriminate on the grounds of religious belief. This section must spell out discrimination behavior that will not be tolerated. It should also include harassment behavior that is not tolerated and remedies if an employee is being subjected to harassment.
Complaint Policies

This section details the process through which complaints can be filed. It should include who complaints are filed with. Keep in mind that complaints may be against the pastor so provide an alternate person or committee that employees can complain to.

Ending Employment

When an employee chooses to leave or the church ends the employment relationship, employees need to know what they can expect from the church. This section should describe:

- When the employee will receive a final paycheck.
- If severance packets are an option.
- What happens with the employee’s health care coverage.
- Will the employee be permitted an exit interview.
- Will the employee be permitted to use the church or their supervisor as a reference?

Final steps

After a draft of the employee manual has been completed, it is strongly recommended to have an attorney to review the document. Unless churches use human resources software to prepare the document, they may inadvertently include rules that violate state or federal laws. The best and cheapest software on the market is Nolo’s Create Your Own Employee Handbook by Lisa Guerin and Amy DelPo. It comes with a CD that allows the user to pick and chose what they wish to use. The CD includes the various state and federal regulations.
State Information

Alabama
Department of Industrial Relations
334-242-8990
www.dir.state.al.us

Alaska
Department of Labor and Workforce Development
907-465-2700
www.labor.state.ak.us

Arizona
Industrial Commission
602-542-4411
www.ica.state.az.us

Arkansas
Department of Labor
501-682-4541
www.state.ar.us/labor

California
Department of Industrial Relations
415-703-5050
www.dir.ca.gov

Colorado
Department of Labor and Employment
303-318-8000
www.cowork.force.com

Connecticut
Labor Department
860-263-6505
www.ctdol.state.ct.us

Delaware
Department of Labor
302-761-8000

District of Columbia
Department of Employment Services
202-671-1900
http://does.ci.washington.dc.us
Florida
Agency for Workforce Innovation
850-245-7105
www.floridajobs.org
www.MyFlorida.com

Georgia
Department of Labor
404-656-3011
877-709-8185
www.dol.state.ga.us

Hawaii
Department of Labor and Industrial Relations
808-586-8865/8844
http://dlir.state.hi.us

Idaho
Department of Labor
208-334-6112
www.labor.state.id.us

Illinois
Department of Labor
312-793-2800
www.state.il.us/agency/idol

Indiana
Department of Labor
317-232-2655
www.ind.gov/labor

Iowa
Iowa Workforce Development
515-281-5387
800-JOB-IOWA
www.iowaworkforce.org/labor

Kansas
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www.dol.ks.gov

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Department of Labor
207-287-3787
www.state.me.us/labor

Maryland
Department of Labor, Licensing, and Regulation Division of Labor and Industry
410-767-2236
www.dllr.state.md.us/labor

Massachusetts
Department of Labor and Workforce Development
617-727-6573
www.state.ma.us/dlwd
www.mass.gov/dlwd

Michigan
Department of Labor and Economic Growth
517-373-3034
www.cis.state.mi.us
www.michigan.gov/cis

Minnesota
Department of Labor and Industry
651-284-5005
800-342-5354
www.doli.state.mn.us

Mississippi
Department of Employment Security
601-321-6100
www.mesc.state.ms.us

Missouri
Department of Labor and Industrial Relations
573-751-4091
573-751-9691
www.dolr.state.mo.us
www.dolr.mo.gov
Montana
Department of Labor and Industry
406-444-2840
http://dli.state.mt.us

Nebraska
Department of Labor
402-471-2239
402-595-3095
www.dol.state.ne.us

Nevada
Division of Industrial Relations
775-684-7260
http://dirweb.state.nv.us

New Hampshire
Department of Labor
603-271-3176
www.labor.state.nh.us

New Jersey
Department of Labor
609-292-2313/2323
www.state.nj.us/labor

New Mexico
Labor of Industrial Division Department of Labor
505-827-6875
505-841-8993
www.dol.state.nm.us

New York
Department of Labor
518-457-9000
www.labor.state.ny.us

North Carolina
Department of Labor
919-807-2796
800-625-2267
www.dol.state.nc.us
www.nclabor.com

North Dakota
Department of Labor
701-328-2660
800-582-8032
www.state.nd.us/labor

Ohio
Division of Labor and Worker Safety
Department of Commerce
614-644-2239
www.com.state.oh.us/ODOC/laws/default.htm

Oklahoma
Department of Labor
405-528-1500, ext. 200
888-269-5353
www.okdol.state.ok.us
www.ok.gov

Oregon
Bureau of Labor and Industries
503-731-4200
www.boli.state.or.us

Pennsylvania
Department of Labor and Industry
717-787-5279
www.dli.state.pa.us

Rhode Island
Department of Labor and Training
401-462-8000
www.dlt.state.ri.us
www.det.state.ri.us

South Carolina
Department of Labor, Licensing, and Regulation
803-896-4300
www.llr.state.sc.us

South Dakota
Division of Labor and Management
605-773-3681
www.state.sd.us/dol/dlm/dlm-home.htm

Tennessee
Department of Labor and Workforce Development
615-741-6642
www.state.tn.us/labor-wfd

Texas
Texas Workforce Commission
512-463-2222
www.twc.state.tx.us

Utah
Labor Commission
801-530-6801
800-222-1238
www.labor.state.ut.us

Vermont
Department of Labor and Industry
808-828-2288
www.state.vt.us/labind

Virginia
Department of Labor and Industry
804-371-2327
www.dli.state.va.us

Washington
Department of Labor and Industries
360-902-5800
800-547-8367
www.lni.wa.gov

West Virginia
Division of Labor
877-558-5134
304-558-7890
www.labor.state.wv.us

Wisconsin
Department of Workforce Development
608-266-3131
www.dwd.state.wi.us

Wyoming
Department of Employment
307-777-6763
http://wydoe.state.wy.us
Policy and procedures manuals should contain the detailed information of the duties, responsibilities, job descriptions, and activities that each pastor, board member, committee member, or church leadership needs to function successfully in their role. This block will give an overview to compiling the policy and procedures manual.

In Block A5, an employee manual was developed. It can be included in the policy and procedures manual or it can stand alone. That is up to the discretion of the church.

Writing Job Descriptions

Every job in the church needs a detailed job description. It doesn’t matter if it’s for a paid position or a volunteer position. It will be easier to fill the position with the right person when that person knows all that is expected of them. Also a detailed job description reduces the risk of misunderstandings of expectations.

When beginning to write job descriptions, consider the following points of a well written job description:

- Clarify who is responsible for what within the company. They also help define relationships between individuals, between departments, etc. By accomplishing this, they can settle grievances, minimize conflicts, and improve communications.
- Help the jobholder understand the responsibilities of the position. This not only enables the employee to assess the relative importance of everything he or she is accountable for, but also provides a sense of where the job fits in to the company as a whole.
- Assist job applicants, employees, supervisors, and human resources professionals at every stage in the employment relationship, from recruitment to retirement. They provide information about the knowledge, training, education, and skills needed for each job. They prevent unnecessary misunderstandings by telling employees what they need to know about their jobs.
- Help management analyze and improve the company's structure. They reveal whether all company responsibilities are adequately covered and where these responsibilities should be reallocated to achieve a better balance.
- Provide a basis from which to determine whether a disabled applicant is otherwise qualified for the job and, if so, to assist in determining what accommodation would be required for the applicant to be able to perform the essential functions of the position.

( http://hr.blr.com )
If the job is already in place, discuss the current roles of that position with the person(s) that are filling the role. Their insight will help define the full scope of the position. Too often we “assume” we know what a person is actually supposed to be doing instead of asking the person what it is they are responsible for and to whom they are accountable.

If the job description is for a new position, detail what is going to be expected in the new role. This description may need revising once the position is actually filled.

The essential elements of a good job description include:

1. Job identification,
2. Job summary or purpose,
3. Essential functions and additional responsibilities,
4. Accountabilities, *and*
5. Job specifications.

**Job Identification**

The job identification may be as simple as “Board of Christian Education Committee Member” or a title such as “Senior Pastor.”

**Job Summary or Purpose**

The job summary is a brief overview of the job. It can be a narrative that describes the general characteristics of the position.

**Essential Functions and Additional Responsibilities**

“Essential functions are common to all job description formats and represent a summary of those functions associated with the job. The essential functions should represent those duties that must be performed in the job.”

(\url{http://hr.blr.com})

**Accountabilities**

This can be one of the most frustrating areas for employees and volunteers. Who is it that they are accountable to? Too often power hungry board chairs or pastors feel everyone is accountable to them. If that is how things are structured, then fine. If not, spell out who each position is responsible to and abide by it.

**Job Specifications**

This section should spell out in detail all of the job requirements. This section and Essential Functions may overlap.
Once the job descriptions are completed, have those actually doing the jobs review them for accuracy. Job descriptions need to be such that they can be used for fair job evaluations and flexible enough to change when the requirements of the position change.

The job descriptions most often needed for the church include but are not limited to:

- Pastor(s)
- Secretary(s)
- Janitor(s)
- Boards and Committees and their personnel
- Officers
- Children’s workers
- Youth workers
- Ushers
- Treasurer(s)
- Various ministry leaders

**Hiring Process**

The church should detail the process through which they will call new pastors and hire new staff. This should include a detailed process for screening candidates. This screening process should include background checks.

This same process can be used in screening volunteers.

The items that should be considered in the hiring process section include:

- How vacant position will be posted.
- What screening agencies will be used. State police, local police, church state or national offices, etc.
- Interviewing process.
- Reference check process.
- How job offer will be presented.
- Job evaluation process.

While determining the hiring process, the church may wish to review the termination or discipline process that was developed in the employee manual and include it in this section.

**Operations of the Church**

This section will probably take the longest to develop of all the sections. It needs to detail (and I can’t over emphasize the word detail) all aspects of the church operations. It should include but not be limited to:
• Handling of finances
• Handling of facilities
• Wedding and funeral policies
• Kitchen policies
• Vehicle polices

Last Steps

Once the committee has completed the draft of the policy and procedures manual, they should select key individuals to review what they have compiled to make sure they have covered all areas as well as spelled out what is actually taking place in the church.

Next, set aside a time to present the manual to all individuals involved. This should be an intentional time of introducing expectations and protocol.

It is recommended to have an attorney review the final document for any legal issues.

Lastly, this is mainly a warning, FOLLOW what has been implemented. It must be followed to the letter. If a situation arises where the church is sued and the policy and procedures manual has not been followed, it could go poorly for the church. The policies and procedures must apply to everyone equally.

Examples

The remainder of this block contains some sample of policy and procedure manuals.

Example #1: policy manual outline

1. Introduction (Description of manual and church’s mission statement)

2. Functional Church Model (Flowchart of Leadership)

3. Elder Responsibilities and Activities
   a. Description of Responsibilities
   b. Ministry Responsibilities (Selection and Definition)
   c. Preparation for Elder meetings
   d. Elder meetings
   e. Communion
   f. Congregational Business Meetings
   g. Elder Retreat
   h. Elder Resignation

4. Executive Committee
a. Committee Selection process  
b. Chairperson  
c. Vice-Chairperson  
d. Treasurer  
e. Secretary (Clerk)  
f. Elder At Large  
g. Executive Committee Responsibilities

5. Church Bylaws

6. Administration (*Covers general operations of the church*)

7. Policies and Procedures

a. New Pastoral Staff Hiring Process  
   1. Preparation for Hiring Process  
   2. Selecting Potential Candidates  
   3. Interviewing the Candidates  
   4. Introduction of a Pastoral Staff Candidate to the Congregation and Voting  
   5. Compensation Package  
      a. Salary  
      b. Vacation Days Granted to New Pastoral Staff  
      c. Fringe Benefits  

b. Budget process  
c. Selection of Elders

Example #2: policy manual outline

Part 1:

Mission Statement  
Statement of Faith

Part 2: Personnel Policies

Classification of Personnel  
   a. Senior Pastor  
   b. Associate Pastor  
   c. Support Staff  
   d. Contract Staff

Selection of Full Time and Part Time Staff  
   a. Senior Pastor  
   b. Associate Pastor  
   c. Secretaries  
   d. Custodians
e. Nursery Attendants  
f. Program Staff  
g. Financial Secretary  
h. Contract Personnel  

Policy Manual Distribution  
Probation Policy  
Residency Policy  
Working Hours and Conditions Policy  
Salary Administration Mileage Reimbursement  
Days Off with Pay  
Vacation Leave  
Bereavement Leave  
Sick Leave  
Maternity Leave  
Salary Review  
Performance Review  
Continuing Education and Outside Employment  
Sabbatical Leaves  
Benefits  
Grievance Procedures  
Termination  
Employee Responsibilities  

Part 3: Job Descriptions  

Senior Pastor  
Associate Pastor(s)  
Minister of Music and Worship  
Minister of Youth  
Part-time Church Secretary  
Custodian  
Tithing Secretary  
Financial Secretary  

Part 4: Facility Utilization  

Property Management  
Signs and Banners  
Physical Changes  
Wedding Policy – both member and non-member policies  
Kitchen Use Policy  
Minibus (Van, Bus) Policy  
Special Events
Part 5: Financial Management

Offering Counting Procedures
Signatures for Checks
Required Reports

Below are various examples for the above mentioned categories of a policy manual.

Mission Statements:

☐ To help persons become completely committed servants of Jesus Christ.
☐ To share the knowledge and saving love of Jesus Christ by doing God’s will to glorify His name.
☐ “Whatever it takes to Know, Grow, & Sow” – To know God intimately; To Grow in the knowledge of His Word; & To Share the Gospel with others!
☐ A presence shaped to inspire excellence – personally, spiritually, & corporately.
☐ Touching lives, reaching out, building the Kingdom.
☐ To expand the Kingdom of God.
☐ To develop people into fully functioning followers of Jesus Christ.

Statement of Faith:

Example:

As members of this church, we believe,

1. The Bible as the inspired, infallible Word of God; the final authority in all matters of faith and conduct.
2. One God, eternally existent in three persons: Father, Son, and Holy Spirit.
3. Jesus Christ, His Deity, virgin birth, sinless life, vicarious death, burial and bodily resurrection, His ascension to the right hand of the Father and His personal future return in power and glory.
4. The sinfulness of man and salvation only by grace through faith in the shed blood of Christ.
5. The present ministry on the Holy Spirit by whose indwelling the Christian is enabled to live a godly life.
6. The resurrection of the dead: the believer to life everlasting and the unbeliever to the resurrection of judgment.
7. The church as the body of Christ, for which He will return, as comprised of all who have accepted the redemption provided in Him.

Job Descriptions:

Senior Pastor

Example #1:
The Senior/Lead Pastor will be a maturing Christian whose desire is to minister to his congregation.

They shall exemplify in their lives the Christian values held in Scripture (see 1 Tim. 3:1-12; Titus 1:5-16, 2:1-8; 1 Peter 5:1-4) and this congregation.

They shall be the custodian of the church’s vision statement and work to equip the congregation to live out that statement.

They shall provide pastoral care for the congregation in conjunction with the other staff and lay leaders.

They shall be responsible for the oversight, administration and operation of the congregation’s ministry program.

They shall endeavor to insure there is a balance of regular devotional, educational, and fellowship times. They shall work with the various committees of the church to accomplish this.

They shall work to incorporate, equip and use volunteers within the church’s program.

They shall work to communicate with and cultivate communication with congregation.

They shall be responsible for the day to day operation of the church and the staff.

They shall be accountable to the Church Council and shall work within the guidelines of the church bylaws and personnel policy.

Example #2:

Position Title: Senior Pastor
Reports To: Board of Elders

Position Summary: The Senior Pastor is the spiritual leader of the congregation. In addition, he/she is the ex-officio chairman of the corporation. He/she is responsible for supervising and directing the entire program and staff of the church.

Work Hours: The Senior Pastor is considered a full-time, salaried employee, and is expected to keep office hours from 9:00 AM until 4:00 PM during Monday through Thursday to be available to the congregation. The Senior Pastor is off on Fridays as well as church holidays.

Duties:
   1. To be spiritually prepared through Bible study and prayer to lead the church and speak the Word of God to the congregation.
2. Oversee the worship program of the church and prepare spiritually challenging, inspiring, and informative messages.
3. Supervise and evaluate progress of the pastoral and office staff of the church.
4. Conduct periodic meetings with the ministerial staff of the church to ensure all events are fully coordinated, communication is open, and their needs are met for their various areas of ministry.
5. Seek God’s vision for the church and communicate it to the leadership and the congregation in such a way that they can see it also.
6. Teach at least one Bible study per week.
7. Periodically teach, or supervise the teaching of an orientation class for newcomers.
8. Officiate at member’s funerals and weddings and other weddings he/she chooses.
9. Chair the Board of Elders and be available to meet with and/or serve on any committee of the church as the need arises.
10. Chair the annual and special business meetings of the corporation (unless said meeting concerns him/her personally).
11. Be available to serve the wider church by participating in district, State, and national Church of God organizations.
12. Be active in community activities, of interest to himself/herself, that help extend the Kingdom. Prudence should govern the extent of such involvement.
13. Serve in other ways at the pleasure and under the leadership of the Holy Spirit, with the advice and counsel of the Board of Elders.
14. Be available to counsel and console parishioners as the need arises.
15. Conduct annual performance reviews of subordinates. More frequent reviews may be conducted, as needed.
16. By word and example, model the Christian life to the church and especially to the staff. Be the kind of Christian others can follow.

Associate Pastor

Example #1:

1. Serve Jesus Christ and exemplify His Spirit in all that is said and done.
2. Fully support the senior pastor in all ministry endeavors.
3. Preach as requested.
4. Lead Wednesday night Bible studies.
5. Counsel as needed.
6. Assist with visitation for those in the hospital, and the shut-ins.
7. Oversee small group ministry.
8. Inaugurate a ministry to senior adults.
9. Serve as Chairman of the Missions Board.
10. Serve as a member of the Church Council.
11. Officiate at weddings as requested.
12. Officiate at funerals as requested.
13. Conduct baptism classes and baptize persons as requested.
14. Represent church in the community.
Specialized Associates

Pastor of Family Ministries and Counseling

Description of responsibilities: The Pastor of Family Ministries and Counseling will have as his/her primary responsibilities the responsibilities of every pastor as outline in our vision to reach, teach, and heal.

The primary areas of responsibility are outlined in the ministry position title – families and counseling. This represents a beginning point and not the job as it necessarily will be performed on a daily basis. Ultimately the pastor of Family Ministries & Counseling is responsible to the Senior Pastor and as such his/her assignment is dynamic in that it changes from time to time. More specifically, his/her responsibilities will be as follows:

1. Provide outreach opportunities for families in the community.
2. Provide activities within the church body specifically designed to strengthen the family.
3. Provide learning opportunities related to marriages, parenting, and other family relationships.
4. Provide learning opportunities related to mental health, behavioral, and childhood issues.
5. Provide support groups for various issues related to the family and other relationships.
6. Provide family counseling.
7. Provide pre-marital counseling for couples being married at the church.
8. Provide marriage counseling.
9. Provide individual counseling.
10. Provide opportunities for assessment related to personality style, ADHD, behaviors, etc.
11. Provide pastoral support related to preaching and teaching.
12. Provide pastoral support related to wedding ceremonies.
13. Provide pastoral support related to visitation.
14. Provide pastoral support related to funeral services.
15. Provide other duties as assigned.

Accountability: The Pastor of Family Ministries and Counseling will be accountable to the Senior Pastor. Additionally, his/her ministry will be most closely aligned with the Ministry Board. He/she will also access clinical supervision services as stipulated by the State of ______________ Counselor and Social Worker Board.

Supervision:
1. The Pastor of Family Ministries and Counseling shall be supervised by the Senior Pastor.
2. The Pastor of Family Ministries and Counseling shall access clinical supervision services as stipulated by the State of ______________ Counselor and Social Worker Board.
Qualifications:
1. Be a licensed or ordained Minister.
2. Be licensed by the State of ______________ to solemnize marriages (if applicable).
3. Possess a Masters Degree in field related to ministry and counseling.
4. Possess a License by the State of ____________________ to provide counseling (LSW, LISW, LPC, LPCC or what is applicable to the state).

Minister of Pastoral Care and Small Groups

Reports to: Senior Pastor

Position Summary: He/she is responsible for supervising and directing the pastoral care and small group programs of the church under the supervision of the Senior Pastor. He/she is expected to administer his/her areas of ministry and to contribute to the team spirit of the pastoral staff and assist in maintaining and providing continuity for the overall program of the church.

Work hours: The Minister of Pastoral Care and Small Groups is also considered a full-time, salaried employee but should keep office hours from 9:00 AM until 4:00 PM during Monday through Wednesday and Friday. He/she is off on Thursdays as well as church holidays. The Minister of Pastoral Care and Small Groups is responsible to perform the following duties:

1. By word and example, model the Christian life to the church. The minister is expected to be the kind of Christian others can follow.
2. Establish a “caretaker ministry” (name of ministry will be chosen by the minister with the advice and consent of the Ministries Division of the Board of Elders).
3. Recruit a corps of “caretakers” who will each provide pastoral care to a group of Church families. (Ideally each “caretaker” would have six to eight families in his/her group).
4. Train “caretakers” for hospital visitation, shut-in visitation, crisis care, etc.
5. Assign church families to a “caretaker” for training and encouragement.
6. Coordinate monthly “caretaker” meetings for training and encouragement.
7. Supply “caretakers” with necessary materials (stamps, cards, etc).
8. Provide a current list of contacts to “caretakers” (Coordinator of Meals that Heal, Coordinator of Funeral Dinners, small group leaders, Sunday School teachers, staff, etc.).
9. Receive monthly activity reports from the “caretakers.”
10. Help “caretakers” identify the spiritual gifts and talents of people in their care and find ways to get them involved in the life of the church.
11. Liaison with the Senior Pastor concerning celebrations, comments, problems, etc.
12. Be the “caretaker” to the “caretakers.”
13. Coordinate home Bible studies by providing curriculum and recruiting and training leaders and hosts.
15. Create and staff new small groups of various kinds for study and fellowship (sports teams, interest groups, men’s groups, women’s groups, recovery groups, etc.).

16. The Minister of Pastoral Care and Small Groups will attend all regular worship services and participate in worship services at the request of the Senior Pastor and Minister of Music. He/she will preach when invited by the Senior Pastor.

17. The Minister of Pastoral Care and Small Groups will be encouraged to participate in teaching in Sunday School, home Bible studies, or Equipping Disciples as the need arises and as subjects are chosen which the Minister of Pastoral Care and Small Groups is passionate about.

18. The Minister of Pastoral Care and Small Groups is expected to be a person passionate about ministry and open to God’s leading. This job description is not intended to limit the Minister of Pastoral Care and Small Groups’ involvement or stifle his/her creativity. The Minister of Pastoral Care and Small Groups should, however, discuss and seek advice of the Senior Pastor in regards to proposed new ministries and how they fit into the church’s overall purpose and strategy.

19. The Minister of Pastoral Care and Small Groups may be asked to supervise or help supervise ministerial interns from time to time.

20. The Senior Pastor may assign the Minister of Pastoral Care and Small Groups other duties.

Children’s Minister

Example #1:

Reports to: Senior Pastor

Position Summary: He/she is responsible for supervising and directing the children’s ministries of the church under the supervision of the Senior Pastor. He/she is expected to administer his/her areas of ministry and to contribute to the team spirit of the pastoral staff and assist in maintaining and providing continuity for the overall program of the church.

Work hours: The Children’s Minister is a full-time, salaried employee who will maintain office hours from 9:00 AM until 4:00 PM during Monday through Thursday. He/she is off on Fridays as well as church holidays. The Children’s Minister is responsible to perform the following duties:

1. Plan a Children’s Program, which includes opportunities for spiritual growth, for service to the church and the community, and for fellowship and fun. The children’s program should provide child-centered opportunities in line with the church’s purpose statement.

2. Creates opportunities for children to encounter Jesus Christ at their level of understanding.

4. Plan and provide leadership for Children’s Church during morning worship.
5. Serve as the principal of the Children’s Sunday School to include selection of curriculum, recruitment of teachers and workers, providing teacher and worker training, and plan annual teacher appreciation events.
6. Recruit, screen, train, and coordinate any workers needed for various children’s programs.
7. Plan and execute annual Vacation Bible Schools. This includes selection of curriculum, recruitment of teachers and workers, providing teacher and worker training, and related publicity within and without the church.
8. Direct or recruit a director for children’s choir(s) and/or other worship groups, which may include drama and/or dance.
9. Encourage children and their parents to participate in camping program.
10. Plan and supervise a mid-week children’s program.
11. Create or recruit someone to create bulletin boards to highlight children’s activities.
12. Make Christian children’s literature available to the children of our church through a children’s library or bookshelf.
13. Keep the church informed of the children’s program by writing articles for the church newsletter.
14. Publicize children’s programs both within the church and to the public.
15. Assist the Senior Pastor in other pastoral duties, as requested by the Senior Pastor.
16. By word and example, model the Christian life to the church and especially the children. Be the kind of Christian others can follow.

Example #2:

The Children’s Minister will be a maturing Christian whose desire is to minister to children and the community.

He/she shall exemplify in their lives the Christian values held in Scripture (see 1 Tim. 3:1-12; Titus 1:5-16, 2:1-8; 1 Peter 5:1-4) and this congregation.

Areas of Responsibility:

1. He/she will oversee and administrate the children’s program for ages birth through 5th Grade.
2. He/she will develop and provide primary leadership for the Children’s Church program.
3. He/she will develop, provide primary leadership for the Wednesday night Children’s program.
4. He/she will coordinate, administrate and supervise the children’s Sunday School hour classes.
5. They will oversee the children’s Vacation Bible School Program.
6. He/she will develop outreach programs for children.
7. He/she will develop fellowship and recreational activities or the children’s program.
8. He/she will work to develop and train teachers and volunteers to assist them and to provide leadership within the children’s department.
9. He/she will work with parents to provide holistic ministry for the children.
10. He/she will develop, oversee and administrate the church’s community ministry programs.
11. He/she will live in the town of ______________ and be an active part of its ongoing life.
12. He/she will develop community outreach and mission activities.
13. He/she will work with parents to provide holistic ministry for the children.
14. He/she will find and catalog community ministry services that are available.
15. He/she will develop collegial relationships with other area ministry services.
16. He/she will work to map and identify the families living within ______________.
17. He/she will work to develop and train people who have a desire to serve the Kingdom of God through community ministry.
18. He/she shall carry out those pastoral duties assigned by the Senior Pastor.

Points of accountability: He/she will be accountable to the Senior Pastor and the Church Council. He/she will work in conjunction with the entire staff and with the Council person of Christian Education and the Council person of Missions and Outreach.

Minister of Music and Worship

Reports to: Senior Pastor

Position Summary: He/she is responsible for supervising and directing the music and worship ministries of the church under the supervision of the Senior Pastor. He/she is expected to administer his/her areas of ministry and to contribute to the team spirit of the pastoral staff and assist in maintaining and providing continuity for the overall program of the church.

Work hours: The Minister of Music and Worship is a part-time, salaried staff position and does not have office hours. He/she is expected to be present for Sunday services, scheduled music rehearsals, and scheduled staff meetings.

Duties:

1. Plan Morning Worship – Glorify God and enhance the theme of the message the pastor will be delivering. Use any worship resources available including: choir, children’s choir, drama, special soloists and groups, and instrumentalists, etc.
2. Direct Worship Choir – Lead a weekly rehearsal to prepare Sunday specials and one to two musical services per year. Create an atmosphere that will encourage people to participate in the ministry of the church. The tasks of practicing, preparing, and presenting music to glorify the Lord should be an enriching and enjoyable experience.
3. Develop Special Music – Discover, encourage, and coordinate vocalists and instrumentalists to use their talents in worship.
   a. Responsible to schedule soloists, musicians, special music and audio and video technicians for Sunday worship services.
   b. Responsible to publish schedule of musical and technology requirements with no less than 30 days advance notice.
   c. Church’s agent for all CCLI requirements including annual renewal and required reports.

4. By word and example, model the Christian life to the church and especially to the musicians. Be the kind of Christian others can follow.

Youth Minister

Example #1:

Reports to: Senior Pastor

Position Summary: He/she is responsible for supervising and directing the youth ministry of the church under the supervision of the Senior Pastor. He/she is expected to administer his/her areas of ministry and to contribute to the team spirit of the pastoral staff and assist in maintaining and providing continuity for the overall program of the church.

Work hours: The Youth Minister is a part-time, salaried staff member and does not have office hours. He/she is expected to be present for Sunday services, scheduled youth activities, and scheduled staff meetings.

Duties:

1. Plan Youth Program – Plan, with the help of the lay youth workers, a well-rounded program of youth activities. This should include opportunities for spiritual growth, for service to the church and the community, for fellowship and fun, and for raising funds for special events (when required).
2. Spiritual Leadership for Youth – Create opportunities for young people to come to Christ and grow in Him.
3. He/she is expected to provide at least Sunday and mid-week services to the youth.
4. Pastor the Youth – Become involved in the lives of the youth and their families.
5. Encourage Participation in State and National Youth Activities – Publicize and encourage attendance at camps and youth conventions. The youth minister should involve himself/herself, as much as time allows, in these events.
6. Encourage Youth to Participate in the Church as a Whole – Help the youth to attach to the church and participate in all activities. Youth-led worship services and service projects are suggested as a way of helping them feel part of the total church.
7. By word and example, model the Christian life to the church and especially to the youth. Be the kind of Christian others can follow.
Example #2:

1. The Youth Pastor will be a maturing Christian whose desire is to minister to young people.
2. He/she shall exemplify in their lives the Christian values held in Scripture (see 1 Tim. 3:1-12; Titus 1:5-16, 2:1-8; 1 Peter 5:1-4) and this congregation.
3. He/she shall be responsible for the oversight, administration and operation of the youth program to include regular devotional, educational, and fellowship times.
4. He/she shall pay particular attention to developing the youth in areas of discipleship and evangelism.
5. He/she shall work to incorporate, equip and use adult volunteers within the program.
6. He/she shall work to communicate with and cultivate communications with youth parents.
7. He/she shall be accountable to the Senior Pastor, Church Council and shall work within the guidelines of the church bylaws and personnel policy.
8. He/she shall counsel under the guidance of the Senior Pastor.

Church Secretary/Administrative Assistant

Example #1:

Duties:

1. Receptionist:
   a. Answer and direct incoming calls
   b. Take detailed messages and distribute appropriately
   c. Check voice mail messages regularly
   d. Greet all persons as they enter the building
2. Sort incoming & outgoing mail
   a. Sort and distribute incoming mail
   b. Take outgoing mail to post office
3. Prepare weekly bulletin
   a. Type, run copies and fold approximately 230 weekly bulletins
   b. Contact helpers to place inserts and communication cards in weekly bulletin
4. Prepare bi-monthly newsletters
   a. Collect upcoming articles
   b. Layout, type, prepare and fold newsletters
   c. Contact helpers to prepare bulk mailing of newsletters
   d. Calculate mailing rate form and deliver to post office
5. Maintain church calendar
   a. Schedule calendar events
   b. Update and maintain accurate calendar information
6. Coordinate purchase order system
   a. Assign purchase order numbers to each item purchased for the church
b. Receive signatures from appropriate council member  
c. Prepare purchase order forms with receipts for accounting department.

7. Maintain church records/files  
   a. Maintain vacation records  
   b. Maintain record of church financial secretary’s information  
   c. Maintain and update filing cabinet records

8. Maintain weekly church attendance & visitor information  
   a. Make updated attendance rosters  
   b. Sort communication cards and record attendance  
   c. Prepare cards and mail to absentee list  
   d. Prepare staff update  
   e. Record prayer requests, praises, hospital information, etc. from communication cards  
   f. Prepare cookie bags for new visitors  
   g. Send informational letters to first time visitors  
   h. Add new visitor information to roledex and database

9. Maintain bus/van schedule  
   a. Schedule bus/van usage events  
   b. Provide keys and usage chart to approved drivers as scheduled  
   c. Calculate and ensure usage payment following trip

10. Update Hospital/Nursing Home Board  
    a. Maintain accurate list of nursing home/shut-in residents  
    b. Monitor and maintain current hospital list  
    c. Order flowers for new babies, hospital patients, funerals

11. Word Processing  
    a. Type and mail all greeters, cookie crew, and ushers schedules  
    b. Type monthly meeting minutes for various church groups  
    c. Type reminder cards for various meetings and committees  
    d. Type brochures, letters, and booklets for various groups  
    e. Prepare Church of God yearbook information

12. Purchasing  
    a. Maintain supply of postage stamps and monitor bulk mail account for mailings  
    b. Order and maintain supplies for supply room  
    c. Place orders occasionally for pastoral members and congregational groups  
    d. Order flowers for new births, hospital patients, and funerals  
    e. Order New Testaments for baby dedications  
    f. Order and prepare baptismal certificates

13. Coordinate and distribute wedding policy information  
    a. Schedule weddings and receptions according to availability of pastor and church facilities  
    b. Calculate and receive wedding deposit and payment  
    c. Arrange custodial and sound technician assistance

14. Miscellaneous projects  
    a. Basic copying upon request  
    b. Basic word processing upon request
c. Assists in various ways to congregation & pastoral staff

Example #2:

Reports to: Senior Pastor

Position Summary: He/she is responsible for performing the secretarial work of the church under the supervision of the Senior Pastor. The secretary reports to both Senior Pastor and the Administration Division. He/she is expected to administer his/her work as a ministry and to contribute to the team spirit of the pastoral staff and assist in maintaining and providing continuity for the overall program of the church.

Work hours: The church secretary is a part-time, hourly staff member with assigned office hours. Office hours will be from 9:00 AM until 4:30 PM during Monday through Friday. He/she is provided with a half hour paid lunch break.

Duties:

1. Perform duties assigned by the Senior Pastor.
2. Screens phone calls, takes messages, types, copies, files, and helps as needed.
3. Assists Board of Elders, as needed (meeting reminders, scheduled appointments).
4. Screen know-your-neighbor pads.
5. Monitor cookie drops in conjunction with the know-your-neighbor pads to ensure visitors receive cookies and information packets.
6. Responsible to gather, type, proofread, and produce finished bulletins.
7. Assist newsletter editor with the publication of the newsletter.
8. Responsible to maintain the petty cash account.
9. Periodically update and republish the church directory.
10. Maintain roloex file for the church office.
11. Establish and maintain office files.
12. Responsible to control and distribute audiotapes of services.
13. Maintain the church calendar.
15. Responsible to request, compile, and publish annual report.
16. Purchase needed office supplies.
17. Post, collect, sort, and distribute mail.
18. Coordinate with the Communion team prior to communion.
19. Serve as liaison for prayer chain calls.
20. Coordinate ordering of special occasion flowers, as needed.
21. Perform other duties as assigned.

Custodian

Example #1:

Reports to: Administration Division, Board of Elders
Position Summary: He/she is responsible for performing the custodial duties as a ministry under the supervision of the Administration Division of the Board of Elders. He/she is expected to administer his/her duties and contribute to the team spirit of the pastoral staff and church and to assist in maintaining God’s house.

Work hours: The custodian is a part-time, contract staff member. He/she is expected to accomplish the duties identified below and ensure all actions are completed before the facility is scheduled to be used.

Duties:

1. The following duties will be accomplished twice weekly:
   a. Empty all trash containers, remove trash from the buildings to the dumpster.
   b. Vacuum, dust, and pick up loose paper on the floor of all classrooms, hallways, and entryways. This includes the sanctuary, balcony, and common areas and nursery.
   c. Clean restrooms which include sinks, mirrors, toilets, and urinals.
   d. Polish water fountains with metal cleaner.
   e. Check and restock as necessary: soap, paper towel dispensers, toilet tissue, and facial tissue.

2. The following duties will be accomplished weekly:
   a. Mop restroom floors – remove shoe-marks as needed.
   b. Mop kitchen floor.
   c. Wipe down cribs in the nursery with an anti-bacterial cleaning solution.
   d. Wipe piano with a damp cloth (do not use wax) and dry thoroughly.
      Replace cover on piano.
   e. Clean organ wood surfaces with furniture polish and wipe keys with a damp cloth only.
   f. Clean office as much as possible.
   g. Monitor inventory of cleaning supplies – turn in list of needed supplies to the office for ordering.
   h. Note any needed maintenance and turn in list of needed repairs to the office for forwarding to the Administration Division.
   i. Clean inside windows.
   j. Vacuum pew cushions.
   k. Clean and sweep the annex.

3. The following duties will be accomplish monthly:
   a. Wash all accessible outside windows, weather permitting.
   b. Wipe out windowsill and wipe down Venetian blinds.
   c. Clean cobwebs from ceilings, doorways, and lighting fixtures using cobwebs broom.
   d. Clean metal appliances in the restrooms with metal cleaner: faucets, handrails, towel dispensers, and urinal metal work.
   e. Vacuum stairwells.
   f. Wax kitchen and restroom floors.
g. Wash baseboards.

Example #2:

Daily:
1. Empty trash
2. Clean entire church (excluding baptistery)
3. Dust and sweep
4. Mop entryways
5. Clean entry doors
6. Contact Property & Maintenance Deacon when needed
7. Schedule carpet cleaning

Secure building after activities on Sunday’s & Wednesday’s
1. Lock and unlock
2. Check lights
3. Check thermostats
4. Check offices
5. Turn off equipment

Wedding & Rehearsals
(Wedding party is responsible for set-up/tear-down and all areas used put back as found)
1. Unlock and lock
2. Clean restrooms
3. Sweep

Facility Utilization:

Example #1

Property Management: The Board of Elders is responsible to ensure all facilities are maintained to the highest standard. The cleanliness and physical condition of our facilities is a testimony to our respect for God and His Word. In addition, the Board of Elders is responsible to ensure the scheduling of the facilities to ensure the primary mission of the church is enhanced and dissimilar activities do not conflict with one another. Facilities and equipment may be used as indicated below:

1. Equipment may not be removed from church property unless it is being used for church-related reasons.
2. Equipment may not be used for personal business (for profit) on or off church property.
3. Designated items may be borrowed for personal use. The Administration Division has the authority to make such designation.
4. Any use of church facilities must reflect the philosophy and ministry of the church. Use of tobacco and/or alcohol is expressly prohibited on church grounds.
Signs and banners:
1. The Ministry Division of the Board of Elders must approve all signs and banners displayed within and without the church.
2. Specifically excluded are signs and posters specifically related to the on-going lessons of various Sunday School classes provided the following rules are followed:
   a. All signs and posters displayed will be in good condition.
   b. No signs or posters will be affixed to the walls with cellophane tape.
   c. Bulletin boards should be used to the maximum extent possible.
3. Specific ministries of the church that require a bulletin board should request one from the Administration Division of the Board of Elders.
   a. The Board of Elders should attempt to meet the needs of the specific ministry for both size of bulletin board and its location.
   b. Bulletin boards should be standardized to enhance the overall décor of the church.
   c. Once a bulletin board is approved for a specific ministry, a member of that ministry is responsible to ensure that it is utilized as intended.
      i. All material should be neat and orderly.
      ii. All material should be current.
      iii. All material should be checked no less than weekly and replaced as required.

Physical Changes: The church is used for many functions and often the use of a particular portion of the church may significantly impact on the overall use of the whole facility. To ensure our facilities are maintained to the highest standard and contribute to the overall ministry of the church the following policy applies to physical changes to the use of any part of the facility.

1. No physical changes may be made to the facilities without the express consent of the Board of Elders.
2. To request a change to the physical environment a written request should be provided to the Board of Elders addressing the following:
   a. Brief statement of what the current environment and use is.
   b. Brief statement of what physical changes are requested.
   c. Brief statement of the benefits the physical changes will provide.

Wedding Policy: The church may be used from time to time for weddings. These weddings may be between members of our church and occasionally non-members. The policies for each are listed below.

Guidelines for member weddings:

1. A Christian marriage is a total commitment of two people before God. If one person is not a Christian, yet come to a conference with the minister, he/she will explain what being a Christian is about and how that affects a marriage. It is the
pastor’s prerogative to decline or accept the invitation to perform a wedding ceremony.

2. All couples to be married must have been in a dating relationship for a minimum of one year prior to the wedding date and will need to attend at least four premarital counseling sessions with the pastor.

3. A waiting period of one year is necessary for a person(s) seeking remarriage after divorce. The pastor will determine if there are Biblical grounds for remarriage after the first counseling session.

4. An adequate notice should be given for a marriage to be performed. A minimum of three months notice is required unless there are extenuating circumstances.
   a. Weddings are not confirmed on the church calendar until a conference with the request to the Senior Pastor.
   b. The Senior Pastor will gather the pertinent facts and make a recommendation to the Board of Elders.
   c. The Board of Elders will review the recommendation and make a determination.
   d. The Senior Pastor will convey the decision of the Board of Elders to the minister requesting the use of the facility.

5. Requests for specific counseling dates and/or wedding dates may conflict with ongoing programs. Requests will be met to the maximum extent possible. The ministry of the church will take precedence.

6. The positioning of the photographer and the placement of video equipment during the service should be discussed with the minister. Such activities need to be discreet and in good taste.

7. All weddings occurring at the church should be performed by one of the pastoral staff. Any other minister must have the approval of the Board of Elders to conduct a wedding at our facilities.

8. Ministers other than those on staff at the church should make their request to the Senior Pastor.
   a. The Senior Pastor will forward the request with his/her recommendation to the Board of Elders.
   b. Approval by the Board of Elders by simple majority.
   c. The Senior Pastor will inform the minister requesting to conduct the ceremony of the Board of Elders’ decision.
   d. The process should be conducted as expeditiously as possible to include the use of telephone polls of the Elders.

9. Birdseed must be used in place of rice.

10. No alcoholic beverages or smoking is allowed on the church property.

11. All refreshments must be kept in the fellowship hall.

12. The following schedule of fees is provided:
   a. Sanctuary No charge
   b. Fellowship Hall No charge
   c. Sound technician Negotiable
   d. Instrumentalist(s) (Each) Negotiable
   e. Singer(s) (Each) Negotiable
   f. Custodian $25-$50*
g. Kitchen Coordinator $25
h. Minister Not required

*Based on whether or not the fellowship hall is used

13. The fees are due to the church office during normal business hours not later than one day prior to the rehearsal. The original marriage license and duplicate must also be delivered to the office when the fees are paid. The bride and groom should fill out the duplicate license as completely as possible before submitting it.

Church office hours are Monday through Friday from 9:00 AM until 4:00 PM.

14. It is the responsibility of the bride and groom that before they leave the facility that the following conditions have been met:
   a. All furniture moved or items used need to be returned to their original place immediately after the ceremony.
   b. Items used from the kitchen for the reception must be cleaned and replaced under the supervision of the kitchen coordinator.

15. The church provides actual cleaning of the building.

16. The wedding party is responsible to replace any broken or damaged items.

17. The kitchen may not be used unless a kitchen coordinator is contracted and present.

18. If a candelabra is used, clear plastic must be placed beneath it/them to protect the carpet from melted wax.

19. A wedding scheduling form will be used and must be on file in the church office prior to the first counseling meeting with a minister.

Guidelines for non-member weddings:

1. A Christian marriage is a total commitment of two people before God. If one or both persons are not Christians, yet come to a conference with the minister, he/she will explain what being a Christian is about and how that affects a marriage. It is the pastor’s prerogative to decline or accept the invitation to perform a wedding ceremony.

2. All couples to be married must have been in a dating relationship for a minimum of one year prior to the wedding date and will need to attend at least four premarital counseling sessions with the pastor.

3. A waiting period of one year is necessary for a person(s) seeking remarriage after divorce. The pastor will determine if there are Biblical grounds for remarriage after the first counseling session.

4. An adequate notice should be given for a marriage to be performed. A minimum of three months notices is required unless there are extenuating circumstances.

5. Weddings are not confirmed on the church calendar until a conference with the minister, at which time a determination will be made if the minister will conduct the wedding.

6. All weddings occurring at the church should be performed by one of the pastoral staff. Any other minister must have the approval of the Board of Elders to conduct a wedding in our facilities.
   a. Ministers other than those on staff at the church should make their request to the Senior Pastor.
b. The Senior Pastor will gather the pertinent facts and make a recommendation to the Board of Elders.
c. The Board of Elders will review the recommendation and make a determination.
d. The Senior Pastor will convey the decision of the Board of Elders to the minister requesting the use of the facility.

7. Requests for specific counseling dates and/or wedding dates may conflict with ongoing programs. Requests will be met to the maximum extent possible. The ministry of the church will take precedence.

8. The positioning of the photographer and the placement of video equipment during the service should be discussed with the minister. Such activities need to be discreet and in good taste.

9. Birdseed must be used in the place of rice.

10. No alcoholic beverages or smoking are allowed on the church property.

11. All refreshments must be kept in the fellowship hall.

12. The following schedule of fees is provided:

   a. Sanctuary $150
   b. Fellowship Hall $150
   c. Sound technician Negotiable
   d. Instrumentalist(s) (Each) Negotiable
   e. Singer(s) (Each) Negotiable
   f. Custodian $25-$50*
   g. Kitchen Coordinator $35
   h. Minister $150

*based on whether or not the fellowship hall is used

13. The fees are due to the church office during normal business hours no later than one day prior to the rehearsal. The original marriage license and duplicate must also be delivered to the office when the fees are paid. The bride and groom should fill out the duplicate license as completely as possible before submitting it. Church office hours are Monday through Friday from 9:00 AM until 4:00 PM.

14. It is the responsibility of the bride and groom that before they leave the facility that the following conditions have been met:

   a. All furniture moved or items used need to be returned to their original place immediately after the ceremony.
   b. Items used from the kitchen for the reception must be cleaned and replaced under the supervision of the kitchen coordinator.

15. The church provides actual cleaning of the building.

16. The wedding party is responsible to replace any broken or damaged items.

17. The kitchen may not be used unless a kitchen coordinator is contracted and present.

18. If a candelabra is used, clear plastic must be placed beneath it/them to protect the carpet from the melted wax.

19. A wedding scheduling form will be used and must be on file in the church office prior to the first counseling meeting with a minister.
Kitchen Use Policy: The kitchen may be used for church-related functions. To ensure no scheduling conflicts occur, the use must be scheduled and approved by the church office. All use of the kitchen (as well as the remainder of the facility) must be in accord with the philosophy and purpose of the Church of God.

The following additional requirements must be met:

1. A single point of contact for the use of the kitchen must be designated. They will be known as the kitchen coordinator.
2. The kitchen coordinator will ensure all foodstuffs kept in either the refrigerator or freezer are clearly marked and dated. Once the event the kitchen was reserved for is over they will ensure all foodstuffs are removed.
3. The kitchen coordinator will ensure all appliances, pots and pans, dishes, serving utensils, and silverware are thoroughly cleaned and returned to their original location.
4. The kitchen coordinator will ensure any cloth products used from the kitchen are washed, folded, and returned within 48 hours of the completion of the event.
5. The kitchen coordinator will ensure all trash is removed from the building and placed in the dumpster after the event. They will also ensure new trash liners are replaced in all trash containers used.
6. The kitchen coordinator will ensure all additional facilities used (fellowship hall, classrooms) are cleaned and returned to their original configuration immediately after the event is completed.
7. The kitchen coordinator will report any problems, damage, malfunction of any appliances to the church office as soon as is practical after they are observed.

Guidelines for use of minibus:

1. The Administration Division will appoint a bus administrator on a yearly basis. He/she will be in charge of all bus functions including scheduling use and maintenance, safety checks, cleaning, record keeping, and all required paperwork. He/she will work with the Administration Division, church office, and pastoral staff to avoid and/or resolve any scheduling conflicts.
2. The bus administrator must ensure the bus stays mechanically sound and clean in accordance with the following guidelines:
   a. Bus should be cleaned inside as required.
   b. Bus should be cleaned/washed outside as required.
   c. Bus should have oil/fluid changed every 3,000 miles or three (3) months.
   d. A master maintenance and expense record must be maintained.
   e. Operators must use the logbook in the bus each time the bus is used.
3. The bus will be used on a no charge basis for the various ministries of the church.
4. The bus may be used on a charge basis for non-church functions if the following conditions are met:
   a. There must be some connection between the non-church use of the bus and the church. For example, if a member of the church is also the member of a club that wishes to use the bus that would be assumed the
connection. The church member will be the requestor and must make the request to the Board of Elders through any elder. The church member making the request must be 21 years of age or older.

b. The following procedure will be followed to request the use of the bus:
   i. The requestor makes his/her request known to a member of the Administration Division, Board of Elders.
   ii. The elder who received the request will present it (or ensure it is presented by another elder) at the next regularly scheduled board meeting.
   iii. The board will ensure the requestor is advised immediately following the board meeting of the board’s decision.

c. The Board of Elders must approve all use for non-church functions. This includes approval of the driver who must be a member of the church.

d. The charge for the bus is $0.43 per mile driven. The mileage starts and stops at the church. This mileage charge includes fuel. If the user of the bus provides fuel that fuel will be deducted from the mileage charges provided the receipt is provided.

e. Church functions have priority on the use of the bus.

f. Prior to using the bus, the non-church entity must have a signed contract on file with the church. The church reserves the right to request a deposit of $100 or 25% of the expected expense; whichever is less prior to releasing the bus.

g. The user of the bus is expected to keep the interior of the bus clean while in use and clean the bus inside and out after they use it. If the bus is not cleaned after use, a $50 cleaning fee will be assessed.

5. All drivers are expected to perform the following safety checks prior to using the bus each day.
   a. Check the operation of all lights.
   b. Check all fluid levels.
   c. Check for inflation of all tires.
   d. Ensure trash can is empty and spare bags are available (may be obtained from church).
   e. Ensure bus is fully fueled prior to leaving town or being used for a non-church function (to ensure non-church entity only pays for fuel used if they chose to fuel the bus after use).
   f. Reports all deficiencies to the bus administrator that are not critical.
   g. Critical safety deficiencies must be reported to the bus administrator and repaired prior to using the bus. Critical deficiencies include:
      i. Illumination of brake warning system light.
      ii. Deflation of tire(s).
      iii. Burned out headlight (if possibility of being used at night).
      iv. Inoperative turn signal (either side or both).
      v. Broken/missing fan belt.
      vi. No/low oil pressure.
      vii. Abnormally high engine temperature.
6. When children are being transported there must be another adult present to ensure their safety. The driver is expected to concentrate fully on the safe operation of the bus and not maintaining order.
7. All passengers will wear seatbelts while the bus is in motion.
8. Small children on local trips should not consume food and drinks.

Guidelines for special events: Special events occur throughout the year. These may be annual events or one of a kind events. The Ministries Division may be responsible for selected events; however, organizations within the church may sponsor events from time to time. Special events may include all-church picnics, Valentine Day dinners, holiday dinners, ice cream socials, funeral dinners, and other similar events.

The Ministries Division should be the central clearinghouse of all special events within the church to ensure adequate facilities and resources exist for that event as well as to insure no conflicts of events throughout the church year. As events are planned, the Ministries Division is responsible for ensuring they are placed on the church calendar. The following guidelines should be followed for all special events.

Note: Funeral dinners will be done for a member’s immediate family, which include parents, grandparents, children, grandchildren, siblings, and spouse.

1. When a special event is planned a committee should be formed or a coordinator appointed.
2. The sponsor of the event should inform them of the resources they have available. The resources include funding, reports from previous events, and facilities.
   a. The sponsor of the event must inform the committee of exactly how much money they can spend.
   b. The sponsor of the event must inform the committee of how the money will be provided or reimbursed. If reimbursement is chosen, the sponsor is responsible to provide all required forms to the committee for their reimbursement.
   c. The sponsor must inform the committee of the church’s tax-exempt status and provide instructions and the church’s tax ID to eliminate the need to pay sales tax.
3. The special event committee should ensure they adequately plan the event based on available resources.
4. The special event committee is responsible to ensure the event is publicized to the maximum extent possible. This may be done through special announcements, a specific announcement slide during morning worship, newsletter, and bulletin inserts.
5. At the conclusion of the special event, the planning committee is responsible to provide a final report to the Ministries Division, which will be used in the planning of subsequent events.
6. The Ministries Division is responsible to ensure they receive an adequate report from all special events.
Example #2:

Weddings fees for members: A member is defined as one who is faithfully attending, serving, and supporting the congregation, and has done so for six (6) months prior to the date of the request to reserve the facilities for their wedding.

Members of the church who attend as listed above may have immediate family members (son/daughter) that have attended in the past utilize the member policy.

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit</td>
<td>$25.00</td>
</tr>
<tr>
<td>Church Facilities</td>
<td>No Charge</td>
</tr>
<tr>
<td>Pastor Honorarium</td>
<td>$100.00 suggested fee</td>
</tr>
<tr>
<td>Organist</td>
<td>$50.00 suggested fee</td>
</tr>
<tr>
<td>Pianist</td>
<td>$50.00 suggested fee</td>
</tr>
<tr>
<td>Audio Technician</td>
<td>$50.00</td>
</tr>
<tr>
<td>Soloist</td>
<td>Negotiable</td>
</tr>
<tr>
<td>Janitor</td>
<td>$75.00</td>
</tr>
</tbody>
</table>

A refundable $25.00 deposit is required to hold your wedding date on the church calendar. The deposit fee must be paid to the church at the time of reserving the date and will be returned the week following the wedding.

The wedding payment is due at the church office one week prior to the wedding. A fee statement will be sent to the couple to be married. Checks must be written individually upon the above listed services.

Wedding fees for non-members: A member is defined as one who is faithfully attending, serving, and supporting the congregation, and has done so for six (6) months prior to the date of the request to reserve the facilities for their wedding.

Members of the church who attend as listed above may have immediate family members (son/daughter) that have attended in the past utilize the member policy.

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</tr>
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A non-refundable $25.00 deposit is required to hold your wedding date on the church calendar. This will be applied toward the balance of the wedding payment. The deposit fee must be paid to the church at the time of reserving the date.
The wedding payment is due at the church office one week prior to the wedding. A fee statement will be sent to the couple to be married. Checks must be written individually upon the above listed services.

Special notes:

- Throwing rice creates special safety problems both inside and outside the church. Use bird seed only.
- Flower petals leave a dark stain on the carpet. Please use only silk or paper ones.
- Please remove belongings from the sanctuary and dressing areas before leaving the church.
- All wedding items must be taken down and removed or there will be an extra $15.00 custodial charge to remove the items.
- Set up or tear down of tables and chairs for rehearsal dinners or receptions is the responsibility of the wedding party.
- For receptions or other events that require the use of the church kitchen, the family is responsible to restore the kitchen to a clean condition.
- Use only approved clamping devices for decorating pew ends. No screws, nails, excessive tape, etc.
- When candles are used, they must be protected by hurricane lamps.
- Please make sure that plastic is placed under any candelabras to protect the carpeting.
- Absolutely no smoking or alcohol anywhere on the church property.
Resources Cited

http://hr.blr.com

Kokomo First Church of God Policy Manual

Salem Church of God Policy Manual

Revised June 2008
“If anyone sets his heart on being an overseer, he desires a noble task.”
1 Tim. 3:1 NIV

Many individuals seek to be on church boards or committees for prestige. Other may just have their “arms twisted” to fill a position. In either case, they may accept these positions without understanding the legal ramifications and responsibilities of filling such a position. The focus of this block will be on board positions however many of the same issues would apply to committee members.

**Fiduciary Responsibilities**

When an individual becomes a part of the church board, they become a fiduciary of the church. A fiduciary has specific duties he/she must perform and can be held legally responsible if he/she breaches them.

Fiduciary duty is defined as:

“a legal relationship between two or more parties”

“An obligation to act in the best interest of another party.”

“A fiduciary obligation exists whenever one person, the client, places special trust and confidence in another person and relies upon that person, the fiduciary, to exercise his discretion or expertise in acting for the client; and the fiduciary knowingly accepts that trust and confidence and thereafter undertakes to act in behalf of the client by exercising his, the fiduciary’s own discretion and expertise.”

As a church board member, an individual becomes a fiduciary for the church. The congregation has placed them in a position of trust and they expect the board members to operate the church in the congregation’s best interest. This is a huge responsibility. Board members are expected to be excellent stewards of the money coming into the church, to care for all properties and facilities, and to act in a manner that provides safety and security to those who attend the church.
**Duty of Care**

One fiduciary duty a board member is responsible to carry out is duty of care. Duty of care can be defined as:

“Requires the individual to discharge duties in good faith, in a manner one reasonably believes to be in the best interests of the organization, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. The individual must devote the time, attention and resources necessary to understand and prudently oversee the affairs of the foundation.”

http://www.mcf.org/publictrust/wegsk(fiduciary.htm

Good faith for a board member is that behavior that they would expect another to implement if they were serving in a similar board position. To make sure a board member meets the compliance of duty of care, the following should be kept in mind:

- Attend all board meetings and/or committee meetings.
- Know and understand the bylaws of the church.
- Understand and question, when necessary, all financial reports of the church.
- Make sure that accurate minutes are being kept of all board meetings. This includes accurate minutes of any annual or special meetings of the congregation.
- If a decision is being voted on that the board member can not agree with in good conscience, the board member should make sure that the minutes reflects that they are abstaining.
- Board members need to be intentional in protecting the church property and investments.
- Board members should understand the federal and state tax issues that pertain to the church and clergy.
- Board members should be intentional in providing security in the hiring and appointing of paid and/or volunteer positions in the church.
- If allegations are brought forth, the board members are obligated to investigate such allegations.

To prove a breach of duty of care, negligence must be proven. To date, lawsuits proving breach of duty of care by church board members are minimal. However, church board members shouldn’t find security in that point. It is better for the church board to be proactive and forward-thinking as opposed to costing the church thousands of dollars in legal fees should a lawsuit arise.

**Duty of Loyalty**

Another fiduciary duty a board member is responsible to fulfill is duty of loyalty. Duty of loyalty is defined as:
“Requires the individual, when making a decision or acting on behalf of the foundation, to set aside personal or conflicting interests and act solely in the best interest of the foundation.”

http://www.mcf.org/publictrust/wegsk_fiduciary.htm

Basically the duty of loyalty means that a board member will not use their position on the board for personal gain. This would include not using the church’s assets for personal gain.

This duty includes the concept of conflict of interest. What exactly is “conflict of interest?” If a person’s personal or professional concerns interfere with his/her ability to put the church before personal benefit, conflict of interest exists. See Appendix A for an example of a Conflict of Interest Policy. Many churches will have members that are involved in a variety of businesses. These can be contractors, lawn care services, roofers, painters, sales people, etc.

The potential for conflict of interest to occur happens when these business people also serve as board members. It is not that these individuals should not serve as board members since their business skills can be of great help to the church, but that there should be a clear policy in place to address the protocol that should be followed if a conflict of interest arises.

Mark Warda states the following warning:

“Avoid keeping any conflicts secret. If the organization is dealing with an insider or an insider’s family member, do not try to hide it. Explain the person’s relationship to the organization and put the transaction in the records.”


If a church board votes to use a church member’s or family member’s business or services, they should clearly state in board or congregational minutes the relationship of this person to the business and the procedures used for selecting that particular business. If the church member or family member is serving on the church board, he/she should abstain from any voting and have that abstention recorded in official minutes of the board or congregational meeting.

The key to not breaching the duty of loyalty is to disclose whoever the church is doing business with and why.

**Other Responsibilities**

Board members are responsible to make sure that:

- Payroll taxes are withheld and paid to the IRS and state departments of revenue.
• The loan laws are understood for the state the church is located in. Most states do not allow churches to loan pastors, board members, or committee members money.
• If a church enters into a bond or securities method for raising funds for a new building, expansion of current facilities, etc., the board members must understand and comply with state and federal securities laws.
• No member of the church board, committees, pastoral staff, or other staff participates in inurement of church assets. Basically inurement means that an individual does not benefit from net earnings of the church. This doesn’t mean that the church can’t pay pastors or staff. It does mean however, that they can not receive excessive salaries or benefits.

There are two ways to provide the board members some security from liability of lawsuits. They are indemnification and incorporation.

Indemnification is defined as:

“A legally enforceable promise to reimburse a party for expenses, claims, fees, and/or judgments incurred by the party.”


Indemnification is a statement in the church’s bylaws or governing document that states the church agrees to cover legal expenses should a pastor, board member, committee member, youth leader, Sunday School teacher, nursery worker, etc. be charged with any form of misconduct or negligence. The statement should also state that the person will pay those expenses back to the church if they are found guilty. *See Appendix B for an example of an Indemnification Clause.*

Another way to provide some measure of security for board members is through incorporating the church. Anthony Mancuso, in his book *How to Form a Nonprofit Corporation*, defines a corporation as:

“A corporation is a legal entity that allows a group of people to pool energy, time, and money for-profit or nonprofit activities. It acquires legal existence after its founders comply with their state’s incorporation procedures and formalities. The law treats a corporation as a separate “person,” distinct from the people who own, manage, or operate it. The corporation can enter into contracts, incur debt, and pay taxes. Corporations are either for-profit (business corporations) or nonprofits.” (page 1/5)

Advantages of incorporating

• Limited liability of directors, officers, and staff – This is not an absolute, but in most cases, directors, officers, and staff are protected from personal liability in lawsuits. If the church is sued or finds itself in excessive debt, the creditors typically would not be able to touch the personal assets of the directors, officers,
and staff. If the church is not incorporated, directors, officers, and staff may find themselves personally liable to creditors to settle debt or for lawsuit settlements. Even if the church is incorporated, in unusual situations, the assets of the directors, officers, and staff may be sought by creditors through “piercing the veil,” if the settlement is the result of gross mismanagement or self-dealing.

- Tax exemptions – An incorporated church is eligible for exemptions from the payment of federal and state corporate income tax as well as state sales tax.

- Receiving Public and Private Donations – The majority of foundations and philanthropists require nonprofits (churches) to be incorporated before they will consider them for grants.

Uniform Unincorporated Nonprofit Association Act
During the annual conference meeting of the National Conference of Commissioners on Uniform State Laws held in San Antonio, TX in 1996, the Uniform Unincorporated Nonprofit Association Act was drafted. The purpose of this act was to “encourage involvement in small community groups and other organizations that aim to benefit the public but don’t want to establish a formal corporate structure.” (Starting & Building a Nonprofit by Peri H. Pakroo, p. 1/9)

This act provides unincorporated nonprofits with legal status of being a separate entity for purpose of liability. Under this act, directors, officers, and staff would be protected from liability the same as their equals in an incorporated nonprofit.

The act provides unincorporated nonprofits with five benefits:
1. It gives the associations the legal capacity to receive, hold, and transfer real and personal property.
2. It provides limited liability for members and functionaries of the groups for personal injury and contract claims.
3. It gives groups the right to sue and be sued as associations.
4. It creates a procedure for disposing of the property of inactive associations.
5. It allows an agent of the association (such as the activities coordinator, the president, or just a simple member) to be designated for service of process – the designated person then has the authority to receive legal papers on the group’s behalf.

(ibid.: 1/9)

To date only 11 states have adopted the act. These states include:
Alabama
Arkansas
Colorado
Delaware
District of Columbia
Hawaii
Idaho
Texas
West Virginia
Wisconsin
Wyoming

**Deciding to be a Board Member**

Before agreeing to serve on a church board or committee, there are some questions that an individual should ask themselves. These include:

- Am I committed to the mission of this church?
- Can I contribute the time necessary to be an effective board (committee) member?
- Can I contribute financial support consistent with the church’s expectations of board members and with my own means and priorities?
- Can I place the church’s purposes and interests above my own professional and personal interests when making decisions as a board (committee) member?
- How much of my time will be required for meetings and special events?

These questions were a modification of the questions asked in the [www.boardsource.org](http://www.boardsource.org) website.

If the individual can answer the above questions affirmatively, they may just make a good leader.

Beyond the fact of knowing the role of a board, its fiduciary responsibilities, and securing good leaders, is the fulfillment of the roles. To evaluate where the church is, the church leaders need to work through the following questions:

- What is our church’s mission?
- How do our current ministry opportunities relate to this mission?
- Does the church have a strategic plan that is reviewed and evaluated on a regular basis?
- Is the church financially sound?
- Is the church body satisfied with the current organizational structure?
- Are there clear job descriptions for the pastors, support staff, board members, or committee members?
- Are there clear directions for how the board or committees function and their responsibilities?
- Is there a system of checks and balances to prevent conflicts of interest between board or committee members and the church?
- Does the church have liability insurance which covers its pastor(s), board members, and committee members?
- How do we provide orientation for new members to the board or to committees?
- How do board members and the pastor(s) typically work with each other?
• Do our board members understand the financial reports well enough to make wise decisions?

These questions were a modification of the questions asked in the www.boardsource.org website.

Responses to these questions can help church leaders begin the process of defining their mission and the way to accomplish it. This knowledge can help towards the creation of a policy and procedures manual that contains the mission statement of the church; job descriptions for each board member, committee member, pastor(s), and support staff; strategic plan; etc. See Block A6 for guidelines for preparing a policy and procedures manual.

**Board Member Training**

One of the shortfalls of most church boards is that they do not take the time necessary to orient new leaders to board processes, procedures, and strategies. Just as it is important to get training when taking a new job in the secular world, it is essential that new leaders on church boards and committees receive training as well.

Depending on what the board is trying to achieve in a training session, it may be accomplished in two hours or it may take up to a two-day retreat.

An orientation for new board or committee members can usually be accomplished in a two to three hour meeting if there is already a mission statement, policy manual, and strategic plan in place. The following is a sample agenda for such a meeting:

- Welcome/Prayer
- Review of agenda
- Introduction to policy manual
  - Review mission statement
  - Review job descriptions
  - Review board operations
  - Review committee operations
  - Review calendar for meeting dates and special events
  - Review bylaws
- Present financial reports
  - Review financial reports
  - Walk step-by-step through the financial reports until all have a clear understanding in order to make wise decisions.
- Review fiduciary responsibilities
- Close with prayer

If the church leaders have not established a mission statement, strategic plan, or policy manual, they may consider having a leadership retreat that would focus on the
development of such items. A two-day retreat will only allow enough time to begin the process but would give ample foundation to build upon during the coming year.

An agenda for such a retreat may look something like the following:

Day One
- Welcome/Prayer
- Discussion
  - Who are we as a church?
  - What does our church do well?
  - What is God calling our church to do?
- Development of mission statement
  - How do our current programs or ministry opportunities help us accomplish our mission?
  - Are there any programs or ministry opportunities that currently keep us from accomplishing our mission? If so, can they be eliminated or refocused?
  - Are there ways to enhance our programs or ministry opportunities to better fulfill our mission?
  - Are there programs or ministry opportunities we need to add to help us accomplish our mission?
  - Is our financial situation such that we can accomplish our mission or is it holding us back?
- Begin process of developing a one to five year strategic plan.
- Close/prayer

Day Two
- Open/prayer
- Continue working on strategic plan
- Discussion
  - What is the role of the board in accomplishing our mission?
- Begin development of job descriptions for board members
- Discussion
  - What committees or task forces do we need to help us accomplish our mission?
- Begin development of job descriptions for committee or task force members.
- Discussion
  - What can we accomplish in the next twelve months towards our mission?
  - What can we accomplish in the next three years towards our mission?
  - What can we accomplish in the next five years towards our mission?
- Begin formulating the mission statement, strategic plan, and job descriptions into a policy manual. This is only a beginning process because it will take months to fine tune all that needs to be in a policy manual. The goal of this retreat is to establish the mission statement and be the strategizing process.
Over the months and several years that follow, these documents will need to be reviewed, evaluated, and refined until they accurately describe the direction of the church and how the leadership functions to make that happen.

- Set assignments for the next twelve months
- Close/prayer

The information contained in these few pages only gives a quick overview of a church board’s responsibilities and leadership requirements. To become an effective board member or leader takes time and is not something to be rushed but to be thought through.
Appendix A

Conflict of Interest Policy for ABC’s of Church Management, Inc.

Article I
Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization’s (ABC’s of Church Management, Inc.) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of ABC’s of Church Management, Inc. or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II
Definitions

1. Interested Person:
   Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest
   A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
   a. An ownership or investment interest in any entity with which the ABC’s of Church Management, Inc. has a transaction or arrangement,
   b. A compensation arrangement with the ABC’s of Church Management, Inc. or with any entity or individual with which the ABC’s of Church Management, Inc. has a transaction or arrangement, or
   c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the ABC’s of Church Management, Inc. is negotiating a transaction or arrangement.

   Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

   A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.
Article III
Procedures

1. Duty to Disclose
   In connection with any actual or possible conflict of interest, an interested
   person must disclose the existence of the financial interest and be given the
   opportunity to disclose all material facts to the directors and members of
   committees with governing board delegated powers considering the proposed
   transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists
   After disclosure of the financial interest and all material facts, and after any
   discussion with the interested person, he/she shall leave the governing board
   or committee meeting while the determination of a conflict of interest is
   discussed and voted upon. The remaining board or committee members shall
   decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest
   a. An interested person may make a presentation at the governing board or
      committee meeting, but after the presentation, he/she shall leave the
      meeting during the discussion of, and the vote on, the transaction or
      arrangement involving the possible conflict of interest.
   b. The chairperson of the governing board or committee shall, if appropriate,
      appoint a disinterested person or committee to investigate alternatives to
      the proposed transaction or arrangement.
   c. After exercising due diligence, the governing board or committee shall
      determine whether the ABC’s of Church Management, Inc. can obtain
      with reasonable efforts a more advantageous transaction or arrangement
      from a person or entity that would not give rise to a conflict of interest.
   d. If a more advantageous transaction or arrangement is not reasonably
      possible under circumstances not producing a conflict of interest, the
      governing board or committee shall determine by a majority vote of the
      disinterested directors whether the transaction or arrangement is in the
      ABC’s of Church Management, Inc.’s best interest, for its own benefit,
      and whether it is fair and reasonable. In conformity with the above
      determination it shall make its decision as to whether to enter into the
      transaction or arrangement.

4. Violations of the Conflicts of Interest Policy
   a. If the governing board or committee has reasonable cause to believe a
      member has failed to disclose actual or possible conflicts of interest, it
      shall inform the member of the basis for such belief and afford the
      member an opportunity to explain the alleged failure to disclose.
   b. If, after hearing the member’s response and after making further
      investigation as warranted by the circumstances, the governing board or
      committee determines the member has failed to disclose an actual or
possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Article IV**

**Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board’s or committee’s decision as to whether a conflict of interest in fact existed.

b. The names of the person who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

**Article V**

**Compensation**

a. A voting member of the governing board who receives compensation, directly or indirectly, from the ABC’s of Church Management, Inc. for services is precluded from voting on matters pertaining to that member’s compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the ABC’s of Church Management, Inc. for services is precluded from voting on matters pertaining to that member’s compensation.

c. Any voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the ABC’s of Church Management, Inc., either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**Article VI**

**Annual Statements**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

a. Has received a copy of the conflicts of interest policy,

b. Has read and understands the policy.

c. Has agreed to comply with the policy, and

d. Understands the ABC’s of Church Management, Inc. is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
**Article VII**
Periodic Reviews

To ensure the ABC’s of Church Management, Inc. operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm’s length bargaining.

b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the ABC’s of Church Management, Inc.’s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**Article VIII**
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the ABC’s of Church Management, Inc. may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

**Acknowledgement Statement**

I acknowledge that I have read and agree to the terms of this conflict of interest statement.

__________________________________________
Print Name

__________________________________________   __________________
Signature        Date
Appendix B

Indemnification Clause

Section 1. General
The church shall indemnify any person, including heirs and legal representatives, who shall be made a party to, or threatened with, any civil or criminal action, suit or proceeding because of being a member or agent of the church or because of any acts or omissions in such capacity taken or not taken, for and in the interest of the church, in good faith and in the exercise of reasonable care. This indemnification is against all liability, and reasonable expenses, including attorneys’ fees, actually and necessarily incurred in connection with such action, suit, or proceeding, whether actual or threatened, or in connection with any appeal thereof. If a director or officer in any such action, suit or proceeding is wholly successful, on the merits or otherwise, he/she is entitled to complete indemnification.

The church may also reimburse to any member or agent the amounts (other than amounts paid to the church) of judgments, fines, and penalties resulting from, and the reasonable costs of settlement and expenses, including attorneys’ fees, actually incurred and connected therewith, of any action, suit or proceeding if a majority of the directors not involved in the matter of controversy (even if such directors do not constitute a quorum), or a majority vote of the church, finds that such member or agent acted in good faith and in the exercise of reasonable care in the judgment of duty and that the payment of such judgments, fines or penalties, whether resulting from a plea of nolo contendere or otherwise, and costs of settlement are in the interests of the church. The fact that an action, suit or proceeding was terminated by judgment, settlement or conviction, or upon a plea of guilty or nolo contendere or its equivalent, shall not create a presumption that any such member or agent did not act in good faith for purposes reasonably believed to be in the best interest of the church. However, no member or agent shall be indemnified in relation to any matter to which he/she is adjured in any such action, suit or proceeding to be able for negligence or misconduct in the performance of duty to the church. The church may, in its discretion, advance any expenses to, or at its expense undertake the defense of, any such member or agent, by any amounts so advanced or spent shall be repaid to the church to the extent that is ultimately determined that such member or agent is not entitled to indemnification or reimbursement.

Section 2. Non-exclusive Rights
The rights of indemnification or reimbursement provided in this section do not exclude any other rights to which any member or agent of the church or such other corporation may be entitled by law.
Resources Cited


www.boardsource.org
http://en.wikipedia.org/wiki/Fiduciary_duty
http://www.lectlaw.com/def/f026.htm
http://www.mcf.org/publictrust/wegsk_fiduciary.htm
**Treasurer’s Guide**

Being the church treasurer can be a very overwhelming job especially if you are doing it for the first time. This block will guide a treasurer through the process of beginning the treasurer’s job and help the treasurer understand some of the major IRS and state regulations for churches and clergy.

**First Steps**

There are several easy first steps the new treasurer needs to walk through. First, get familiar with the bookkeeping system that the church is implementing. Most churches are now using computer software such as QuickBooks to keep track of all income and disbursements. If you are not computer savvy, books like *QuickBooks for Dummies* can be a great help. If the books are not kept on computer, make sure you understand the previous process that was used and have access to all previous records.

Next is getting familiar with all the bank accounts the church is currently using. These could include the general bank account, various individual ministry accounts, mortgages, or investments. If you are going to be one of the signatures on the bank accounts, you will need to get your signature added to the accounts.

**Protecting Yourself**

The last thing that any church treasurer wants to be accused of is embezzlement. There are a few procedures that treasurers can request be implemented by the church to protect them. These can include the development of a policy and procedures manual (this also helps a new treasurer quickly understand what is expected of them and how the church handles its money); requesting an audit to make sure all books are correct; requesting separation of duties; and requesting to be bonded.

**Policy and Procedure Manual**

Church leaders need to develop a procedure manual that details each step for accounting and reporting financial resources. This manual should include:

- Preparing the budget
- Handling transactions
  - Internal Controls:
    1. All of the internal controls used when receiving cash or other assets, whether in the offering or at the office.
    2. All of the internal controls used when disbursing cash, whether by check or through the petty cash fund.
Processing of Transactions
1. The forms and procedures used to record both cash receipts, including memorials or restricted gifts, and cash disbursements.
2. The forms and procedures used to record gifts of property and securities.
3. The accounts used to record the transactions, together with a written description of the types of transactions that should be entered in each account.

Assuring reliable recordkeeping
Internal Controls:
1. The procedures used to reconcile totals of cash receipts and cash disbursements against individual amounts.
2. The procedures used to reconcile church cash records against bank records.

Preparing and distributing financial reports
Financial Reporting:
1. Membership
2. Management (finance committee, program leaders, pastor, business administrator and so on).
3. Others (regional/national church offices, the bank, the Internal Revenue Service, and so on).\(^7\)

This manual should be kept on the church property at all times. It should also be reviewed occasionally to make sure all information is current and in compliance with IRS regulations.

Church leaders must understand that **once the procedure manual is created it must be followed.** If a crisis situation should arise and the procedure manual has not been followed, it could be costly for the church. As church staff, both hired and volunteer, change, they should be made aware of the procedures for the handling of financial resources.

*Separation of Duties*

Churches need to protect themselves from the risk of embezzlement. One way is to separate the duties of handling the money. This is accomplished by assigning different individuals from different families (if using volunteer help) one of the following duties:

1. Transactions: This person(s) is responsible for authorizing the financial transactions of the church. This would include bill paying, etc.

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2. Receipts: There should be at least two unrelated persons that are responsible for counting and depositing the income of the church.
3. Disbursements: This person(s) is responsible for completing transactions that have been approved by the person with transactional authority.
4. Signatures: It is best to have two unrelated persons sign the checks. This could include the person who created the check, however, it is better to have someone else. **The pastor should never be one of the signatures.**
5. Recorder: This person(s) responsibility is to record all receipts and disbursements of the church.

The majority of churches have one individual that cares for all of the above duties. Many small churches do not have the personnel to cover all the duties. Therefore, it is essential to have a different person count and deposit the income of the church from the one that disburses the money. These two people should never be relatives. Pastors should not be one of the individuals.

When money comes into the church, it should be stored in a safe until it is ready for deposit in the bank. Money should never go to an individual’s home before being deposited in the bank. The church should provide a night deposit key for the person(s) responsible for depositing the money if the church does not have a safe.

**Audits**

Church board members have a long list of responsibilities. Among these is the responsibility for the money that flows through the church.

An annual audit of the church’s records is a must. External audits are performed by an independent auditor who has no impairing relationship to the church and, therefore, can review its data procedures with maximum objectivity. Internal audits generally are performed by church members or by persons closely associated with the church.

**External Audits**

The ideal is to have an annual audit performed by independent CPAs. However, only large churches generally can afford this extra expense. External audits of smaller churches often are done on a non-GAAP basis – the statements do not conform to the full accrual method with depreciation recognized. Non-GAAP audits of smaller churches often are acceptable to banks and other agencies that require audited financial statements. (GAAP stands for Generally Accepted Accounting Principles).

**Internal Audits**

Members of the church may form an audit committee to perform an internal audit to determine the validity of the financial statements. (Sample internal audit guidelines for churches follow below.) If the committee takes its task seriously,
the result may be significant improvements in internal control and accounting procedures. Too often, the internal audit committee only conducts a cursory review, commends the treasurer for a job well done, and provides the church with a false sense of security.

**Church Internal Audit Guidelines**

**Financial Statements**

1. Are monthly financial statements prepared on a timely basis and submitted to the church board?
2. Do the financial statements include all funds (unrestricted, temporarily restricted, and permanently restricted)?
3. Do the financial statements include a statement of financial condition and statement of activity?
4. Are account balances in the financial records reconciled with amounts presented in financial reports?

**Cash Receipts**

**General**

1. Are cash handling procedures in writing?
2. Has the bank been notified to never cash checks payable to the church?
3. Are Sunday school offerings properly recorded and delivered to the money counters?
4. Are procedures established to care for offerings and monies delivered or mailed to the church office between Sundays?

**Offering Counting**

1. Are at least two members of the counting committee present when offerings are counted? (The person counting the money should not include the pastor or church treasurer.)
2. Do money counters verify that the contents of the offering envelopes are identical to the amounts written on the outside of the envelopes?
3. Are all checks stamped with a restrictive endorsement stamp immediately after the offering envelope contents are verified?
4. Are money counters rotated so the same people are not handling the funds each week?
5. Are donor-restricted funds properly identified during the process of counting offerings?

**Depositing of Funds**

1. Are two members of the offering counting team in custody of the offering until it is deposited in the bank, placed in a night depository, or the church’s safe?
2. Are all funds promptly deposited? Compare offering and other receipt records with bank deposits.
3. Are all receipts deposited intact? Receipts should not be used to pay cash expenses.

**Restricted Funds**

1. Are donations for restricted purposes properly recorded in the accounting records?
2. Are restricted funds held for the intended purpose(s) and not spent on operating needs?

**Donation Record/Receipting**

1. Are individual donor records kept as a basis to provide donor acknowledgments for all single contributions of $250 or more?
2. If no goods or services were provided (other than intangible religious benefits) in exchange for a gift, does the receipt include a statement to this effect?
3. If goods or services (other than intangible religious benefits) were provided in exchange for a gift does the receipt
   a. inform the donor that the amount of the contribution that is deductible for federal income tax purposes is limited to the excess of the amount of any money and the value of any property contributed by the donor over the value of the goods and services provided by the organization, and
   b. provide the donor with a good faith estimate of the value of such goods and services?
4. Although not required by the IRS, has your church adopted a policy of issuing an annual contribution report to donors listing at least each week's donations, if not each donation?
5. Are the donations traced from the weekly counting sheets to the donor records for a selected time period by the audit committee?
Cash Disbursements

1. Are all disbursements paid by check except for minor expenditures paid through the petty cash fund?
2. Is written documentation available to support all disbursements?
3. If a petty cash fund is used, are vouchers prepared for each disbursement from the fund?
4. Are pre-numbered checks used? Account for all the check numbers including voided checks.
5. Are blank checks ever signed in advance? This should never be done.

Petty Cash Funds

1. Is a petty cash fund used for disbursement of a small amount? If so, is the fund periodically reconciled and replenished based on proper documentation of the cash expenditures?

Bank Statement Reconciliation

1. Are written bank reconciliations prepared on a timely basis? Test the reconciliation for the last month in the fiscal year. Trace transactions between the bank and the books for completeness and timeliness.
2. Are there any checks that have been outstanding over three months?
3. Are there any unusual transactions in the bank statement immediately following year-end? Obtain the bank statement for the first month after year-end directly from the bank for review by the audit committee. Otherwise, obtain the last bank statement (unopened) from the church treasurer.

Savings and Investment Accounts

1. Are all savings and investment accounts recorded in the financial records? Compare monthly statements to the books.
2. Are earnings or losses from savings and investment accounts recorded in the books?

Land, Buildings, and Equipment Records

1. Are there detailed records of land, buildings, and equipment including date acquired, description, and cost or fair market value at date of acquisition?
2. Was an equipment physical inventory taken at year-end?
3. Have the property records been reconciled to the insurance coverages?

**Accounts Payable**

1. Is there a schedule of unpaid invoices including vendor name, invoice date, and due date?
2. Are any of the accounts payable items significantly past due?
3. Are there any disputes with vendors over amounts owed?

**Insurance Policies**

1. Is there a schedule of insurance coverage in force? Reflect effective and expiration dates, kind and classification of coverages, maximum amounts of each coverage, premiums, and terms of payment.
2. Is Workers’ Compensation insurance being carried as provided by law in most states? Are all employees (and perhaps some independent contractors) covered under the Workers’ Compensation policy?

**Amortization of Debt**

1. Is there a schedule of debt such as mortgages and notes?
2. Have the balances owed to all lenders been confirmed directly in writing?
3. Have the balances owed to all lenders been compared to the obligations recorded on the balance sheet?

**Securities and Other Negotiable Documents**

1. Does the church own any marketable securities or bonds? If so, are they kept in a safety deposit box, and are two signatures (excluding a pastor) required for access?
2. Have the contents of the safety deposit box been examined and recorded?

**Personnel Matters**

1. Does the church maintain the following documents?
   a. Applications for employment
   b. Personnel files
   c. Performance appraisal and evaluation forms
   d. Employee handbook
   e. Immigration I-9 forms
Federal Reporting Obligations

1. Does the church file on a timely basis the following forms if applicable?
   a. Federal payroll tax forms (Form 941, Form W-2, Form W-3, Form 1099-MISC)
   b. Donee information returns (Form 8282)
   c. Annual certification of racial nondiscrimination for Christian schools (Form 5578)\(^8\)

(The above information was contributed by the Board of Pensions and can be found in their Memo #12)

Bonding

Churches should bond all those in the church that have access to the money of the church. This can be cost effective by securing a blanket bond. Blanket bonds will usually cover embezzlement and other mishandling of funds whether committed by an individual or group. Some insurance companies provide a fidelity bond rider with their coverage. This type of bond will usually cover the same situations as a blanket bond.

If a financial problem is suspected in a church that is bonded, the church simply contacts the insurance company and their investigators handle the case. This reduces the church’s risk of a lawsuit resulting from false accusations.

Two Signatures

It is best to have two signatures on every check written by the church. These signatures should never be rubber stamps. The pastor should not be one of the signatures. Two members from the same household should not be the signatures. In small churches it may be difficult to have two signatures on checks but if at all possible, a two signature system should be implemented.

NOTE: Blank checks should never be signed ahead of time because one of the signees is going to be gone on vacation. Make sure there are at least three different people that are able to sign checks to cover vacations or illness.

Handling Church Funds

Cash Receipts

As money comes into the church, it needs to be handled with great care. Money can come into the church from a number of sources including:
1. By passing of collection plates among the congregation during regular worship services.
2. From the offering given by the Sunday church school classes and other groups meeting for Bible study.
3. At weekly church suppers, banquets, and other occasions when members pay for their meals.
4. Mail receipts that come to the church for both regular and designated purposes.
5. Occasional sale of books and literature to members.
6. Special fund-raising efforts through sale of bonds, member solicitation for building programs, etc.9

The church should establish procedures for the handling of money as it comes into the church. Examples of these procedures would include:

1. **Counting of money:** The money should be counted as soon as is reasonably possible. This should take place in a secured area, usually a room away from the flow of people. This should always be done by at least two non-related people. The amounts of cash and checks should be recorded to compare with the deposit slip. It is at this point that amounts in the giving envelopes are compared to the amounts listed on the envelopes. If the amounts do not match, a line should be drawn through the amount on the envelope, the correct amount written and circled on the envelope. All checks should be immediately endorsed with a “for deposit only” stamp or signature.

2. **Create deposit report:** The deposit report works in conjunction with the deposit slip. The deposit slip contains the amount of cash, the numbers of the checks and their amounts, and the total amount to be deposited. This accompanies the money to the bank. The deposit report is for the church financial records. It contains the amount of loose money and the amount of checks or envelope money. The essential part of this report is that the money is broken down into how it is to be distributed between general funds and designated funds. Below is an example of a deposit report:10

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10 ibid.: p. 20.
3. **Deposit money in bank:** If at all possible, the money should be deposited in the bank as soon as it is counted. Churches have a variety of ways for counting and depositing their money. Some churches count the money during the morning service or immediately following the service and place the money in either a safe or in the night deposit of the bank. Some churches place the money in the churches safe and count it on Monday morning and deposit it immediately after. Still other churches place the money uncounted in the night deposit of the bank and the counters go to the bank on Monday morning, count the money, then deposit it. Whichever method a church uses, the main goal should be to deposit the money as soon as reasonably possible.

4. **Recording contributions:** The amount of contribution should be recorded on the member’s contribution record as soon as possible. The member’s contribution record should contain the member’s name, the envelope number if used, the date the contribution was received, the amount of the gift, and whether the contribution was designated or undesignated.

Churches need to check their insurance coverage to see if they have theft of funds coverage. If they do, they should check to see if it covers uncounted money as well as counted money. Many insurance policies only cover counted money.

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**DEPOSIT REPORT FOR _________________________ CHURCH**

<table>
<thead>
<tr>
<th>Date: __________________</th>
<th>Counted by: __________________________</th>
</tr>
</thead>
</table>

**Envelope Summary**

<table>
<thead>
<tr>
<th>General Budget:</th>
<th>Designated gifts:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Envelope total</td>
<td>Building fund</td>
</tr>
<tr>
<td>Loose collections</td>
<td>Organ fund</td>
</tr>
<tr>
<td>Total</td>
<td>Other:</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Deposit Summary**

<table>
<thead>
<tr>
<th>Total envelopes</th>
<th>Total checks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Block B1 – Treasurer’s Guide
Cash Disbursements

Churches must establish a line of authority for the approval of expenditures. There are items that are set and do not need to be approved each week or month. These items would include: pastor’s salary, pastor’s benefit items, and utility bills. There may be other budgeted items that would not need approval for payment such as money set to be sent to missions. All other items would need to be approved before expenditures are made. The person(s) responsible for authorizing expenditures should be someone other than the treasurer and pastor. They could be the chairperson of the corporation or finance committee.

For items that must be approved, a requisition form or purchase order should be filed first. This form should include:

1. the date
2. purchase order number if using this method
3. the account number of the budget category
4. where the purchase will be made
5. the quantity of items needed
6. the item catalog number (if available)
7. a description of the item(s) being purchased
8. the unit price
9. the amount of purchase
10. the signature of the person(s) with authority to authorize
11. the date the items were received
12. the date they were paid for
13. the check number
14. the amount paid

Any receipts should be attached to the requisition form. All invoices should be checked for accuracy before payment is made.

Churches should always use pre-numbered checks. All checks should contain two signatures. The pastor should not be one who has authority to sign checks. No blank checks should ever be signed. For embezzlement protection, the one who fills in the check should not be one with authority to sign the check. This creates difficulty for small churches but it is a safety measure that should be considered. Some churches have created signature stamps and have a secretary or other personnel stamp the checks with the two stamps. This breaks down the wall of protection from embezzlement. It is better to have the persons actually sign the checks or stamp them themselves.

Once a payment is made, that receipt should be marked as being paid including the date of payment, the amount paid, and the check number of the check used to make the payment. If an error occurs when writing a check, the check should be voided and retained for records. No check should ever be made out to cash. This
does not give the church proper information to know what the money was used for. After all payments are made, blank checks should be stored in a safe or secured area.

All payments should be recorded in the ledger. Many churches use various computer accounting programs to manage their books. This is just fine, however, a hand written copy is still a good idea. The hand written copy offers a check for the computer program. It is always wise to have a checks and balance system that will find errors.

**Petty Cash Fund**

Many churches have petty cash funds that cover minor purchases such as stamps, etc. Petty cash funds are created by cashing a check made out to petty cash and placing the proceeds in a locked box. A custodian should be appointed that monitors the petty cash funds. This person would be responsible for distributing petty cash vouchers, which must be completed before funds are released. Once a transaction is completed a receipt should be attached to the voucher and any difference in amount should be adjusted. It is the custodian’s duty to reconcile the petty cash fund and submit requests for replacement money to the treasurer. The custodian will be held personally responsible for any discrepancies in the petty cash fund. An example of a petty cash voucher is shown below.\(^\text{11}\)

\(^{11}\) Vargo, p.54
All transactions from the petty cash funds need to be recorded in the accounting records under the proper budget account.

**Reconciliation Practices**

Each month the banking accounts should be reconciled. The reconciliation should be performed by someone other than the person responsible for writing and signing checks. This provides a protection against embezzlement since the one writing the checks can not alter bank statements to cover the mishandling of funds.

Reconciliation of accounts can uncover items that are in transition. These kinds of items would include:

1. **Deposits in transit.** Receipts may be recorded on the church books but not yet recorded at the bank. This situation occurs when deposits made near the end of the month are not included on the bank statement. Deposits in transit are determined by comparing deposits listed on the bank statement with deposits recorded on “the books.”

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**PETTY CASH VOUCHER**

Date: _________________________________________________________

No. __________________________________________________________

Payee: ________________________________________________________

For: _______________________________________________________________________

___________________________________________________________________________

Amount: _____________________________________________________________________

Charge to: __________________________________________________________________

Approved By: _____________________________________ Received By: ________________

______________________________________________ ______________________________
2. **Outstanding checks.** Checks may be written but not yet processed by the bank. Outstanding checks are determined by comparing checks reported on the bank statement against checks written on church records.\(^\text{12}\)

There may be items on the bank statement that are not recorded in the church’s books. These items could include:

1. Non-sufficient funds checks. Members’ checks may be returned because of lack of funds.
2. Bank service charges for account processing.
3. Interest earned by the church and added to the account.
4. Member contributions made directly to the bank.\(^\text{13}\)

**Reconciliation follows these steps:**

1. Sort checks in numerical order.
2. Beginning with the list of checks outstanding at the end of the previous month, usually in the form of an adding machine tape, compare each returned check to the list to determine which checks have cleared and which are still outstanding. After checking off all the returned checks from the previous outstanding list, continue the procedure for checks recorded in the disbursements journal in the current month. Place a check mark beside each check returned so that a list of the now outstanding checks can be readily prepared – by observing those not checked off.
3. From the list for the previous month’s checks outstanding not cleared as well as those from the current month’s disbursements, prepare a list of checks outstanding.
4. Compare bank deposits recorded on the books with the deposits on the bank statement, and determine if any deposits are not recorded on the bank statement.
5. Determine if any items appear on the bank statement representing checks returned for insufficient funds, service charges, for printing checks, etc., and enter them on the reconciliation.
6. Enter the information above onto a reconciliation form.\(^\text{14}\)

\(^{12}\) ibid.: p. 56.
\(^{13}\) ibid.: p. 56.
\(^{14}\) McLeod, p. 52.
Charitable Contributions

Churches operating income is generally generated through monetary gifts given by its members. The majority of these contributions will qualify as taxable deductions for the giver. Church leaders and treasurers must be aware of the legal requirements for the handling and reporting of charitable contributions.

To be classified a charitable deduction, a gift must meet the following six requirements:

1. a gift of cash or property
2. claimed as a deduction in the year in which the contribution is made
3. the contribution is unconditional and without personal benefit to the donor
4. the contribution is made “to or for the use of” a qualified charity
5. the contribution is within the allowable legal limits
6. the contribution is properly substantiated

For a church to qualify as a charitable organization, it must maintain 501(c)(3) status. For many churches this is accomplished by being registered in the denominational yearbook. For others, they must have their own papers filed with the IRS. Contributions made to an organization without the 501(c)(3) status are not tax deductible.

**Not all contributions to a church are tax deductible.** Consider the following:

1. **Personal services:** The value of personal services is never deductible as a charitable contribution, but expenses incurred in performing services on behalf of a church or other charity may be.
2. **Rent-free building space:** The value of rent-free building space made available to a church cannot be claimed as a charitable contribution.

Another consideration for a charitable contribution is that a contribution is made at the time delivery is effected. This comes into play at the end of the year. A member of a congregation realizes they are behind in their giving. He or she dates a check, Dec. 31, 20__, but does not place it in the offering until the first Sunday in January. The contribution must be applied towards the current year. If a check is mailed to the church, but is not received until January, it can still be applied to the previous year so long as the postmark is December 31 or earlier.

If a contributor donates land to the church valued at $5000 or more, they must attach Form 8283 to their return. Several things must be remembered with this:

   a. The land must be appraised by a qualified appraiser no earlier than 60 days to the date of contribution.
   b. All information of the appraisal must be filled in on Form 8283.
   c. If a church has received land, it is in their best interest to contact the donor and make sure they know they must attach Form 8283 to their tax return. The church is responsible to complete and sign Part IV of Section B of the donor’s Form 8283 appraisal summary.
   d. Failure to attach Form 8283 to a tax return can cancel the contribution.

It may be difficult to determine the proper value of the property for charitable contribution purposes. Publication 526 describes donation of property as follows:

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16 ibid.: p. 271.
If you contribute property to a qualified organization, the amount of your charitable contribution is generally the fair market value of the property at the time of the contribution. However, if the property has increased in value, you may have to make some adjustments to the amount of your deduction.

Property has increased in value: If you contribute property with a fair market value that is more than your basis (amount you originally paid) in it, you may have to reduce the fair market value by the amount of appreciation (increase in value) when you figure your deduction.

Property has decreased in value: If you contribute property with a fair market value that is less than your basis (amount you originally paid) in it, your deduction is limited to its fair market value. You cannot claim a deduction for the difference between the property’s basis and its fair market value.

If you contribute property subject to a debt (such as a mortgage), you must reduce the fair market value of the property by:

1. Any allowable deduction for interest that you paid (or will pay) attributable to any period after the contribution, and
2. If the property is a bond, the lesser of:
   a. Any allowable deduction for interest you paid (or will pay) to but or carry the bond that is attributable to any period before the contribution, or
   b. The interest, including bond discount, receivable on the bond that is attributable to any period before the contribution, and that is not includible in your income due to your accounting method.

This prevents a double deduction of the same amount as investment interest and also as a charitable contribution. If the debt is assumed by the recipient (or another person), you must also reduce the fair market value of the property by the amount of the outstanding debt. If you sold the property at a bargain price, the amount of the debt is also treated as an amount realized on the sale or exchange of the property.

If a member of a congregation makes a single contribution of $250 or more, they must receive a receipt from the church stating the following:

a. donor’s name
b. a listing of each individual contribution of $250 or more
c. a statement indicating whether or not the church provided any goods or services to the donor in exchange for the donation

All contributions must be substantiated. If a church has not incorporated the sending of contribution statements to its member, it would do well to start. This is not required but
will benefit the church and its members. Without the statement, the members are responsible to substantiate their gifts. This may be difficult if the member contributes cash in an offering envelope. Church members can use canceled checks as substantiation.

A myth started a few years ago that the IRS would no longer accept checks as substantiation. The IRS has never said they will not accept canceled checks as proof of contribution. Nor has the IRS dictated that churches must use offering envelopes. (Though the use of envelopes reduces the possibility of theft of loose change.) In Publication 526, Reg. 1.170A-13(a) states that:

if you make a charitable contribution of money you must keep one of the following for each contribution you make: (1) a canceled check, or (2) a receipt (or a letter or other written communication) from the charitable organization showing the name of the organization, the date of the contribution, and the amount of the contribution, or (3) other reliable written records that include the information described in (2).

Contributors need to be aware that there are limits to the amounts they may contribute to the church or any charitable organization. Churches fall in the category of the 50% limit. In Publication 526, the 50% limit is defined as:

The 50% limit applies to the total of all charitable contributions you make during the year. This means that your deduction for charitable contributions cannot be more than 50% of your adjusted gross income for the year.

**Designated Gifts**

There are two types of designated giving that individuals may try to contribute to the church. One is in the name of an individual and the other is to a specific ministry or fund.

**Designated gifts to individuals**

IRS Publication 526 lists the following regarding contributions to individuals.
You cannot deduct contributions to specific individuals, including:
   a. Contributions to individuals who are needy or worthy. This includes contributions to a qualified organization (church) if you indicate that your contribution is for a specific person. But you can deduct a contribution that you give to a qualified organization (church) that in turn helps needy or worthy individuals if you do not indicate that your contribution is for a specific person. **Example:** You can deduct contributions earmarked for flood relief, hurricane relief, or other disaster relief to a qualified organization (church). However, you cannot deduct contributions earmarked for relief of a particular individual or family.
   b. Payments to a member of the clergy that can be spent as he or she wishes, such as for personal expenses.
   c. Expenses you paid for another person who provided services to a qualified organization (church). **Example:** Your son does missionary work. You pay his expenses. You cannot claim a deduction for your son's unreimbursed expenses related to his contribution of services.
   d. Payments to a hospital that are for a specific patient’s care or for services for a specific patient. You cannot deduct these payments even if the hospital is operated by a city, state, or other qualified organization.

The other type of designating giving is to specific ministries or projects of the church. While these gifts may be deductible, many feel that they retain control of how the money is used. Richard Hammar writes in his book, *2005 Church & Clergy Tax Guide* on page 338:
Does a donor who makes a designated gift to a church or other charity have a legal right to “enforce” the designation? For example, if a donor gives $10,000 to a specific church fund, and the church elects to apply the contribution to some other use, can the donor sue the church to enforce the original designation? Some courts have allowed donors to do so.

Other courts, however, have ruled that donors cannot legally enforce designations they place on gifts to charity. To illustrate, one court ruled that donors who make designated gifts to charity have no legal right to enforce their designations unless they specifically reserve the right to do so. The court acknowledged that a designated contribution is held in trust by a charity for the specified purpose. And, while the donor cannot enforce a designated gift, there are others who can. These include the state attorney general, a trustee of a written trust, or anyone with a “special interest” in the enforcement of the designation. But unless the donor reserves the right to enforce the designation in the gift instrument, he or she has no legal “standing” to do so.

The reason for this conclusion is simple – a charitable contribution is a gift, and a gift is a transfer of all of a donor’s “dominion and control” over the donated property. Allowing a donor to enforce a designated gift is not legally possible because the donor has no remaining interest in the gift. This is true even if the gift was “designated” – that is, the donor specified the purpose for which the gift was given. The fact remains that a designated gift is held by a church or charity “in trust” for the specified purpose. While the donor cannot enforce such a “trust,” this does not mean that a church or charity can ignore it.

Donors may not have the legal right to enforce a purpose specified in a designated gift, but this does not mean that a church should ignore requests by donors to honor their designations. After all, there is an ethical component that must be considered. Many donors are prompted to make a charitable contribution because of a desire to further a specific purpose or project. If donors realize that they have no legal right to enforce a designated gift then many of them may decide not to give.

Most states have enacted the Uniform Management of Institutional Funds Act (UMIFA). The UMIFA provides that “with the written consent of the donor, the governing board may release, in whole or in part, a restriction imposed by the applicable gift instrument on the use or investment of an institutional fund.” In other words, the board of a charity can ask persons who donated to an “institutional” or endowment fund for their written consent to release the charity from a designation or restriction. This does not give the donor legal rights to enforce designated gifts. Quite to the contrary, the drafters of the UMIFA stated (in their official interpretation of the statute) that a donor “has no right to enforce the restriction, no interest in the fund and no power to change the [charitable] beneficiary of the fund. He may only acquiesce in a lessening of a restriction already in effect.
**Accountable Reimbursement System**

Handling reimbursements properly is essential to keep them from becoming taxable income to the person receiving the reimbursement. For an accounting system to be considered accountable it must comply with the following rules:

- **Business connection.** Your expenses must have a business connection – that is, you must have paid or incurred deductible expenses while performing services as an employee of your employer.
- **Adequate accounting.** You must adequately account to your employer for these expenses within a reasonable period of time (not more than 60 days after an expense is incurred).
- **Returning excess reimbursements.** You must return any excess reimbursement or allowance within a reasonable period of time (not more than 120 days after an excess reimbursement is paid). An excess reimbursement or allowance is any amount you are paid that is more than the business-related expenses you adequately accounted for to your employer.
- **Reimbursements not made out of salary reductions.** The income tax regulations caution that in order for an employer’s reimbursement arrangement to be accountable, it must meet a reimbursement requirement in addition to the three requirements summarized above. The reimbursement requirement means that an employer’s reimbursement of an employee’s business expenses come out of the employer’s funds and not by reducing the employee’s salary.

(Church & Clergy Tax Guide 2008 by Richard Hammar, page 320)

There are several advantages to implementing an accountable reimbursement system:

- Employees report their business expenses to the church rather than to the IRS.
- Staff members who report their income taxes are employees (or who report as self-employed and who are reclassified as employees by the IRS is an audit) avoid the limitations on the deductibility of employee business expenses. These include (1) the elimination of any deduction if the employee cannot itemize deductions on Schedule A (two-thirds of all taxpayers cannot), and (2) the deductibility of business expenses on Schedule A as an itemized expense only to the extent these expenses exceed 2 percent of the employee’s adjusted gross income.
- The Deason allocation rule is avoided. Under this rule, ministers must reduce their business expense deduction by the percentage of their total compensation that consists of a tax-exempt housing allowance.
- The 50 percent limitation that applies to the deductibility of business meals and entertainment expenses is avoided. Unless these expenses are reimbursed by an employer under an accountable arrangement, only 50 percent of them are deductible by either employees or the self-employed. See IRS Publication 463.

(Church & Clergy Tax Guide 2008 by Richard Hammar, page 320)
WARNING: When making reimbursements make sure that no personal items were purchased using the church’s tax exempt number. When individuals use the church’s tax exempt number to make personal purchase they can place the church in a possible position of losing their tax exempt status.

**Employee Withholding**

Churches are required to withhold taxes from all employees except pastors. Pastors may opt to have federal and state taxes withheld. The treasurer should obtain a written statement and Form W-4 from the pastor(s) if he/she desires to have taxes withheld from their income. To file the withheld taxes the treasurer must file a Form 941. Usually this can be done at the same bank where the church has its banking account. Check with your bank to make sure they provide this service.

To access copies of forms and instructions for completing Form 941, go to [www.irs.gov](http://www.irs.gov) and click on Forms and Publications. By clicking on Forms you will be taken to a screen where you can scroll down and find the form and instructions you need.

You must file Form 941 quarterly. The schedule of payments would be April 30, July 31, October 31, and January 31. Please note that the IRS will not accept credit card payments for making deposits of withheld taxes.

**Year End Issues**

At the end of the year, the treasurer needs to create a checklist to complete all requirements before required dates. This checklist should include:

- Setting the pastor’s housing allowance.
- Completing Form W-2s by January 31st.
- Completing Form W-3 by February 28th.
- Reviewing Form W-4.
- Completing Form 1099-MISC.
- Reviewing Form W-9.
- Reviewing Employee Form I-9.
- Reporting charitable contributions by January 31st.
- Check church’s incorporation status

**Pastor’s Housing Allowance**

If the pastor does not have an open-ended housing allowance resolution, a new housing allowance resolution will need to be set at a duly called meeting of the governing board no later than December 31st. *See Appendix A for a sample housing allowance resolution.*
Completing Form W-2

All pastors and non-ministerial staff should receive a Form W-2. These forms can be purchased at any office supply store. Form W-2 must be provided to all employees no later than January 31st. Form W-2 can be viewed at www.irs.gov and they may be ordered through that website or purchased at your local office supply store. The general layout of the Form W-2 stays consistent from year to year.

A detailed explanation of each box on a Form W-2 follows however the form itself is not being displayed since it changes from year to year. The details provided are from Richard Hammar’s Church & Clergy Tax Guide 2007 and the IRS instruction manual for Form W-2.

Box a – Employee’s Social Security Number – Insert the social security number for the pastor or non-ministerial staff member.

Box b – Employer Identification Number (EIN) – Insert the church’s federal employer identification number. If the church is new and does not have an EIN, it can apply for one over the phone by calling the IRS at 1-800-829-4933 or online at www.irs.gov/businesses and click on “Employer ID Number.”

Box c – Employer’s name, address and zip code – This should be the same address the church uses on its Form 941 filings.

Box d – Control Number – This box is optional. It can be used to assign the pastor and non-ministerial staff employee numbers or it can be left blank.

Boxes e & f – Employee’s name and address – Insert the pastor’s or non-ministerial staff person’s first name, middle initial, last name, and address.

Box 1 – Wages, tips, other compensation – Insert total taxable income. Do not include housing allowance. The IRS considers taxable income to be:

- Salary
- Taxable fringe benefits (including cost of employer provided group term life insurance coverage that exceeds $50,000). However, if you provided your employee a vehicle and included 100% of its annual lease value in the employee’s income, you must separately report this value to the employee in Box 14 (or on a separate statement). The employee can then figure the value of any business use of the vehicle and report it on Form 2106. If you used the commuting rule or the vehicle cents-per-mile rule to value the personal use of the vehicle, you cannot include 100% of the value of the use of the vehicle in the employee’s income.
- The value of the personal use of an employer provided car.
- Bonuses.
- Most Christmas gifts paid by the church.
• Business expense reimbursements paid under a non-accountable plan (one that does not require substantiation of business expenses, or does not require excess reimbursements to be returned to the church, or reimburses expenses our of salary reductions). Also note that such reimbursements are subject to income tax and Social Security withholding if paid to non-minister employees.

• If you reimburse employee travel expenses under an accountable plan using a per diem rate, include in Box 1 the amount by which your per diem rate reimbursements for the year exceed the IRS-approved per diem rates. Also note that such excess reimbursements are subject to income tax and Social Security withholding if paid to non-minister employees or ministers who have elected voluntary tax withholding. Use Code L in Box 12 to report the amount equal to the IRS-approved rates.

• In you reimburse employee travel expenses under an accountable plan using a standard mileage rate in excess of the IRS – approved rate, include in Box 1 the amount by which your mileage rate reimbursements for the year exceed the IRS-approved rates. Also note that such excess reimbursements are subject to income tax and Social Security withholding if paid to non-minister employees or ministers who have elected voluntary tax withholding. Use Code L in Box 12 to report the amount equal to the IRS-approved rates.

• Employer reimbursements of an employee’s nonqualified (nondeductible) moving expenses.

• Any portion of a minister’s self-employment taxes paid by the church.

• Amounts includible in income under a nonqualified deferred compensation plan because of section 409A.

• Designated Roth contributions made under a section 403(b) salary reduction agreement.

Box 2 – Federal income tax withheld – Insert the total federal income tax withheld from the employee’s wages. These amounts should match those submitted on Form 941 through out the year.

Box 3 – Social Security Wages – Report a non-minister employee’s wages subject to social security taxes. This box usually will be the same as Box 1, but not always. For example, there are certain retirement contributions that are included in Box 3 that are not included in Box 1. To illustrate, contributions to a tax-sheltered annuity may be excludable from income and not reportable in Box 1, but they are subject to social security taxes and so they represent social security wages for non-minister employees and are reported in Box 3. Also include in Box 3:

• Signing bonuses an employer pays for signing or ratifying an employment contract.

• Taxable cost of group-term life insurance over $50,000 included in Box 1.

• Cost of accident and health insurance premiums for 2% or more shareholder-employees paid by an S corporation, but only if not excludable under section 3121(a)(2)(B).
• Employee and nonexcludable employer contributions to an MSA or HSA. However, do not include employee contributions to an HSA that were made through a cafeteria plan.
• Employee contributions to a SIMPLE retirement account.
• Adoption benefits.

**Box 3 is left blank for ministers with respect to compensation received in the exercise of ministry.**

Box 4 – Social Security tax withheld – Insert the total employee social security tax (not the church’s share) withheld. Do not reduce this amount by any advance EIC (Earned Income Credit) payments made to the employee.

**Box 4 is left blank for ministers with respect to compensation received in the exercise of ministry.**

Box 5 – Medicare wages and tips – The wages and tips subject to Medicare tax are the same as those subject to social security tax (boxes 3 & 7) except that there is no wage base limit for Medicare tax.

**Box 5 is left blank for ministers with respect to compensation received in the exercise of ministry.**

Box 6 – Medicare tax withheld – Insert the total employee Medicare tax (not the church’s share) withheld. Do not reduce this amount by any advance EIC payments made to the employee.

**Box 6 is left blank for ministers with respect to compensation received in the exercise of ministry.**

Box 7 – Social Security tips – leave blank.

Box 8 – Allocated tips – leave blank.

Box 9 – Advanced EIC payments – Insert the total paid to employee as advanced earned income credit (EIC) payments. See IRS Publication 596 for more information.

Box 10 – Dependent care benefits – this box should be left blank.

Box 11 – Nonqualified plans – Report the total amount you distributed to an employee under a nonqualified deferred compensation plan (including a section 457 plan and some rabbi trusts). This amount should also be reported as wages in Box 1. Few churches have section 457 plans, but many have established rabbi trusts for their minister. The purpose of Box 11 is for the Social Security Administration to determine if any part of the amount reported in Box 1 was earned in a prior year. This information is used to verify that the
Social Security Administration has correctly applied the annual earning test and paid the correct amount of benefits.

**Box 12 – Codes** – Complete and code this box for all items described below that pertains to the employee. Do not report in Box 12 any items that are not listed as codes A-BB. Do not report more than 4 codes in Box 12 of Form W-2 Copy A. If more codes are needed, complete an additional Form W-2 Copy A. On copies B, C, etc. more than 4 codes can be listed.

The codes most frequently used by the church are:

- **Code C** – Taxable cost of group-term life insurance over $50,000. Insert the taxable cost of group-term life insurance coverage over $50,000 provided to your employee (including a former employee).

- **Code E** – Elective deferrals under a section 403(b) salary reduction agreement. An elective deferral is one made by an employee through a voluntary “salary reduction agreement.” While this amount ordinarily is not reported in Box 1, it is included in Boxes 3 & 5 for non-minister employees since it is subject to Social Security and Medicare taxes with respect to such workers.

- **Code L** – Substantiated employee business expense reimbursements – Use this code only if you reimbursed your employee for employee business expenses using a per diem or mileage allowance and the amount that you reimbursed exceeds the amount treated as substantiated under IRS rules. Report in Box 12 only the amount treated as substantiated (such as the nontaxable part). In Boxes 1, 3 (up to the social security wage base), and 5, include the part of the reimbursement that is more than the amount treated as substantiated.

- **Code P** – Excludable moving expense reimbursements paid directly to employee – Insert the total moving expense reimbursements that you paid directly to your employee for qualified (deductible) moving expenses.

- **Code R** – Employer contribution to an Archer MSA – Insert any employer contributions to an Archer MSA.

- **Code S** – Employee salary reduction contributions under a section 408(p) SIMPLE – Insert deferrals under a section 408(p) salary reduction SIMPLE retirement account. However, if the SIMPLE is part of a section 401(k) arrangement, use Code D.

- **Code T** – Adoption benefits – Insert the total that you paid or reimbursed for qualified adoption expenses furnished to your employee under an adoption assistance program. Also include adoption benefits paid or reimbursed from the pre-tax contributions made by the employee under a section 125 (cafeteria) plan.
However, do not include adoption benefits forfeited from a section 125 (cafeteria) plan. Report all amounts including those in excess of the $11,390 exclusion.

- Code W – Employer contributions to a Health Savings Account (HSA) – Insert only employer contributions (including amounts the employee elected to contribute using a section 125 (cafeteria) plan) to a Health Savings Account (HSA).

- Code Y – Deferrals under a section 409A nonqualified deferred compensation plan – Insert current year deferrals under a section 409A nonqualified deferred compensation plan. Any earnings during the year on current year and prior year deferrals must also be reported here.

- Code Z – Income under section 409A on a nonqualified deferred compensation plan – Insert any income under section 409A on a nonqualified deferred compensation plan that was included in Box 1.

Box 13 – Checkboxes – Check the appropriate box.

- Statutory employee – Churches rarely if ever have statutory employees. These include certain drivers, insurance agents, and salespersons.

- Retirement plan – Mark this checkbox if the employee is an active participant (for any part of the year) in any of the following: (1) a qualified pension, profit-sharing, or stock bonus plan described in section 401(a) (including a 401(k) plan); (2) a 403(b) annuity; (3) a simplified employee pension (SEP) plan; or (4) a SIMPLE retirement account.

- Third party sick pay – Churches generally will not check this box.

Box 14 – Other – This box is optional. The church may use it to provide information to employees. Some churches report a church-designated housing allowance in this box. This is not mandatory, however. The church may also report in this box nonelective church contributions made to an employee’s tax-sheltered annuity. These are contributions made by the church that are not funded by reducing the employee’s salary.

Boxes 15 through 20 – State and local income tax information – Use these boxes to report state and local income tax information. Enter the two-letter abbreviation for the name of the state. The employer’s state ID numbers are assigned by the individual states. The state and local information boxes can be used to report wages and taxes for two states and two localities. Keep each state’s and locality’s information separated by the broken line. If there is a need to report information from more than two states or localities, prepare a second Form W-2.
Completing Form W-3

Form W-3 is to be filed along with copies of Copy A of all Forms W-2 by February 28th. However, if you file electronically, the due date is March 31st. All documents are sent to:

Social Security Administration
Data Operations Center
Wilkes-Barre, PA 18769-0001

Generally speaking, the instructions for completing Form W-3 are very similar to those for completing Form W-2. This section will mainly touch on the highlights of the instructions.

Box a – Control number – This is an optional box that the church may use for numbering the whole transmittal.

Box b – Kind of Payer – The church will check the 941 box.

Box c – Total number of Forms W-2 – Show the number of completed individual Forms W-2 that are being transmitted with this Form W-3. Do not count “Void” Forms W-2.

Box d – Establishment number – The church will normally not use this box.

Box e – Employer identification number (EIN) – If you received a preprinted Form W-3 from the IRS with Publication 393, Federal Employment Tax Forms, or Publication 2184 Alternative Ways to Get Employment Tax Forms and Instructions, verify that your employer identification number (EIN) is correct. Make any necessary corrections on the form. If you did not receive a form with a preprinted EIN, enter the nine-digit EIN assigned to the church by the IRS. The number should be the same as shown on Form 941.

Box f – Employer’s name – If you are not using a preprinted Form W-3, enter the same name as shown on the church’s Form 941.

Box g – Employer’s address and zip code – If you are not using a preprinted Form W-3, enter the church’s address.

Box h – Other EIN used this year – Church will leave this box blank unless they have changed their EIN number for some reason during the year.

Boxes 1 through 10 – Enter the sum totals for the individual Forms W-2 in boxes 1 through 10.

Box 11 – Nonqualified plans – Enter the total reported in Box 11 on Forms W-2.
Box 12 – Deferred compensation – Enter one total of all amounts reported with codes D-H, S, Y, AA, and BB in Box 12 on Forms W-2. Do not enter a code.

Box 13 – For third-party sick pay use only – Churches leaves this box blank.

Box 14 – Income tax withheld by payer of third-party sick pay – Churches will leave this box blank.

Box 15 – State/Employer’s state ID number – Enter the two-letter abbreviation for the name of the state being reported on Forms W-2. Also enter the church’s state-assigned ID number. If the Forms W-2 being submitted with this Form W-3 contain wages and income tax information from more than one state, enter an “X” under “State” and do not enter any state ID number.

Boxes 16-19 – Enter the total of state/local wages and income tax shown in their corresponding boxes on the Forms W-2 included with Form W-3. If the Forms W-2 show amounts from more than one state or locality, report them as one sum in the appropriate box on Form W-3.

Make sure the totals listed on the Form W-3 are accurate. Make sure to not include any figures from Forms W-2 that have been voided.

Reviewing Form W-4

The end of the year is a good time to ask employees to review their Form W-4 to see if they wish to revise their withholdings. If they wish to make a revision, new forms can be obtained at www.irs.gov. It is recommended that new forms be completed each year.

Completing Form 1099-MISC

The church may need to send out Form 1099-MISC to contracted individuals, such as lawn care or snow removal. To determine if a Form 1099-MISC needs to be distributed, follow this simple test. The church must distribute a Form 1099-MISC if all five of the following conditions are met:

- The church is “engaged in a trade or business” (includes nonprofit activities).
- The church pays the person compensation of $600 or more during the calendar year.
- The person is self-employed, rather than an employee.
- The payment is in the course of the church’s “trade or business.”
- No exceptions exists.
The church meets 4 of the points so the only point they will have to satisfy is if they paid an individual $600 or more during the year.

Like the Form W-2, Form 1099-MISC must be distributed to the individual by January 31st and to the IRS by February 28th.

Instructions for completing Form 1099-MISC follow below. (The explanations for each box comes from Richard Hammar’s Church & Clergy Tax Guide 2007 and the IRS instruction manual for Form 1099-MISC.

Payer’s name, street address, city, state, zip, phone – Insert the information about the church. This must have the physical address of the church no post office box numbers are permitted.

Payer’s federal identification number – Insert the church’s EIN (Employer Identification Number).

Recipient’s identification number – Insert the individual’s Social Security number or if it is a business, such as a lawn care company, insert that company’s EIN.

Recipient’s name, address, city, state, zip – Insert the appropriate information for the recipient.

Account Number – The account number is required if you have multiple accounts for a recipient for whom you are filing more than one Form 1099-MISC. Additionally, the IRS encourages you to designate an account number for all Forms 1099-MISC that you file.

Box 1 – Rents – Insert amounts of $600 or more for all types of rents, such as real estate rentals paid for office space (unless paid to a real estate agent) or machine rentals (for example, renting a bulldozer to level your parking lot). If the machine rental is part of a contract that includes both the use of the machine and the operator, the rental should be prorated between the rent of the machine (reported in Box 1) and the operator’s charge (reported as nonemployee compensation in Box 7).

Box 2 – Royalties – Insert gross royalty payments of $10 or more before reduction for severance and other taxes that may have been withheld and paid.

Box 3 – Other Income – Insert other income of $600 or more required to be reported on Form 1099-MISC that is not reportable in one of the other boxes on the form.


Box 5 – Fishing Boat Proceeds – Leave blank.

Box 6 – Medical and Health Care Payments – Will normally be left blank by churches.
Box 7 – Nonemployee Compensation – Insert nonemployee compensation of $600 or more. Include fees, commissions, prized and awards for services performed as a nonemployee, other forms of compensation for services performed for your trade or business by an individual who is not your employee.

Boxes 8-13 and 15 a&b – Leave blank.

Box 14 – Gross proceeds paid to an attorney – Insert gross proceeds paid to an attorney in connection with legal services (regardless of whether the services are performed for the payer).

Boxes 16-18 – State information – If state income taxes were withheld, complete these boxes. Otherwise, leave these boxes blank.

Completing the IRS copy of Form 1099-MISC is the same as the individual copy. Send Copy A of Form 1099-MISC to the appropriate address listed below:

For states: Alabama, Arizona, Arkansas, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Vermont, Virginia, West Virginia; send the Forms 1099-MISC to:

    Internal Revenue Service Center
    Austin, TX 73301

For states: Alaska, California, Colorado, District of Columbia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Utah, Washington, Wisconsin, Wyoming; send the Forms 1099-MISC to:

    Internal Revenue Service Center
    Kansas City, MO 64999

Reviewing Form W-9

The church should have a Form W-9 for each individual that receives a Form 1099-MISC. If the church needs to complete or update a Form W-9 for an individual, copies can be obtained at www.irs.gov.

Reviewing Employee Form I-9

Every employee of the church, including the pastor, must have a Form I-9 on file in the church office. If the church does not have these for their employees, they need to complete them as soon as possible. A Form I-9 verifies the person is eligible to work in the United States. Forms can be downloaded at www.i9check.com/I9download.htm.
If the church does have these forms on their employees, the forms need to be reviewed to make sure verification documents have not expired, such as a driver’s license. If a document has expired, a new document must be obtained and Section 3 – Updating and Reverification of the Form I-9 must be completed.

**Handling Year-end Contributions**

It is the responsibility of the church treasurer of financial secretary to distribute individual charitable contribution statements to the congregation by January 31st. Sometimes it gets confusing at the end of the year as what amounts apply to what year. Consider the following:

- Any checks written in December and placed in the offering plate in January will be reported on the current year contribution statement. Ex.: A check dated Dec. 30, 2008 but placed in the offering plate on January 4, 2009 will be counted on the 2009 contribution statement.

- Checks written and placed in the church offering in January but “backdated” to December of the previous year are reported on the current year’s contribution statement. Ex.: Same as above.

- Checks written and placed in the church offering in December but “postdated” to January are reported on the new year contribution statement. Ex.: A check dated January 4, 2009 but placed in the offering on December 28, 2008 will be recorded on the 2009 contribution statement.

- Checks written in December and deposited in the mail and postmarked in December, but not received by the church until January are reported on the previous year’s contribution statements. Ex.: A check is postmarked December 31, 2008 but not received at the church until January 2, 2009, it will be recorded on the 2008 contribution statement.

- Checks written in December and deposited in the mail in December but not postmarked until January and not received by the church until January are reported on the contribution statement. Ex.: A check that is written on December 31, 2008 and mailed but not postmarked until January 2, 2009, will appear on the 2009 contribution statement.

There are a couple of other issues that church treasurers should be aware:

- If a person donates a single contribution $250 or more, they must receive a letter from the church stating the following:
  - Donor’s name.
  - A listing of each individual contribution of $250 or more.
• A statement indicating whether or not the church provided any goods or services to the donor in exchange for the donation.
• If a contributor donates land to the church valued at $5,000 or more, the church must inform the contributor that they must attach a Form 8283 to their return. These are the sections on this form that the church must complete. Several things must be remembered with this form:
  • The land must be appraised by a qualified appraiser no earlier than 60 days to the date of contribution.
  • All information of the appraisal must be filled in on Form 8283.
  • If the church has received land, it is in their best interest to contact the contributor and make sure they know they must attach Form 8283 to their tax return.
  • Failure to attach Form 8283 to a tax return can cancel the contribution

Reviewing Church’s Incorporation Status

It is recommended that the church check its incorporation status with the Secretary of State’s office. Listings of churches can be obtained usually through the business/corporation section of the Secretary of State’s websites. See Appendix B for contact information for Secretary of State offices.

Other Assets

The valuables of a church, which include documents such as deeds and securities, should be stored in a safety deposit box at a bank. Even if a church has a fire-proof safe, it is better for such valuables to be stored in a safety deposit box. There should be two signatures required for access to the safety deposit box to reduce the possibility of theft. The church should have a written inventory of all the items stored in the safety deposit box.

Churches should also inventory the church property. For insurance purposes, the church should maintain a detailed inventory of all assets on the church property. This should be reviewed and updated annually. This inventory should be stored in the safety deposit box and a copy given to the insurance agent to have in case of fire or theft.

Financial Reports

Financial reports are essential to any organization. Financial reports keep the organization abreast of its financial health.

When preparing such documents for the church, the treasurer or financial secretary should consider the following:
1. They should be easily understood so that any member of the church who takes the time to study them will understand what they are saying. (This is the one characteristic that is the most frequently absent.)

2. They should be concise so that the person studying them will not get lost in detail.

3. They should be all-inclusive and should embrace all activities of the church, such as church schools, summer camp, and so on. If there are two or three funds, the statement should clearly show the relationship between the funds without a lot of confusing detail.

4. They should have a focal point for comparison. In most instances, this will be a comparison with the budget or figures from the corresponding period last year.

5. They should be prepared on a timely basis. The longer the delay after the end of the period, the longer the time before corrective action can be taken.17

**Record Keeping**

Storage space is a premium at all churches. Therefore, it is helpful to know the retention period for all the various documents a church deals with every year. Below is a list of retention periods.

Richard Hammar makes the following recommendations on keeping records in his March 2005 *Church Treasurer Alert!*:

**Form 945** - 4 years after filing return  
(annual return of withheld federal income tax)

**Form W-9** - 4 years from filing deadline of the contractor’s tax return  
(request for taxpayer identification number)

**Form 8283** – 4 years from the filing deadline of donor’s tax return  
(noncash charitable contribution)

**Offering envelopes** – 4 years from filing deadline of the donor’s tax return  
(some churches issue donors a periodic summary of contributions that includes a statement advising donors to question any discrepancies quickly since all documentation (including offering envelopes) the church relied on in preparing the summary will be disposed of within a specified period of time (e.g., six months) Such a statement relieves the church of the responsibility of warehousing offering envelopes and other supporting documentation for long periods of time.)

**Contribution statements** – 4 years from the filing deadline of the donor’s tax return.

**Written acknowledgements of charitable contributions** – 4 years from the filing deadline of the donor’s tax return.

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Written acknowledgements for short-term missions trips participants - 4 years from the filing deadline of the donor’s tax return.

**Accountable reimbursement policy** – permanently

**Accountable reimbursement policy receipts** – 4 years from the filing deadline of the employee’s tax return.

**Exception:**
- The regulations require employers to maintain receipts and other records used by employees to substantiate their reimbursed business expenses
- The IRS has indicated that it may relax this requirement, but it has not done so
- If an employer does not maintain these records, its employees will have to substantiate expenses if audited

All records associated with nonaccountable expenses reimbursements – 4 years from filing deadline of the employee’s tax return.

**Housing allowance** – 4 years from the filing deadline of the pastor’s tax return.

**Cafeteria Plan** – permanently.

**Estimated housing expense form** – 4 years from the filing deadline of the pastor’s tax return.

**Safety net housing allowance** – permanently.

(continuing resolution designating a specified percent of the salary of any staff pastor as a housing allowance if no allowance has otherwise been declared)

**Job descriptions of staff pastors** – 4 years from the filing deadline of the pastor’s tax return.

**Form 8274** – permanently.

(certification by churches requesting exemption from FICA taxes)

**Property tax exemption applications and certificates** – consult local law offices.

**Sales tax exemption applications and certificates** – consult local law offices.

**Tax-sheltered annuity salary reduction agreements** – 4 years from filing deadline of the employee’s tax return.

**Form 990-T** – 4 years from the filing deadline of the tax return.

(exempt organization’s unrelated business income tax return)

**Retirement gifts** – 4 years from the filing deadline of the employee’s tax return.
Special occasion gifts – 4 years from filing deadline of the employee’s tax return.

Health plans – permanently.

Documents defining compensation – 4 years from the filing deadline of the employee’s tax return.

Correspondence received from the IRS or state and local tax agencies – permanently.

Articles of Incorporation – permanently.

Bylaws – permanently.

Certificate of Incorporation – permanently.

Certificate of Good Standing – permanently.

Minutes of membership meetings – permanently.
(summaries of actions taken at regular and special membership meetings)

Minutes of board meetings – permanently.
(summaries of actions taken at regular and special board meetings)

Annual Corporate Reports – permanently.
(an annual report that in many states must be filed annually with the Secretary of State by any corporation incorporated under the general nonprofit corporation law)

Form W-2 – 4 years after filing the return.
(wage and tax statement)

Form W-4 – 4 years after filing the return.
(withholding allowance certificate)

Form 941 – 4 years after filing the return.
(employer’s quarterly tax return)

Form 1023 – permanently.
(application for recognition of exemption)

Form 1099-MISC – 4 years after filing the return.
(miscellaneous income)

Form 5578 – 4 years after filing the return.
(annual certification of racial nondiscrimination)
(used by private schools if church-affiliated to certify compliance with federal nondiscrimination requirements (due by the 15th day of the 5th month following the close of each fiscal year))

**Helpful resources to have on hand**

It is not unusual for tax laws to change every year. To help keep up with these changes the following resources will help keep you up to date:

- ABC’s of Church Management Newsletter
- Richard Hammar’s *Church & Clergy Tax Guide*

Also become familiar with the IRS website: [www.irs.gov](http://www.irs.gov).
Appendix A

Housing Allowance Resolution

The following resolution is found in Richard Hammar’s Church & Clergy Tax Guide 2008 on page 239:

The following resolution was duly adopted by the board of directors of First Church at a regularly scheduled meeting held on December 15, 2007, a quorum being present:

Whereas, ministers who own their home do not pay federal income taxes on the amount of their compensation that their employing church designates in advance as a housing allowance, to the extent that the allowance represents compensation for ministerial services, is used to pay housing expenses, and does not exceed the fair rental value of the home (furnished, plus utilities); and

Whereas, Pastor John Smith is compensated by First Church exclusively for services as a minister of the gospel; and

Whereas, First Church does not provide Pastor John Smith with a parsonage; therefore, it is hereby

Resolved, that the total compensation paid to Pastor John Smith for calendar year 2008 shall be $50,000, of which $15,000 is hereby designated to be a housing allowance; and it is further

Resolved, that the designation of $15,000 as a housing allowance shall apply to calendar year 2008 and all future years unless otherwise provided.
Appendix B
Secretary of State Contact Information

Alabama
Secretary of State
PO Box 5616
Montgomery, AL 36103-5616
(334)242-5324
www.sos.state.al.us

Alaska
Corporation Section
PO Box 110808
Juneau, AK 99811-0808
(907)465-2530
http://www.state.ak.us

Arizona
Arizona Corporation Commission
Corporations Division
1300 West Washington
Phoenix, AZ 85007-2929
(602)542-3135
www.azsos.gov

Arkansas
Arkansas Secretary of State
Business and Commercial Services
1401 West Capitol Avenue, Ste. 250
Victory Building
Little Rock, AR 72201
(888)233-0325
http://sos.state.ar.us

California
Business Programs Division
1500 11th Street
Sacramento, CA 95814
ATTN: Document Filing Support Unit
(916)657-5448
www.sos.ca.gov

Colorado
Colorado Secretary of State
Business Division
1700 Broadway, Suite 200
Denver, CO 80290-5169
(303)894-2200
www.sos.state.co.us

Connecticut
Office of the Secretary of State
30 Trinity Street
PO Box 150470
Hartford, CT 06115-0470
(860)509-6001
www.sots.state.ct.us

Delaware
Department of State
Division of Corporations
PO Box 898
Dover, DE 19903
(302)739-3073 Ext. 2
www.delaware.gov

District of Columbia
Department of Consumer and Regulatory Affairs
941 North Capitol Street, NE
Washington, DC 20002
(202)442-4432
www.brc.dc.gov

Florida
Department of State
Division of Corporations
PO Box 6327
Tallahassee, FL 32314
(850)245-6052
www.sunbiz.org
Georgia
Office of the Secretary of State
Corporations Division
315 West Tower
#2 Martin Luther King, Jr. Drive
Atlanta, GA 30334-1530
(404)656-2817
http://sos.georgia.gov

Hawaii
Hawaii Dept. of Commerce of Consumer Affairs, Business Registration Division
1010 Richards St.
PO Box 40
Honolulu, HI 96810
(808)586-2744
(808)586-2727
http://www.ehawaii.gov/dakine.index.html

Idaho
Office of the Secretary of State
700 West Jefferson
Boise, ID 83720-0080
(208)334-2301
www.sos.idaho.gov

Illinois
Secretary of State
Department of Business Services
Corporations Division
350 Howlett Building
Springfield, IL 62756
(217)782-6961
www.sos.state.il.us

Indiana
Secretary of State
Corporations Division
302 W. Washington St., RM E018
Indianapolis, IN 46204
(317)232-6576
www.in.gov/sos

Iowa
Secretary of State
Business Services
First Floor, Lucas Building
321 E. 12th St.
Des Moines, IA 50316
(515)281-5204
www.sos.state.ia.us

Kansas
Kansas Secretary of State
Memorial Hall, 1st Floor
120 SW 10th Ave.
Topeka, KS 66612-1594
(785)296-4564
www.kssos.org

Kentucky
Secretary of State
PO Box 718
Frankfort, KY 40602-0718
(502)564-2848
http://sos.ky.gov/business

Louisiana
Commercial Division
PO Box 94125
Baton Rouge, LA 70804-9125
(225)925-4704
www.sos.louisiana.gov

Maryland
State Department of Assessment and Taxation
Corporate Charter Division
301 W. Preston St., Room 801
Baltimore, MD 21201
(410)767-1340
www.dat.state.md.us
Massachusetts
Secretary of State
Corporations Division
Commonwealth of Massachusetts
One Ashburton Place, 17th Floor
Boston, MA 02108
(617)727-2850
www.sec.state.ma.us

Michigan
State Department of Labor of Economic
Growth
Bureau of Commercial Services
Corporations Division
7150 Harris Drive
PO Box 30054
Lansing, MI 48909
(517)373-1820
www.michigan.gov/cis

Minnesota
Secretary of State
Business Service Division
180 State Office Building
100 Rev. Dr. Martin Luther King, Jr. Blvd
St. Paul, MN 55155-1299
(651)296-2803
www.sos.state.mn.us/home/index.asp

Mississippi
Mississippi Secretary of State
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www.sos.state.ne.us/dyindex.html

Nevada
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New Filing Division
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Carson City, NV 89701-4299
(775)684-5708
http://sos.state.nv.us

New Hampshire
Secretary of State
Corporations Division
State House
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www.sos.nh.gov

New Jersey
New Jersey Dept. of the Treasury
Division of Revenue/Corporate
Filing Unit
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www.state.nj.us
New Mexico
Public Regulations Commission
Corporations Bureau
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New York
Department of State
Division of Corporations
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www.wdfi.org

Wyoming
Wyoming Secretary of State
The Capitol Building, Room 110
200 W. 24th St.
Cheyenne, WY 82002-0020
(307)777-7311/7312
http://soswy.state.wy.us
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IRS Publication 526

IRS Form 941 Instructions

IRS Form W-2 Instructions

IRS Form W-3 Instructions

IRS Form 1099-MISC Instructions


www.irs.gov
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The Church and the Law

Negligence

We are all becoming more acutely aware of the growing trend of law suits being brought against churches and their affiliate ministries. The vast majority of these claims are being based upon “negligence” and/or “gross negligence” in some areas such as; lack of background checks on employees or volunteers, potentially dangerous or hazardous building maintenance issues, lack of proper supervision at events and etc.

Negligence could be defined as a failure to use that degree of care which an ordinary person of reasonable prudence would use under the given circumstances. Negligence may be constituted by acts of either omission or commission, or both.

Gross Negligence is defined as reckless, wanton and willful misconduct, where the standard of due care of a reasonably prudent person has been ignored by such a shockingly wide margin that it reflects an indifference to the natural and probable consequences as to almost amount to an intentional act.

Consequently churches are confronted with multi-million dollar judgments and punitive damage awards. Church leaders must take affirmative steps to address these kinds of potential problems of negligence.

Negligence is conduct that creates an unreasonable risk of foreseeable harm to the person or property of another, and that in fact results in the foreseeable harm.¹⁸

Churches are not immune from being sued for negligence. There are basically three types of negligence they can be sued for: negligent selection, negligent retention, or negligent supervision. Churches can also be sued for negligent behavior of its employees that occurs in the scope of their employment.

The Requirement of Employee Status

Understanding the employment status of a minister can be important when determining liability of the church should legal issues arise. A variety of tests have been used by different courts and the IRS to try to settle this issue. The courts have held that the amount of control that a church or denomination holds on its ministers will be the major determining factor. In reviewing the issue of employee status, the courts have used:

Whether a person performing work for another is an employee or self-employed depends primarily upon whether the one for whom the work is done has the legal right to control the activities of the alleged employee. The power of the employer to terminate the services of the employee gives him the means of controlling the employee’s activities. “The right to immediately discharge involves the right of control.” It is not essential that the right of control be exercised or that there be active supervision of the work of the employee. The existence of the right of control and supervision establishes the existence of an employment relationship.19

The Restatement of Agency states concerning employee status:

- An employee is a person employed to perform service for another in his affairs and who, with respect to his physical conduct in the performance of the service, is subject to the other’s control or right to control.
- In determining whether one acting for another is an employee or self-employed, the following matters of fact, among others, are considered:
  - the extent of control which, by the agreement, the employer may exercise over the details of the work;
  - whether or not the one employed is engaged in a distinct occupation or business;
  - the kind of occupation, with reference to whether, in the locality, the work is usually done under the direction of the employer or by a specialist without supervision;
  - the skill required in the particular occupation;
  - whether the employer or the workman supplies the instrumentalities, tools, and the place of work for the person doing the work;
    (a) the length of time for which the person is employed;
    (b) the method of payment, whether by the time or by the job;
    (c) whether or not the work is a part of the regular business of the employer; and
    (d) whether or not the parties believe they are creating the relationship of employer and employee.20

In many court cases, the courts have ruled that ministers are employees of the church and therefore the church can be held responsible for their actions. However, the courts have held that churches can also be held responsible for the actions of uncompensated volunteers.

The courts have held that self-employed persons who work for the church or independent contractors can not create a state for the church to be responsible for their actions.

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20 Ibid.: 722.
Negligent Selection of Church Workers

The term negligence means carelessness or a failure to exercise reasonable care. Negligent selection, then, means carelessness or a failure to exercise reasonable care in the selection of a worker.\textsuperscript{21}

Cases of churches being sued because of sexual misconduct by their employees or volunteers are on the rise especially when minors are involved. In the majority of these cases, the victim alleges:

either or both of the following two theories: (1) the church was negligent in hiring the offender without adequate screening or evaluation, or (2) the church was negligent in its supervision of the offender.\textsuperscript{22}

It is important to recognize that churches are not “guarantors” of the safety and well-being of children. They are not absolutely liable for every injury that occurs on their premises in the course of their activities. Generally, they are responsible only for those injuries that result from their negligence. Negligent selection simply means that the church failed to act responsibly and with due care in the selection of workers (both volunteer and compensated) for positions involving the supervision or custody of minors.\textsuperscript{23}

Church leaders need to have an understanding of conditions that can lead to misconduct situations. However, that knowledge is not enough. They need to know steps that can be taken to reduce the possibility of sexual misconduct.

Church liability for the sexual misconduct of employees and volunteers is the most significant risk facing churches today for a number of reasons, including the following:

(1) **Many opportunities.** There ordinarily are many opportunities within the church for persons to engage in sexual misconduct with adults or children. Churches have many children involved in a variety of programs, and many pastors engage in extensive counseling.

(2) **Trust.** Churches are institutions of trust, and many members and leaders cannot conceive of acts of sexual misconduct occurring on their premises. As a result, they do not see a need to institute procedures and policies that will reduce the risk of such behavior.

(3) **Money damages.** The amount of money damages that courts award in such cases can be substantial.

\textsuperscript{21} ibid.: p. 735.
\textsuperscript{22} ibid.: p. 737.
\textsuperscript{23} ibid.: p. 737.
Limited insurance coverage. Most church insurance policies either exclude sexual misconduct claims, or significantly reduce the amount of coverage. This means that many churches face a potentially large and underinsured risk.

Other damages. The damages that such claims cause to victims, victims’ families, offenders, congregations, and church leaders is considerable.

Board liability. Board members face personal liability in such cases if they refused to take steps to address this risk or ignored danger signals, and their conduct amounts to “gross negligence.”

Punitive damages. Churches face the possibility of being assessed punitive damages if church leaders willfully refused to address this risk or ignored danger signals. Punitive damages are designed to “punish” wrongdoers for reckless or grossly negligent conduct. They are not covered by church insurance policies.

Polarization. Congregations often are polarized in the aftermath of an incident of sexual misconduct. Some members insist that the offender be forgiven, while others focus on issues of justice, accountability, and protection.24

If a church does not exercise reasonable responsibility in investigating the backgrounds of their employees or volunteers, the courts have found them to be liable on the basis of negligent selection in cases involving sexual misconduct between adults and minors.

If churches demonstrate a reasonable attempt to investigate the backgrounds of their employees and volunteers, courts will usually hold that the churches are not liable of negligent selection.

Churches can reduce the risk of sexual misconduct and negligent selection by placing into policy a risk management strategy. This strategy can include the following:

1. A Written Application Form

Churches can significantly reduce their risk of legal liability for negligent selection (and the likelihood that an incident of abuse or molestation will occur) by having every applicant for youth work (volunteer or compensated) complete a “screening application.” At a minimum, the application should ask for the applicant’s name and address, the names of other youth-serving organizations in which the applicant has worked as an employee or volunteer, a full explanation of any prior criminal convictions, and the names of two or more references. The application should be completed by every applicant for any position involving the custody or supervision of minors. The application should also be completed by current employees or volunteers having custody or supervision over minors.25
2. Contact References

Significant risk reduction occurs if the church takes the following additional steps:

- If an applicant is unknown to you, confirm his or her identity by requiring photographic identification (such as a state driver’s license). Child molesters often use pseudonyms.

- Contact each person and organization listed as a reference in the application, and request a written reference. If you do not receive back the written reference forms, then contact the references by telephone and prepare a written memorandum noting the questions asked and the reference’s responses….Show the date and method of the contact, the person making the contact as well as the person contacted, and a summary of the reference’s remarks. Such forms, when completed, should be kept with an applicant’s original application. They should be kept permanently.

- Be sure you are aware of any additional legal requirements that apply in your state.

- The church must treat as strictly confidential all applications and records of contacts with churches or other references. Such information should be marked “confidential,” and access should be restricted to those few persons with a legitimate interest in the information.26

- The screening procedure should apply to all workers – both compensated and volunteer. Acts of molestation have been committed by both kinds of workers.

- The screening procedure should apply to new applicants as well as current workers. Obviously, churches need to use some common sense here.

- If the screening application and reference forms seem overly burdensome, consider the following: (1) Your church liability insurance policy may exclude or limit coverage for acts of child molestation. If so, you have a potentially enormous uninsured risk. Reducing this risk is worth whatever inconvenience might be generated in implementing a screening procedure. Just ask any member of a church in which such as incident has occurred. (2) The screening procedure is designed primarily to provide a safe and secure environment for the youth of your church. Unfortunately, churches have become targets of child molesters because they provide immediate and direct access to children in a trusting and often unsupervised environment. In order to provide some protection for the youth of your church against such persons, a screening procedure is imperative. (3) The relatively minor inconvenience involved in

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26 ibid.: pp. 749-750.
establishing a screening procedure is a small price to pay for protecting the church from the devastation that often accompanies an incident of molestation. (4) The resistance to screening will diminish as more charities screen volunteer workers. (5) Think of the screening procedure in terms of risk reduction. A church is free to hire workers without any screening or evaluation whatever, but such a practice involves the highest degree of legal risk. On the other hand, a church that develops a responsible screening procedure has a much lower risk. (6) The services of a local attorney should be solicited in drafting an appropriate screening form to ensure compliance with state law. It is also advisable that such forms be shared with a church’s insurance company for its comments. You also should consider sharing your form with the state agency that investigates reports of child abuse. (7) Obtain copies of the application forms used by the Boy Scouts, Big Brothers, and similar organizations. As a result of numerous lawsuits, these organizations have developed effective application forms. Review these forms, and use them as resources when preparing your own forms. The state agency responsible for investigating reports of child abuse may have application forms for you to review, and they often are willing to review the application forms that churches prepare.27

3. Criminal Records Checks

Churches are using criminal background checks to a greater extent on possible employees and volunteers. Churches are not mandated to do these checks to be protected from negligent selection liability. However, these checks can provide churches with the information needed to make wise selections.

There are two types of criminal checks. These are name checks and fingerprints. The easiest for churches is the name check since it can be done quickly and inexpensively. Churches can request even deeper checks by requesting FBI criminal records check. This is usually done through the designated state agency for the church.

- Expunged or sealed criminal records. In some states it is unlawful for employers to make employment decisions about employees or applicants for employment on the basis of “expunged” or “sealed” criminal records.28

- Arrests. In some states it is unlawful for employers to make employment decisions about employees or applicants for employment on the basis of arrests.29

- Mandatory criminal records checks. Some states require criminal records checks for child care workers and teachers.30

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27 ibid.: pp. 750-751.
28 ibid.: p. 752.
29 ibid.: p. 752.
• What crimes disqualify an applicant for youth work? Not all crimes disqualify a person for a position involving contact with minors. A criminal conviction for a sexual offense involving a minor would certainly disqualify an applicant. In the case of pedophilic behavior (molestation of a pre-adolescent child) such a conviction should disqualify an individual no matter how long ago it occurred (because of the improbability that such a condition can be “cured”). Other automatic disqualifiers would include incest, rape, assaults involving minors, murder, kidnapping, child pornography, sodomy, and the physical abuse of a minor.31

4. Interviews

The final candidates for a church position should be interviewed. This will provide the church with an opportunity to inquire into each applicant’s background and make a determination as to each person’s suitability for the position under consideration….Higher risk individuals (e.g., single males) and persons applying for higher risk positions (e.g., boys groups, scouting groups, camps, overnight or largely unsupervised activities involving either male or female children or adolescents) should be interviewed by a staff member who has been trained to identify child molesters.32

5. Six Month Rule

Churches can reduce the risk of incidents of sexual molestation by adopting a policy restricting eligibility for any volunteer position involving the custody or supervision of minors to those persons who have been members in good standing of the church for a minimum period of time, such as six months. Such a policy gives the church an additional opportunity to evaluate applicants, and will help to repel persons seeking immediate access to potential victims.33

6. Other Background Checks

There are other background checks available to churches and these should be incorporated into the investigation process. These background checks include:

(1) educational background (one of the most common misrepresentations that is made on employment application forms);

(2) employment (confirming that the applicant worked for prior employers listed on the application form);

(3) motor vehicle records;

30 ibid.: p. 752.
31 ibid.: p. 752.
32 ibid.: p. 753.
33 ibid.: p. 753.
(4) social security number check (confirms identity and residential history);

(5) credit history; and

(6) professional licenses and certifications

If a credit check is requested as part of a background check and the church decides not to call a pastor, associate, or volunteer as a result of the findings of that credit check, then the church is compelled under the Fair Credit Reporting Act to comply with the following Federal Trade Commission laws (604(b)(3); 609(c)(3); 611; 612) by furnishing the individual with the following:

- A copy of the report
- A description of the candidate’s rights under the Fair Credit Reporting Act
- A written statement that includes the following:
  a. A statement as to why consideration was withdrawn and that the decision was based in whole or in part on the Background and Credit Check report.
  b. The name, address and telephone number of the consumer reporting agency that furnished the consumer report (including a toll-free telephone number established by the agency if the agency compiles and maintains files on consumers on a nationwide basis).
  c. That the consumer reporting agency nor Indiana Ministries of the Church of God made the decision to withdraw consideration and neither is able to provide the candidate with specific reasons why consideration was withdrawn.
  d. That the candidate may, upon providing proper identification, request a free copy of a report and may dispute with the consumer reporting agency the accuracy or completeness of any information in a report.

The rights of the individual are as follows:

1. You must be told if information in your file has been used against you. Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment – or to take another adverse action against you – must tell you, and must give you the name, address, and phone number of the agency that provided the information.

2. You have the right to know what is in your file. You may request and obtain all the information about you in the files of a consumer reporting agency (your “file disclosure”). You will be required to provide proper identification, which may include your Social Security number. In many

34 ibid.: p. 753.
cases, the disclosure will be free. You are entitled to a free file disclosure if:

a. a person has taken adverse action against you because of information in your credit report;
b. you are the victim of identity theft and place a fraud alert in your file;
c. your file contains inaccurate information as a result of fraud;
d. you are on public assistance;
e. you are unemployed but expect to apply for employment within 60 days.

In addition, by September 2005 all consumers will be entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See www.ftc.gov/credit for additional information.

3. You have the right to ask for a credit score. Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.

4. You have the right to dispute incomplete or inaccurate information. If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See www.ftc.gov/credit for an explanation of dispute procedures.

5. Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information. Inaccurate, incomplete or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.

6. Consumer reporting agencies may not report outdated negative information. In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.

7. Access to your file is limited. A consumer reporting agency may provide information about you only to people with a valid need – usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need to access.

8. You must give your consent for reports to be provided to employers. A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to www.ftc.gov/credit.

9. You may limit “prescreened” offers of credit and insurance you get based on information in your credit report. Unsolicited “prescreened” offers for credit and insurance must include a toll-free phone number you can call if
you choose to remove your name and address from the lists these offers are based on.

10. You may seek damages from violators. If a consumer reporting agency, or, in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.

11. Identity theft victims and active duty military personnel have additional rights. For more information, visit [www.ftc.gov/credit](http://www.ftc.gov/credit).

7. **Limit “Second Chances”**

Churches are resources of mercy. Many times they are willing to forgive and to give a second chance. However, when it comes to sexual misconduct between adults and minors, this could be a very dangerous and costly practice.

There are ways the churches can allow persons to work in the church that have been accused or found guilty of child molestation. These include:

- The church could refuse to use the person in any compensated or volunteer position in the church (including, but not limited to, working with minors). This approach eliminates the risk of negligent selection, and it would be appropriate in the case of a pedophile. Pedophiles are persons who are sexually attracted to pre-adolescent children. The FBI “profile” on pedophiles indicates that such persons are “incurable” and predatory. They are always seeking new victims. Obviously, such persons create a significant risk to children and churches.

- The church could encourage such an individual to work in the church, but in a position not involving access to children. This is a reasonable accommodation of the individual’s desire to serve the church. A church that permits such an individual to work with children will have a virtually indefensible position should another incident of molestation occur. Some churches have given convicted child molesters a “second chance” by allowing them to work with children – often on the basis that the person has had a religious conversion and no longer is a threat to children. The courts have not been sympathetic to such a defense.\(^{35}\)

8. **Arbitration Policy**

Consider the adoption of a church “arbitration policy.” Such a policy, if adopted by the church membership at a congregational meeting as an amendment to the church’s bylaws, may force church members to resolve their disputes (with the church, pastor, board, or other members) within the church consistently with the pattern suggested in 1 Corinthians 6:1-8. While a discussion of arbitration policies is beyond the scope of this section, churches should recognize that arbitration is

\(^{35}\) *ibid.* p. 754.
an increasingly popular means of resolving disputes in the secular world since it often avoids the excessive costs and delays associated with civil litigation and the uncertainty of jury verdicts. Of course, any arbitration policy should be reviewed by a church’s liability insurer before being implemented. Such an approach, at a minimum, merits serious consideration by any church.\footnote{ibid.: p. 754.}

Court cases against churches as a result of sexual misconduct involving adults is on the rise. These cases usually involve a male pastor and a female employee or counselee. As with the cases involving minors, churches can be held liable for negligent selection of the employee.

If churches do not demonstrate reasonable responsibility in the investigating of employees or volunteers, the courts can hold them liable for negligent selection.

If churches are able to demonstrate that they did investigate an employee or volunteer in a reasonable manner, the courts will not hold them liable for negligent selection.

Sexual misconduct cases are not the only types of negligent selection cases that churches can face. One major type of negligent selection that churches become involved in is drivers of church vehicles.

To reduce the risk of liability in this context, churches should refrain from using any driver without taking the following steps:

1. Have each prospective driver complete an application form that asks for the person’s drivers license number, type of drivers license and expiration date, a description of any driving restrictions, and a history of traffic accidents and moving violations.

2. Ask the church’s liability insurance carrier to check on the individual’s driving record. Often, insurance companies will perform this task if requested, at no charge. The insurance company should be requested to update its research on all drivers of church vehicles periodically, to screen out persons with a recent history of unsafe driving.

3. Discontinue using any driver if reports are received that he or she is operating a church vehicle in a negligent manner. Fully investigate such reports, and do not use the individual again unless the investigation clearly demonstrates that the complaints were without merit.

4. If the prospective driver is a new member, then ask for the names and addresses of other churches in which he or she has worked as a driver. Contact those other churches and ask if they are aware of facts that would indicate that the individual should not be used as a driver. Make a written record of such contacts.
(5) Periodically invite a local law enforcement officer to speak to all drivers concerning safety issues.

(6) Require all drivers to immediately inform the church of any traffic convictions.37

**Negligent Retention of Church Workers**

A church may use reasonable care in selecting ministers or other church workers but still be responsible for their misconduct if it “retained” them after receiving information indicating that they posed a risk of harm to others.38

Often times church leaders receive information about negligent behavior by an employee or volunteer. If churches do not follow up on this information to determine its credibility, they can recreate a difficult situation for themselves. If the information is found to be credible and the church does not remove the employee or volunteer, the church can be held liable for negligent retention by the courts.

Many courts have ruled that the first amendment prevents churches from being legally responsible on the basis of negligent retention for the misconduct of ministers.39

To reduce the risk of liability for negligent retention, churches can develop a risk management policy. This policy should incorporate the following steps:

1. **Investigate**

   Whenever a church leader receives credible information suggesting that a church employee or volunteer may represent a risk of harm to others, an immediate and thorough investigation should be initiated. Remember this – once such information is received, the church is “put on notice” of the risk and may be legally responsible on the basis of negligent retention for future acts of misconduct by the church worker if it does nothing to investigate or respond to the information. The investigation should include a thorough review of the accusation. This ordinarily will include some or all of the following procedures:

   - Interviews with the victim (and the victim’s family, if the victim is a minor).

   - Interviews with the alleged perpetrator (and the perpetrator’s family, if the perpetrator is a minor).

   - Collection of corroborating evidence, such as (1) witnesses; (2) other victims; or (3) documentary evidence including letters and photos.

   - Consultation with the church’s insurance agent.

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37 ibid.: pp. 761-762.
38 ibid.: p. 762.
39 ibid.: p. 765.
• Consultation with the church’s attorney.

• Consultation with the denominational officers.

• Consultation with other churches or charities in which the alleged perpetrator has worked, to identify whether any similar acts of misconduct has occurred. If so, this tends to prove a pattern, and supports the inference that the victim’s account is correct.

• If the alleged misconduct constitutes a crime, conduct a criminal records check to determine if the worker has a history of such acts. If so, this tends to prove a pattern, and supports the inference that the victim’s account is correct.

• If the alleged misconduct constitutes child abuse under state law, then church leaders must comply immediately with applicable reporting requirements. Church leaders can then suspend their own investigation and await the outcome of the state’s investigation, or proceed with their own investigation independently of the state. In either case, church leaders should consider suspending the alleged wrongdoer until the investigation is concluded, depending on the nature and severity of the alleged wrongdoing.  

2. Restrictions

If the church’s investigation results in credible evidence to support the victim’s allegations, then the church can reduce its risk of negligent retention by imposing appropriate restrictions on the alleged wrongdoer. The nature and extent of such restrictions will vary depending on a number of circumstances, including the nature and severity of the alleged wrongs and the strength of the evidence. If a church ignores credible evidence of wrongdoing and imposes no restrictions on the alleged wrongdoer, it is exposed to liability based on negligent retention from the time it learned of the allegations.

**Negligent Supervision of Church Workers**

Negligent supervision…refers to a failure to exercise reasonable care in the supervision of church workers and church activities. Churches are not immune for liability for negligent supervision of church workers.

The majority of church cases involving negligent supervision are the result of child molestation. The victims or victims’ families charge the church with not providing proper supervision of employees or volunteers that work with children.

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40 ibid.: pp. 770-771.
41 ibid.: pp. 770-771.
42 ibid.: p. 771.
Some courts have found churches liable on the basis of negligent supervision for a worker’s acts of child molestation on the ground that the church failed to exercise reasonable care in the supervision of the victim or of its own programs and activities.\textsuperscript{43} Some courts have found churches not liable on the basis of negligent supervision for a worker’s acts of child molestation on the ground that the church exercised reasonable care in the supervision of the victim and of its own programs and activities.\textsuperscript{44}

Churches can reduce the risk of negligent supervision liability by developing a supervision policy for its employees and volunteers. Elements that should be considered for that policy include:

1. Two-Adult Policy

Consider adopting a “two-adult” policy. Such a policy simply says that no minor is ever allowed to be alone with an adult during any church activity. This rule reduces the risk of child molestation, and also reduces the risk of false accusations of molestation.\textsuperscript{45}

2. No Early Releases of Minors

Only release minors from church activities to the parent or legal guardian who brought them, or to a third person that the parent or guardian has authorized in writing to receive custody of the child. Churches are legally responsible for the safety of a minor from the time they receive custody until the time they return custody of the minor to his or her parent or legal guardian. As a result, a church may be liable for injuries occurring to a child who is released prematurely.\textsuperscript{46}

3. Claim Check Procedure

Consider adopting a “claim-check” policy for children in the church nursery. As a parent drops a child off at the church nursery, pin a plastic number on the child’s clothes and give the parent an identical number. Inform parents that only those persons presenting the corresponding number will be given custody of children. This policy is designed to prevent the kidnapping of children by non-custodial parents, or by child molesters. Numbers should be assigned on a random basis for each service.\textsuperscript{47}

4. Greater Scrutiny If Knowledge of Prior Incidents

If an incident of child molestation occurs on church premises, or in the course of a church activity off of church premises, the church’s duty of supervision increases.

\textsuperscript{43} ibid.: p. 773.
\textsuperscript{44} ibid.: p. 778.
\textsuperscript{45} ibid.: p. 784.
\textsuperscript{46} ibid.: p. 785.
\textsuperscript{47} ibid.: p. 785.
The church will be held to a higher standard of supervision because of such knowledge. It is important for church leaders to be aware of this, and to be diligent in implementing some or all of the risk management procedures mentioned in this section.48

5. Video Technology

The installation of video cameras in strategic locations can serve as a powerful deterrent to child molesters, and can reduce a church’s risk of negligent supervision.49

6. An Adequate Number of Qualified Adults

Any activity involving minors should be staffed with an adequate number of qualified adults. This will help to demonstrate that the church exercised reasonable care in the supervision of minors, and reduce the risk of liability based on negligent supervision in the event that a minor is molested.50

7. Off-Site Activities

Churches need to provide adequate adult supervision for all off-site activities.

8. Restrooms

Various methods can be used to supervise restrooms. These include:

- **Video technology.** Using video cameras outside of church restrooms is a powerful deterrent to molesters, and provides the church with helpful evidence in the event of an allegation of molestation.

- **Designated restrooms.** Restrict young children’s restroom breaks to restrooms that have limited access to adults, if this is possible.

- **2-adult rule.** Have two adults accompany children in groups to the restroom, whenever possible. Do not allow one adult to take one or more children to the restroom.

- **“Half doors.”** Consider installation of “half doors” that will permit adults to have partial vision into restrooms used by young children.

- **Architecture.** Unauthorized access to nursery areas by outsiders should be discouraged or prevented by the physical layout. Many churches accomplish this with counters staffed by an adult worker or attendant.

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48 ibid.: p. 785.
49 ibid.: p. 785.
50 ibid.: p. 786.
- **State regulations.** State regulations that apply to licensed child care facilities ordinarily do not apply to church nurseries, but they will contain a wealth of information that may be useful in adopting policies to reduce the risk of molestation and other injuries. Further, compliance with selected regulations can be cited as evidence that your church should not be legally responsible on the basis of negligent supervision for such incidents.

- **Parental notification.** Churches should discourage parents from allowing their children to wander around unaccompanied on church property. This notification can take place in parents’ meetings, in church bulletins or newsletters, or through direct appeals prior to or during worship services. Children who wander unaccompanied on church property often were sitting with a parent during a worship service and were permitted to leave (usually to go to the restroom). In other words, unaccompanied children wandering around on church premises often do so with their parents’ permission. Parents should be encouraged to accompany their children to the restroom or any other destination, and not let them leave the service unattended.

- **Restricting access.** The risk of liability can be reduced by restricting access to unsupervised restrooms where molestation may occur. If possible, lock doors to cut off access to remote and unused areas of the church.

- **Ushers.** A church can exercise supervision over its restrooms by having ushers observe access to them during services.\(^{51}\)

9. **Encouraging Parents to Accompany Their Children**

Churches can reduce the risk of liability based on negligent supervision by encouraging parents of younger children to accompany their child to youth programs and activities.\(^{52}\)

10. **Prevent Access to Remote Areas**

Acts of child molestation on church premises often occur in remote, unsupervised rooms or areas. A church can reduce its risk of liability based on incidents of molestation occurring in such locations by restricting access to them. If possible, lock vacant rooms that are not being used, or exercise supervision over them.\(^{53}\)

11. **Windows**

Install windows in all doors to classrooms and other areas that are frequented by minors. This will reduce isolation and make it easier to supervise activities.\(^{54}\)

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\(^{51}\) ibid.: p. 787.

\(^{52}\) ibid.: p. 788.

\(^{53}\) ibid.: p. 788.

\(^{54}\) ibid.: p. 788.
12. Supervision of Known Molesters

If a know molester wants to attend the church, consider the following options:

- **Exclusion.** The risk of liability based on negligent supervision can be eliminated by completely excluding known child molesters from church property and activities. Some churches have adopted this policy for persons with a record of multiple acts of molestation, or even one severe act. This is not to say that the person is cut off entirely. Ministers or concerned laypersons can meet with such a person off of church premises on a regular basis, to provide spiritual support.

- **Chaperones.** The risk of liability based on negligent supervision can be eliminated if the church designates a “chaperone” to accompany the molester at all times when present on church premises.

- **Conditional attendance agreement.** Church leaders may allow a molester to attend church and participate in church activities, subject to specified conditions. These conditions can be set forth in a “conditional attendance” agreement that is signed by the molester. 55

13. Follow Policies

It is absolutely essential to familiarize youth workers with the church’s policies and to be sure that these policies are followed. At a minimum, this should be part of an orientation process for all new workers (both paid and volunteer). Periodic training sessions are also desirable to reinforce nursery policies. 56

14. Review of Policies

It is good practice to have your risk management procedures reviewed periodically by a local attorney and by your church insurance agent. Such a review will help to ensure that your policies are current and effective. 57

Sexual misconduct cases that involve adult victims usually result from a male pastor’s conduct towards a female counselee or female employee.

Some courts have found churches liable on the basis of negligent supervision for a minister’s acts of sexual misconduct involving adult church members on the ground that the church failed to exercise reasonable care in the supervision of the minister. 58

55 ibid.: pp. 788-789.
56 ibid.: p. 789.
57 ibid.: p. 789.
58 ibid.: p. 790.
Many courts have ruled that the first amendment prevents churches from being legally responsible on the basis of negligent supervision for the sexual misconduct of ministers.\textsuperscript{59}

A church may be legally responsible on the basis of negligent supervision for injuries resulting from a failure to exercise adequate supervision of its programs and activities.\textsuperscript{60}

Churches can reduce the risk of negligent supervision cases by employing the following strategies:

1. **Adequate Number of Qualified Adults**

   Use an adequate number of adults to supervise all church activities, especially those involving minors. Also, be sure that the adult supervisors are adequately trained to respond to emergencies.\textsuperscript{61}

2. **Checking the Policies of Other Charities**

   Check with the Red Cross, YMCA, Boy Scouts, and similar organizations to obtain guidelines on the number of adults to use, the training of adult workers (based on the type of activity involved), and other safety procedures. Reliance on such standards makes it much less likely that a church will be guilty of negligent supervision. Be sure that you document your research.\textsuperscript{62}

3. **Swimming and Other Water Sports – Off of Church Premises**

   If your church sends minors on a trip that will involve swimming (or the possibility of swimming), there are a number of steps that you can take that will reduce the risk of drowning, and the church’s risk of liability. They include the following:
   
   - **Encourage parents to accompany their children.** The court in this case concluded that the charity’s duty of care was greater because the victim’s mother was not present.
   
   - **Have both parents sign a permission form that authorizes their child to participate in the event, and that discloses whether or not the child can swim.** In some cases, it is not feasible or possible to have both parents sign (due to divorce, separation, or death). But church leaders should recognize that the best protection comes for having both parents sign.
   
   - **If the parental permission form indicates that the child cannot swim, then church leaders must recognize that they are assuming a greater risk by**

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\textsuperscript{59} ibid.: p. 792.
\textsuperscript{60} ibid.: p. 797.
\textsuperscript{61} ibid.: p. 800.
\textsuperscript{62} ibid.: p. 801.
allowing the child to participate. This risk can be avoided by not allowing the child to participate….If parents consent to their child’s participation despite his or her inability to swim, then under no circumstances should the child be allowed to attend the event without appropriate restrictions. The nature of these restrictions will depend on a number of factors, including the age of the child, the degree of supervision provided by adults, the availability of trained lifeguards, and the relative risk of the location. For example, lakes generally pose more danger than pools, because (1) the water is not clear, making it more difficult to monitor the activities of children or to quickly locate a missing child; (2) concealed hazards may exist below the surface; (3) emergency medical services often are more distant; and (4) the area is more likely to be unsupervised, with no lifeguards present.

- Go to locations that have certified lifeguards on duty.
- Check with your church insurance agent for additional recommendations.
- Check with your denominational offices for additional recommendations.63

4. Swimming and Other Water Sports – On Church Premises

- Most communities have enacted zoning regulations that govern the construction and maintenance of swimming pools. These regulations often address fencing, locks, signs, and depth markings. Be sure the pool complies with all zoning requirements since a failure to do so can result in automatic legal liability for a death or injury.

- Most communities have laws governing the operation of a pool as a place of public accommodation. Check with city health or safety officials, or with a city council member, for details. Again, be sure the pool is in full compliance, since a violation can lead to automatic liability. These requirements often address the number and training of life guards, maximum pool capacity, and hygienic measures. If there are no such laws in your community that apply to your pool, then consider adopting the rules that apply to other kinds of public swimming pools, if any. This will provide a defense to a charge of negligent supervision. If your community has no laws governing public swimming pools, then contact other local charities with pools (such as the YMCA) and consider following their rules.

- Place a water alarm in the pool when it is not in use. Such an alarm is triggered by splashing, and it can alert adults to the unauthorized presence of a child in the pool.

63 ibid.: p. 801.
• Place a video camera in the pool area so that the pool can be monitored for unauthorized access when not in use.

• Use certified lifeguards. Local laws may specify the minimum number, based on the number of persons present. If not, check with the YMCA for recommendations.

• Do not install a diving board. Many swimming pool accidents are associated with the use of diving boards.

• Be sure the water is clean and of excellent visibility at all times.

• Install a safety rope separating the shallow from the deep end of the pool.

• Check with your church insurance agent for additional recommendations.64

5. Avoid Hazardous Activities

Avoid high-risk activities. Some activities, such as rope-repelling, explosives, and the use of firearms, are so hazardous that a church may be deemed “strictly liable” if an accident occurs, no matter how much care was exercised in supervising the event.65

Counseling

It is not unusual for ministers to counsel with members of their congregations. A few churches even provide counseling services. Whether the counseling is provided by the minister or a staff of lay counselors, church leaders need to be knowledgeable of the legal liabilities that may be involved.

1. Pastoral Counselors

Pastors and ministers can be charged with malpractice or sexual misconduct during the course of counseling. They should take detailed steps to protect themselves from such situations.

2. Lay Counselors

Lay counselors create a different set of legal liabilities for the church.

(1) negligent counseling

64 ibid.: p. 802.
65 ibid.: p. 802.
“Negligent counseling” is a legal risk associated with lay counseling programs. It can arise in a number of ways. Some persons may claim that their emotional problems were aggravated rather than helped by lay counseling. Others may claim that lay counselors have a legal duty to refer suicidal persons to medical professionals having the authority to involuntarily commit such persons, and that they are responsible for the suicide of a counselee who is not referred.66

(2) child abuse reporting

Counselors may receive confessions of child abuse or information giving them a reasonable suspicion that abuse has occurred. It is imperative for church leaders to obtain a copy of their state child abuse reporting statute and ensure that all counselors are aware of their reporting obligations, if any, under state law.67

(3) seduction of counselees

This is the most common liability that arises in counseling situations.

(4) confidentiality

Counselors (and the church) can be sued if they intentionally or inadvertently disclose confidential information to third parties.68

(5) negligent hiring

The church should carefully screen any candidate for a lay counseling position to ensure, as much as possible, the suitability of the person for a counseling ministry….The important consideration is this: the church can be sued for injuries inflicted by a lay counselee if the church either knew or should have known of a dangerous propensity of the counselor.69

(6) negligent supervision

The church should consider adopting mechanisms to ensure that unlicensed lay counselors are supervised by appropriately trained and licensed mental health professionals. The church should also develop a counseling policy setting forth standards on such issues as suicidal counselees, counselees threatening harm to others, counselees who confess to criminal activities, and counselees who are child abusers. Unlicensed lay counselors should understand clearly their responsibilities with regard to these kinds of crises.

66 ibid.: p. 803.
67 ibid.: p. 804.
68 ibid.: pp. 804-805.
69 ibid.: p. 805.
most cases they should be advised to refer crisis cases immediately to a designated licensed mental health professional. It is also important for the counseling policy to prohibit lay counselors from engaging in controversial therapies such as “repressed memories” and diagnosis and treatment of multiple personality disorders.70

(7) fees

Churches must be careful about misleading counselees that counseling fees are tax deductible. If a specific fee is required for the counseling service, such fees are not tax deductible as charitable contributions. The fee must be made in a voluntary manner for it to be considered as tax deductible.

Churches can reduce the risk of legal liability resulting from counseling situations by developing a policy that includes the following steps:

1. Reducing the Risk of Sexual Misconduct and False Accusations

   (1) the “third person” rule

   One effective way to deal with these risks is to adopt a policy prohibiting any male minister or counselor on staff from counseling privately with an unaccompanied female (i.e., opposite sex counseling) unless a third person is present. The third person may be the minister’s or counselor’s spouse, another minister on staff, or a mature and trusted church employee (preferably female).71

   (2) women counsel women

   Since the vast majority of cases of inappropriate sexual behavior involve male counselors and female counselees, churches can significantly reduce their risk by using women to counsel women.72

   (3) other measures

   Churches have implemented a number of other measures to reduce the risk of sexual misconduct, or false claims of sexual misconduct, during pastoral or lay counseling sessions. These include one or more of the following:

   • Windows. Installing a window in the pastor’s office making all counseling sessions clearly visible to office staff. Of course, such a precaution is effective only if other staff are present and visible throughout the counseling session. This means that the church should implement a policy

70 ibid.: p. 805.
71 ibid.: p. 806.
72 ibid.: p. 807.
limiting counseling sessions to office hours when other staff are present and visible.

- **Open doors.** Some counselors conduct counseling sessions in a room with an open door, so that office staff can clearly see the counselor or counselee. Of course, such a precaution is effective only if other staff are present and visible throughout the counseling session. This means that the church should implement a policy limiting counseling sessions to office hours when other staff are present and visible.

- **Telephone counseling.** Many smaller churches have no “staff” that is present and visible in the church office during counseling sessions. Some of these churches limit opposite sex counseling sessions to those involving a third person or those that are conducted by telephone.

- **Video cameras.** Some churches have installed a video camera (without audio) in the office where counseling occurs. The video can be transmitted to a monitor in another location in the church where it is observed by a church employee. Or, the camera can simply record the entire session. If sessions are recorded, tapes should be retained indefinitely, or until they are reviewed by two designated church members who prepare a written summary stating whether or not they observed any inappropriate acts. This review can be performed in “fast forward” mode, and should not take long.

- **Boundaries.** Many courts have recognized the psychological principle of “transference.” To illustrate, one court defined transference as “a phenomenon that occurs that is similar to a state of dependency in which the client begins to project the roles and relationships and the images and experiences that they have had with other people previously in their life, especially other significant people such as mother, father, brothers, sisters, early teachers and adult models, upon the therapist.” Another court defined transference as “a process whereby a patient undergoing psychotherapy for a mental or emotional disturbance (particularly a female patient being treated by a male psychotherapist) develops such overwhelming feelings of warmth, trust, and dependency towards the therapist that she is deprived of the will to resist any sexual overtures he might make.” Similarly, another court observed, “Transference is the term used by psychiatrists and psychologists to denote a patient’s emotional reaction to a therapist and is generally applied to the projection of feelings, thoughts and wishes onto the analyst, who has come to represent some person from the patient’s past….Transference is crucial to the therapeutic process because the patient unconsciously attributes to the psychiatrist or analyst those feelings which he may have repressed towards his own parents….It is through the creation, experiencing and resolution of these feelings that [the patient] becomes well….Understanding of transference
forms a basic part of the psychoanalytic technique. Pastoral and lay counselors often are tempted to engage in inappropriate sexual contact with a counselee because of unfamiliarity with this phenomenon. They misinterpret transference as affection, and fail to engage in anti-transference precautions that reduce the risk of inappropriate physical or emotional bonding. These precautions can include one or more of the following: (1) require a third person to be present for any counseling occurring off of church premises; (2) allow one-on-one counseling on church premises only during office hours if other staff members are present and visible; (3) limit counseling sessions to 45 minutes; and (4) permit no more than 5 counseling sessions with the same person during a calendar year.73

2. Other Risks

(1) counseling policy

Churches that use unlicensed lay counselors should prepare a suitable brochure or statement clearly communicating to each counselee that the church considers counseling to be an essential aspect of its ministry, and that it is important for persons seeking counseling to recognize certain legal considerations that apply in the context of counseling. These may include many considerations, including the fact that the counselee understands and agrees that counseling is provided on the basis of the following conditions:

- The counselors are engaged solely in spiritual counseling based on their understanding of the Bible, and they are not engaged in the practice of psychology, professional counseling, or psychotherapy.

- State law may require a counselor to report allegations of child abuse to civil authorities.

- Statements made in confidence to a pastor in the course of counseling ordinarily are “privileged,” meaning that neither the counselee nor the pastor can be compelled to disclose in a court of law any statements made in the course of the counseling. However, the presence of a third party during a counseling session may jeopardize the privilege, since the counseling may no longer be considered “confidential.”

- Any statements made in confidence in the course of counseling will be kept in strict confidence by the counselor. As noted above, the duty to maintain confidences may not apply in the context of child abuse. Further, the counselor may reserve the right to disclose confidential information in

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73 ibid.; pp. 807-808.
specified situations (such as threats of suicide, or an intent to harm another
person).\textsuperscript{74}

(2) avoid controversial therapies

Counselors should be instructed to avoid any controversial counseling techniques
that have been associated in recent years with staggering levels of liability (such
as age regression therapy or multiple personality disorders).\textsuperscript{75}

(3) referrals

Counselors should have a clear understanding of those cases that need to be
referred to a professional counselor.\textsuperscript{76}

(4) insurance

Does the counselor have counseling insurance? If so, what are the coverage
amounts? What exclusions exist? These are questions that should be addressed
prior to the time the counselor begins counseling. Also check to see if the
church’s liability insurance policy covers the counseling activities.\textsuperscript{77}

(5) legal agreement

Consider executing a legal agreement with the counselor that expresses the
conditions of the arrangement.\textsuperscript{78}

(6) disclaimer

Have every counselee sign a form acknowledging that the counselor is not acting
as an agent or representative of the church, and that the counselor is not acting
under the control or supervision of the church.\textsuperscript{79}

(7) use of the term “counselor”

It is unlawful in most states for unlicensed persons to use the term counselor or
counseling in connection with their services. Pastors who engage in counseling of
church members in the course of performing their pastoral duties are exempted
from this limitation, but lay counselors generally are not even though they are
working in a church.\textsuperscript{80}

\textsuperscript{74} ibid.: pp. 808-809.
\textsuperscript{75} ibid.: p. 809.
\textsuperscript{76} ibid.: p. 809.
\textsuperscript{77} ibid.: p. 809.
\textsuperscript{78} ibid.: p. 809.
\textsuperscript{79} ibid.: p. 809.
\textsuperscript{80} ibid.: p. 809.
**Defamation**

Defamation consists of the following elements:

1. Oral or written statements about another person
2. That are false
3. That are “published” (that is, communicated to other persons), and
4. That injure the other person’s reputation

Usually courts will not intervene in cases of defamation against churches. There have been five different ways in which the courts have responded to such cases:

1. **No Civil Court Jurisdiction**

   Some courts have concluded that the first amendment deprives them of jurisdiction to resolve defamation claims against churches, at least if doctrinal or other pervasively religious issues are involved.

2. **Common Interest Privilege**

   Many courts have concluded that the law should encourage churches to communicate matters of “common interest” to members without fear of being sued for defamation. These courts have ruled that churches are protected by a qualified privilege when communicating with church members about matters of mutual concern or common interest. This means that such communications cannot be defamatory unless made with malice. Malice in this context means that the person who made the allegedly defamatory remark knew that it was false, or made it with a reckless disregard as to its truth or falsity. This is a difficult standard to prove, which means that communications between churches and church members will be defamatory only in exceptional cases.

3. **Statements Made at Ecclesiastical Disciplinary Hearings**

   Some courts have ruled that statements made at church disciplinary hearings are protected by a qualified privilege. This means that such communications cannot be defamatory unless made with malice. Malice in this context means that the person who made the allegedly defamatory remark knew that it was false, or made it with a reckless disregard as to its truth or falsity. This is a difficult standard to
prove, which means that communications made in the course of church disciplinary hearings will be defamatory only in exceptional cases.\textsuperscript{84}

4. Defamation Claims Not Involving Doctrinal Inquiries

A few courts have concluded that the first amendment does not prevent them from resolving defamation claims by ministers against churches and denominational agencies to the extent such claims can be resolved without any inquiry into religious doctrine or polity.\textsuperscript{85}

Below is a discussion of the various defenses churches can use when sued for the types of liability that have been discussed in this block.

**Contributory and Comparative Negligence**

Contributory negligence is conduct on the part of a person injured through the negligence of another that itself falls below the standard to which a reasonable person would conform for his or her own safety and protection.\textsuperscript{86}

Most states have attempted to lessen the severity of the rule denying any recovery to an accident victim who was contributory negligent through the adoption of comparative negligence statutes. Under the so-called pure comparative negligence statutes, accident victims whose contributory negligence was not the sole cause of their injuries may recover damages against another whose negligence was the primary cause of the accident, but their monetary damages are diminished in proportion to the amount of their own negligence. Under a pure comparative negligence statute, victims may recover against a negligent defendant even though their own contributory negligence was equal to or greater than the defendant’s negligence. Many other states have adopted the equal-to or greater-than rule or the fifty-percent rule. Under these statutes, accident victims whose contributory negligence is equal to or greater than the defendant’s negligence are totally barred from recovery. But, accident victims whose contributory negligence is less than the defendant’s negligence may recover damages, although their damages are diminished in proportion to the amount of their own negligence.\textsuperscript{87}

**Assumption of Risk**

Persons who voluntarily expose themselves to a known danger or to a danger that was so obvious that it should have been recognized will be deemed to have assumed the risks of their conduct. As a result, persons who voluntarily expose themselves to the negligent conduct of a defendant with full knowledge of the danger will be barred from recovery for any injuries resulting from the defendant’s negligence.\textsuperscript{88}

\begin{flushright}
\textsuperscript{84} ibid.: p. 823.
\textsuperscript{85} ibid.: p. 823.
\textsuperscript{86} ibid.: p. 826.
\textsuperscript{87} ibid.: p. 827.
\textsuperscript{88} ibid.: p. 828.
\end{flushright}
**Intervening Cause**

Many courts have ruled that a person’s negligence is not the legal cause of an injury that results from the intervention of a new and independent cause that is (1) neither anticipated nor reasonably foreseeable, (2) not a consequence of his or her negligence, (3) not controlled by him or her, and (4) the actual cause of the injury in the sense that the injury would not have occurred without it. If an intervening cause meets these conditions, it is considered a “superseding” cause that eliminates the original wrongdoer’s liability.89

**Statutes of Limitations**

1. **In General**

   In any lawsuit, the plaintiff only has a certain amount of time to file suit. This is referred to as the statute of limitations. The statutes of limitations vary in length depending on the nature of the charge.

2. **Extending the Statute of Limitations – Injuries to Minors**

   The statute of limitations does not begin to “run” in the case of injuries to a minor until the minor’s eighteenth birthday.90

3. **Extending the Statute of Limitations – The “Discovery Rule”**

   Some states have adopted, either through legislation or court decision, a limited exception to the statute of limitations known as the discovery rule. Under this rule, the statute of limitations does not begin to run until a person realizes that his or her injuries were caused by a particular event or condition. The discovery rule has been applied most often in the following three contexts:

   (1) **Medical malpractice.** In some cases, medical malpractice is difficult if not impossible to recognize until after the statute of limitations has expired....Under the discovery rule, the statute of limitations begins to run not when the malpractice occurred, but when the patient knew or should have known of it.

   (2) **Child molestation.** Some courts have applied the discovery rule in cases of child molestation. These courts have concluded that young children may “block out” memories of molestation, and not recall what happened for many years. The statute of limitations does not begin to run until the victim’s eighteenth birthday, or until the victim knew or should have known that his or her emotional or physical injuries were caused by the acts of molestation. Courts that have applied this rule generally have limited it to victims who

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89 ibid.: p. 829.
90 ibid.: p. 830.
were very young at the time of the molestation. Adults who claim that they repressed memories of molestation occurring when they were adolescents have had a very difficult time convincing juries that they are telling the truth.

(3) Seduction of adult counselees. Some courts have applied the discovery rule in cases of sexual contact between a minister and an adult counselee. These courts have concluded that adults who engage in such acts with a minister may attempt to repress their memory of them, or be so intimated by the authority of the minister that they lack the capacity to file a lawsuit.91

4. Extending the Statute of Limitations – Fraud and Other Grounds

Some courts have permitted the statute of limitations to be suspended in limited circumstances, including fraud or the “active concealment” of the existence of a civil claim by a wrongdoer.92

Charitable Immunity

Charitable organizations have been of the opinion that they should be completely immune from legal liability. This opinion has been rejected by the courts. However, many state and federal laws have given charities partial immunity.

1. Limited Liability of Volunteers

Many states have enacted statutes conferring limited liability upon persons who perform uncompensated volunteer work on behalf of a charity. In addition, Congress enacted the federal Volunteer Protection Act in 1997. This legislation provides substantial protection to volunteers who provide services on behalf of churches and other charities. Here is a summary of the Act’s provisions:

- Congressional “findings.” The Act begins with several “findings,” including the following:

  (1) the willingness of volunteers to offer their services is deterred by the potential for liability actions against them;

  (2) as a result, many nonprofit public and private organizations and governmental entities, including voluntary associations, social service agencies, educational institutions, and other civic programs, have been adversely affected by the withdrawal of volunteers from boards of directors and service in other capacities;

  (3) the contribution of these programs to their communities is thereby diminished, resulting in fewer and higher cost of programs than would be

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91 ibid.: p. 831.
92 ibid.: p. 841.
obtainable if volunteers were participating…(6) due to high liability costs and unwarranted litigation costs, volunteers and nonprofit organizations face higher costs in purchasing insurance, through interstate insurance markets, to cover their activities….

- Effect on state laws. Prior to the enactment of the Volunteer Protection Act, many states had enacted similar laws. What is the legal status of these state laws? The Act addresses this question as follows: This Act preempts the laws of any state to the extent that such laws are inconsistent with this Act, except that this Act shall not preempt any state law that provides additional protection from liability relating to volunteers or to any category of volunteers in the performance of services for a nonprofit organization or governmental entity.

- Liability protection for volunteers. The purpose of the Act is to limit the liability of volunteers. This purpose is accomplished through the following provision: No volunteer of a nonprofit organization…shall be liable for harm cause by an act or omission of the volunteer on behalf of the organization or entity if – (1) the volunteer was acting within the scope of the volunteer’s responsibilities in the nonprofit organization or governmental entity at the time of the act or omission; (2) if appropriate or required, the volunteer was properly licensed, certified, or authorized by the appropriate authorities for activities or practice in the State in which the harm occurred, where the activities were or practice was undertaken within the scope of the volunteer’s responsibilities in the nonprofit organization or governmental entity; (3) the harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the volunteer; and (4) the harm was not caused by the volunteer operating a motor vehicle, vessel, aircraft, or other vehicle for which the state requires the operator or the owner of the vehicle, craft, or vessel to – (A) possess an operator’s license; or (B) maintain insurance.

- Definitions. The Act defines a nonprofit organization to mean “any organization which is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code and which does not practice any action which constitutes a hate crime,” or “any not-for-profit organization which is organized and conducted for public benefit and operated primarily for charitable, civic, educational, religious, welfare, or health purposes and which does not practice any action which constitutes a hate crime….” The Act defines a volunteer as “an individual performing services for a nonprofit organization…who does not receive – (A) compensation (other than reasonable reimbursement or allowance for expenses actually incurred); or (B) any other thing of value in lieu of compensation, in excess of $500 per year, and such term includes a volunteer serving as a director, officer, trustee, or direct service volunteer.”
• No effect on a charity’s liability. The Act clarifies that it does not “affect the liability of any nonprofit organization…with respect to harm caused to any person.” In other words, the limited immunity provided by the Act extends only to volunteers, and not to charities themselves.

• Punitive damages. The Act specifies that punitive damages “may not be awarded against a volunteer in an action brought for harm based on the action of a volunteer acting within the scope of the volunteer’s responsibilities to a nonprofit organization or governmental entity unless the claimant establishes by clear and convincing evidence that the harm was proximately cause by an action of such volunteer which constitutes willful or criminal misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed.”

• Exceptions. The “immunity” provided by the Act is limited, meaning that it is not absolute. The Act specifies that it confers no immunity upon volunteers whose misconduct (1) is a crime of violence or act of international terrorism for which the volunteer has been convicted in any court; (2) is a hate crime; (3) is a sexual offense, as defined by state law, for which the volunteer has been convicted in any court; (4) is a violation of a federal or state civil rights laws; or (5) occurred while the volunteer was under the influence of intoxicating alcohol or any drug at the time of the misconduct.

• Amount of liability. In the event that a volunteer is found liable in any civil action, the Act limits the amount of “non-economic” damages that can be assessed. Non-economic damages are defined by the Act as “losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium…hedonic damages, injury to reputation and all other non-pecuniary losses of any kind or nature.” The Act specifies that a volunteer “shall be liable only for the amount of non-economic loss allocated to that defendant in direct proportion to the percentage of responsibility of that defendant…for the harm to the claimant with respect to which that defendant is liable.” In other words, if a volunteer is found to be ten percent as fault, he or she cannot be assessed more than ten percent of the non-economic damages awarded by a jury.93

2. Injuries to Beneficiaries

93 ibid.: pp. 844-846.
Some states immunize religious organizations from liability for the negligence of agents and employees committed against “beneficiaries” of the organization. This view ordinarily is based upon one of the following grounds:

1. the funds of religious organizations are held in trust for charitable purposes and may not be diverted to the payment of damages;

2. the misconduct of employees should not be imputed to a religious organization when their services are for the benefit of humanity and not for the economic gain of the organization that employs them;

3. a religious organization is engaged in work highly beneficial to the state and to humanity, and its funds should not be diverted from this important purpose to the payment of damages; or,

4. those accepting the benefits of a religious organization implicitly agree not to hold it liable for injuries that they may receive at the hands of its employees.94

3. State Laws Imposing “Caps” on Damages

Several states have legislated a maximum that charities can be forced to compensate plaintiffs in some discrimination cases.

1. The Civil Rights Act of 1991
   The federal Civil Rights Act of 1991 imposes limits on the amount of monetary damages that can be assessed against employers in discrimination lawsuits. Employers with more than 14 but fewer than 101 employees cannot be liable for more than $50,000 to any one person; for employers with more than 100 but fewer than 201 employees, the maximum damages available to any one person is $100,000; for employers with more than 200 but fewer than 500 employees, the maximum damages available to any one person is $200,000; and for employers with more than 500 employees the maximum damages available to any one person is $300,000.95

2. Massachusetts
   The state of Massachusetts has legislated a maximum compensation of $20,000.

3. South Carolina
   The state of South Carolina has legislated a maximum compensation of $200,000 for actual damages.

94 ibid.: p. 847.
95 ibid.: p. 851.
(4) Texas
The state of Texas has legislated payment levels which include a maximum of $500,000 per person and $1,000,000 for each single occurrence of bodily injury or death and $100,000 for each single occurrence for injury to or destruction of property.

The Texas law does not apply to (1) “an act or omission that is intentional, willfully or wantonly negligent, or done with conscious indifference or reckless disregard for the safety of others”; or (2) any charitable organization that does not have liability insurance coverage in an amount of at least “$500,000 for each person and $1,000,000 for each single occurrence of bodily injury or death and $100,000 for each single occurrence for injury to or destruction of property.”

Release Forms

Many churches use “release forms,” which purport to release the church from legal responsibility for injuries inflicted by the negligence of its employees or workers. Besides being of dubious legal value, such forms primarily protect the church’s insurance company. If injuries are caused by the negligence of a church worker, then the liability insurer will pay for such damages up to the policy limits. If the church is not negligent, then it ordinarily will not be assessed any damages. A release form, even if deemed legally valid by a court, would have the effect of excusing the church’s liability insurer from paying damages to a victim of the church’s negligence. Release forms that purport to excuse a church or other organization from liability for injuries to a minor are the most likely to be invalidated by the courts, often on the ground that they violate public policy. However, the courts have been less reluctant to recognize release or “assumption of risk” forms signed by competent adults, but even these forms are viewed with disfavor and some courts will go to great lengths to invalidate them, especially if they seek to relieve an organization of liability for personal injuries as opposed to property damage.

Churches should not allow a minor child to participate in any church activity (such as camping, boating, swimming, hiking, or some sporting events) unless the child’s parents or legal guardians sign a form that (1) consents to their child participating in the specified activity; (2) certifies that the child is able to participate in the event (e.g., if the activity involves boating or swimming, the parents or guardians should certify that the child is able to swim); (3) lists any allergies or medical conditions that may be relevant to a physician in the event of an emergency; (4) lists any activities that the parents or guardians do not want the child to engage in; and (5) authorizes a designated individual to make emergency medical decisions for their child in the event that they cannot be reached. Ideally, the form should be signed by both parents or guardians (if there are two), and the signatures should be notarized. If only one parent or guardian signs, or the signatures are not notarized, the legal effectiveness of the form is diminished. Having persons sign as witnesses to a parent’s signature is not as good as a notary’s

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96 ibid.: p. 855.
97 ibid.: p. 857.
acknowledgment, but it is better than a signature without a witness. The form should require the parent or guardian to inform the church immediately of any change in the information presented, and it should state that it is valid until revoked by the person who signed it. The parent or guardian should sign both in his or her own capacity as parent or guardian, and in a representative capacity on behalf of the minor child.98

**Insurance**

Church leaders assume that their insurance covers any and all claims that may come against the church. Church leaders need to be aware of the items listed below:

1. **Coverage**

   Not all claims are covered by a church’s insurance policy. Church leaders need to be knowledgeable about what types of claims that their insurance policy will cover.

2. **Exclusions**

   Church leaders must be knowledgeable of the exclusions in the church’s insurance policy. Common exclusions include:

   - intentional or criminal misconduct, injuries occurring outside of the United States, employment-related claims, and injuries caused by exposure to hazardous substances. Some policies exclude claims arising out of incidents of sexual misconduct.99

3. **Duty to Cooperate**

   Most insurance policies impose a “duty to cooperate” on the insured. This means that a church must cooperate with its insurance company in any investigation, or in responding to reasonable requests for information. Church leaders should be aware of this requirement and understand that a failure to cooperate may result in the denial of insurance benefits. There are limits to the authority of an insurance company to investigate. However, churches should never decline an insurance company’s request for information without the advice and consent of a local attorney.100

4. **Duty to Notify**

   Most insurance policies impose on the insured a duty to promptly notify the insurance company of any potential claim. Failure to comply with this condition can result in a loss of coverage. Here are some points to consider:

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98 ibid.: p. 857.
99 ibid.: p. 861.
100 ibid.: p. 866.
• Notifying your broker may not be enough. Many churches purchase their insurance through a local broker. Sometimes this person is a member of the congregation. Church leaders naturally assume that in the event of an accident or injury they can simply call this individual and everything will be “taken care of.” This case illustrates that such a conclusion may not always be correct. A broker may not be deemed to be an “agent” of the insurance companies he or she represents, and accordingly when a church provides its insurance broker with notice of an accident or loss it is not necessarily notifying its insurance company.

• Written rather than oral notice. If your insurance policy requires written notice, then be sure you provide written rather than oral notice of a loss.

• A reasonable time. How soon does your church insurance policy require that notice be submitted to the insurance company following an accident or loss? Be sure you know, and that this requirement is followed whenever there is an accident, personal injury, or other kind of loss.\(^\text{101}\)

5. Coverage Limits

Church leaders need to be aware of the coverage limits of their insurance policy. Some limits can even be lowered based on the cause of loss or injury. Church leaders must understand that these limits can open their board members or directors up to personal lawsuits in order for the plaintiff to recover damages.

6. Liability for Maintaining Inadequate Insurance Coverage

A few churches have been sued for failing to maintain adequate insurance coverage. Such claims have been rejected by the courts.\(^\text{102}\)

7. Punitive Damages

Church insurance policies exclude punitive damages. This means that a jury award of punitive damages represents an uninsured risk. As a result, it is important for church leaders to understand the basis for punitive damages. Punitive damages are damages awarded by a jury “in addition to compensation for a loss sustained, in order to punish, and make an example of, the wrongdoer.” They are awarded when a defendant’s conduct is particularly reprehensible and outrageous. This does not necessarily mean intentional misconduct. Punitive damages often are associated with reckless conduct or conduct creating a high risk of harm.\(^\text{103}\)

\(^{101}\) ibid.: pp. 866-867.
\(^{102}\) ibid.: p. 869.
\(^{103}\) ibid.: p. 869.
8. What Claims are Covered

If a church has changed insurance companies, it needs to keep the policy from the previous company. This may be necessary in order to determine which company is responsible to cover a claim.

9. Other Matters

- Retaining your policies. It is important for church leaders to keep church insurance policies permanently, since some claims (such as sexual misconduct) may arise years or even decades later, and a church may need to produce a copy of the insurance contract for the year in which the misconduct occurred in order to obtain coverage.\(^\text{104}\)

- Reservation of rights letters. It is common for churches to receive a “reservation of rights” letter when they report a claim to their insurance company. Under such a reservation, an insurance company agrees to defend an insured, but reserves the right to deny any obligation to pay an adverse judgment as a result of an exclusion in the policy.\(^\text{105}\)

- Periodic insurance review. Churches should appoint an insurance committee consisting of persons with some knowledge of insurance who periodically review the church’s insurance coverage to ensure they are adequate.\(^\text{106}\)

**Other Defenses**

There are a variety of defenses that churches may employ when sued for personal injury.

1. Status of the Person Causing the Injury or Damage

Since a church is liable only for the injuries and damages caused by employees and volunteers, a church generally will not be liable for injuries inflicted by independent contractors.\(^\text{107}\)

2. Course of Employment

Since a church is liable only for the injuries and damages caused by employees acting in the course of their employment, a church generally will not be liable for injuries inflicted by employees outside of the course of their employment.\(^\text{108}\)

3. Arbitration

\(^\text{104}\) ibid.: p. 870.
\(^\text{105}\) ibid.: p. 870.
\(^\text{106}\) ibid.: p. 870.
\(^\text{107}\) ibid.: p. 870.
\(^\text{108}\) ibid.: p. 871.
Churches may use arbitration to settle suits of personal injury. Each side chooses a representative and those representatives choose an arbitrator. This method is quicker, less expensive, and usually more fair.

**Damages**

Juries can award a plaintiff damages. These damages are usually monetary and fall in one of two categories: compensatory or punitive. Compensatory damages are awarded to compensate plaintiffs for the actual injuries or harm they have suffered.109

**Punitive Damages**

Punitive damages are monetary damages awarded by a jury “in addition to compensation for a loss sustained, in order to punish, and make an example of, the wrongdoer.” They are awarded when a person’s conduct is reprehensible and outrageous. Most church insurance policies exclude punitive damages. This means that a jury award of punitive damages represents an uninsured risk.110

**Duplicate Verdicts**

Juries generally cannot assess monetary damages against two or more organizations for the same wrong. If a jury determines that a personal injury victim has suffered damages of a specified amount, it cannot assess this amount separately against more than one defendant since doing so would result in duplicate verdicts.111

**Denominational Liability**

Churches are not the only entities that may be sued in personal injury suits. The suits can extend to denominational agencies. These agencies may be sued for their own actions as well. Some courts have found denominational agencies liable for the acts of affiliated ministers and churches on the basis of a number of grounds, including negligence and agency.112

Most courts have refused to hold denominational agencies liable for the acts of affiliated ministers and churches, either because of first amendment considerations or because the relationship between the denominational agency and affiliated church or minister is too remote to support liability.113

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109 ibid.: p. 873.
110 ibid.: p. 873.
111 ibid.: p. 875.
112 ibid.: p. 876.
113 ibid.: p. 877.
**Defenses to Liability**

There are a variety of defenses that denominational agencies can employ when sued in personal injury cases. These include:

1. **Ecclesiastical Rather than Temporal Control**
   
   A number of courts have recognized that some denominations have authority to exercise only ecclesiastical control over affiliated clergy and churches, and that this form of control is not enough to warrant the imposition of legal liability upon the denomination for the activities of clergy and churches.\(^{114}\)

2. **Notice of Wrongful Conduct**
   
   In many cases victims of sexual misconduct involving clergy have argued that a denominational agency is legally responsible for the minister’s actions because it was aware of, or should have been aware of, the minister’s wrongful conduct. Some courts have ruled that denominations often have clearly prescribed internal rules for bringing charges against ministers who engage in inappropriate conduct, and that the only way for such denominations to be “on notice” of a minister’s dangerous propensities is if a charge is filed and processed under the denomination’s system of clergy discipline. Without a formal charge or complaint being brought, the denomination is not officially on notice and cannot be liable for the minister’s subsequent acts.\(^{115}\)

3. **Lack of an Actual Agency Relationship**
   
   For denominational agencies to be included in a lawsuit against a minister, the plaintiff must prove that the minister’s actions were in the scope of his or her employment of the agency.

4. **Lack of an “Apparent Agency” Relationship**
   
   Even if a church or minister is not an actual agent of a national or regional denominational agency, it is possible for the denomination to be liable for their activities on the basis of apparent agency. Most states recognize the theory of apparent agency. Under this theory, a person or organization can become the “agent” of another though no actual agency relationship in fact exists.\(^{116}\)

5. **Lack of an Alter Ego Relationship**
   
   A few attempts have been made to establish denominational liability for the activities of affiliated churches on the basis of the alter ego theory.\(\ldots\)One

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\(^{114}\) ibid.: p. 879.  
\(^{115}\) ibid.: p. 882.  
\(^{116}\) ibid.: p. 886.
authority states that the alter ego theory requires “…complete domination, not only of the finances, but of policy and business practice with respect to the transaction so that the corporate entity as to this transaction had at the time no separate mind, will or existence of its own; and (2) such control must have been used by the defendant to commit fraud or wrong, to perpetrate the violation of the statutory or other positive legal duty, or dishonest and unjust act in contravention of the plaintiff’s legal rights; and (3) the aforesaid control and breach of duty must proximately cause the injury or unjust loss.”

6. Parent-Subsidiary Relationship

Some plaintiffs have asserted that denominational agencies are legally responsible for the acts and obligations of affiliated churches, clergy, and lay workers on the basis of a “parent-subsidiary” relationship between the denomination and church. Such arguments will be unsuccessful in most cases because most if not all of the characteristics of a parent-subsidiary relationship are absent.118

The following twelve factors need to be considered:

(1) the parent corporation owns all or a majority of the stock of the subsidiary

(2) the corporations have common directors or officers

(3) the parent and the subsidiary have common business departments

(4) the parent and the subsidiary file consolidated financial statements and tax returns

(5) the parent corporation finances the subsidiary

(6) the parent corporation caused the incorporation of the subsidiary

(7) the subsidiary has grossly inadequate capital

(8) the parent corporation pays the salaries or expenses or losses of the subsidiary

(9) the subsidiary has substantially no business except with the parent corporation

(10) the parent uses the subsidiary’s property as its own

(11) the daily operations of the two corporations are not kept separate

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117 ibid.: p. 889.
118 ibid.: p. 889.
(12) the subsidiary does not observe the basic corporate formalities, such as keeping separate books and records and holding shareholder and board meetings.\textsuperscript{119}

7. First Amendment Prohibition of Civil Court Manipulation of Ecclesiastical Polity

The courts have recognized that the first amendment prohibits its intervention into ecclesiastical issues of the church. This applies to denominational agencies as well. Usually the courts recommend the formulation of denominational tribunal to settle ecclesiastical issues. Since intervention by the courts could result in the courts delving into ecclesiastical polity of the church.

8. “De Novo” Review for Violations of Constitutional Rights

The United States Supreme Court ruled in 1964 that the courts have a duty to “make an independent examination of the whole record” when constitutional rights are at stake, to be sure that there is no “forbidden intrusion” on the field of first amendment protections. The Court reiterated this principle in a 1984 ruling, in which it observed: The simple fact is that first amendment questions of “constitutional fact” compel this Court’s de novo review….The requirement of the independent appellate review…is a rule of federal constitutional law. It emerged from the exigency of deciding concrete cases; it is law in its purest form under our common law heritage. It reflects a deeply held conviction that judges – and particularly members of this Court – must exercise such review in order to preserve the precious liberties established and ordained by the Constitution….Judges, as expositors of the Constitution, must independently decide whether the evidence in the record is sufficient to cross the constitutional threshold that bars the entry of any judgment that is not supported by clear and convincing proof….\textsuperscript{120}

9. The “Bar Association” Analogy

Ministers receive their credentials usually from the denominational agency. This is a similar practice to the bar association. Just as the bar association does not have control of the day-to-day activities of its attorneys, denominational agencies do not control the day-to-day activities of its ministers. Under such situations, the denominational agency can not be held legally liable for the actions of one of its ministers.

10. Joint and Several Liability

One of the most unfair aspects of our legal system is the principle of “joint and several liability.” Under this principle, which is recognized by most states, any defendant in a lawsuit may be liable for the entire amount of a plaintiff’s damages.

\textsuperscript{119} ibid.: pp. 889-890.
\textsuperscript{120} ibid.: p. 892.
regardless of the degree of fault. This principle often is directed at churches and denominational agencies.\textsuperscript{121}


This principle has already been discussed earlier in this chapter.

Denominational agencies can reduce the risk of liability by developing a policy that includes the following points:

1. The Discipline of Ministers

Many denominational agencies ordain or license ministers, and reserve the authority to discipline ministers for violations of prescribed standards. Deciding whether or not to discipline ministers, and restore them to pastoral ministry, can be a difficult question because imprudent decisions may expose a denominational agency to liability for future misdeeds. Here are some factors that denominational agencies should consider in deciding whether or not to restore a disciplined minister to pastoral ministry:

- \textbf{Type of misconduct.} The type of misconduct is an important consideration. Some kinds of misconduct are more severe than others.

- \textbf{Duration of misconduct.} The duration of a minister’s misconduct is a relevant consideration. The longer the duration, the less likely rehabilitation will be effective.

- \textbf{Number of incidents.} The more separate incidents of misconduct, the less likely rehabilitation will be effective.

- \textbf{Number of victims.} The more victims, the less likely rehabilitation will be effective.

- \textbf{Subsequent misconduct.} Denominational leaders must recognize that the risk of liability increases significantly when a denomination disciplines and restores to pastoral ministry a minister who was previously disciplined for the same kind of misconduct.

- \textbf{How the misconduct was discovered.} Did the minister come forward and confess voluntarily? Or was the confession prompted by some external inducement, such as an awareness that the misconduct was about to be revealed.

\textsuperscript{121} ibid.: p. 894.
• **When the incident occurred.** In some cases, the misconduct occurred many years ago and has not recurred. This is a relevant, but not conclusive, factor to consider.

• **Restitution.** If there is a “victim” to the minister’s misconduct, has the minister apologized to the victim and made appropriate restitution?

• **Criminal nature of misconduct.** A decision to rehabilitate an employee should take into account the potential for criminal prosecution.

• **The strength of the evidence.** In some cases the evidence of misconduct is not conclusive. In general, the legal risk associated with rehabilitating or reinstating a minister increases if the evidence of guilt is weak and conflicting.

• **A counselor’s opinion.** In some cases, denominational agencies have conditioned the discipline of ministers on the receipt of an opinion by a licensed psychologist or counselor that the minister no longer poses a risk of repeating the same kind of misconduct.

• **Limited disclosure agreement.** A number of courts have stated that denominational agencies can avoid legal liability for a disciplined minister’s repeat misconduct by disclosing to local churches the minister’s prior behavior at the time he or she is employed.\(^\text{122}\)

2. **Accepting Ministers from Other Organizations**

Denominational leaders must scrutinize carefully any applicant for ministry that comes from another denomination. In some cases, ministers who are disciplined or dismissed in one denomination apply for ministry in another denomination. If such a minister later engages in the same type of misconduct for which he or she was previously disciplined or dismissed, the new denomination may be legally responsible for such misconduct on the basis of negligent selection.\(^\text{123}\)

**The Legal Effect of a Group Exemption Ruling**

The tax code permits denominational agencies to obtain a “group exemption” for affiliated churches and organizations that establishes their exemption from federal income tax. While such rulings require the denominational agency to exercise “control” over its affiliates, the IRS and the courts have conclude that this “control” is ecclesiastical in nature and as a result a group exemption ruling does not make a denominational agency liable for the obligation of its affiliates.\(^\text{124}\)

\(^{122}\) ibid.: p. 896.

\(^{123}\) ibid.: p. 897.

\(^{124}\) ibid.: p. 897.
Any attempt to use a group exemption ruling as evidence of denominational liability for the obligations of affiliated churches faces formidable obstacles, including the following:

1. No court has recognized such a basis of liability. No court in the history of this country has found a denominational agency liable on the basis of a group exemption ruling.

2. One court has rejected this basis of liability. There has been only one reported case in which a group exemption ruling was cited as evidence in support of an ascending liability claim.

3. The IRS Tax Guide for Churches and “ecclesiastical” control. In 1994 the IRS issued a “Tax Guide For Churches.” The Tax Guide clarifies that “a church or other organization with a parent organization may wish to contact the parent to see if the parent has a group exemption letter.” The Tax Guide further explains: An organization has a parent if, for example, another organization manages, financially or ecclesiastically, the first organization. If the parent holds a group exemption letter, then the organization seeking exemption may already be recognized as exempt by the IRS. Under the group exemption process, one organization, the parent organization, becomes the holder of a group exemption ruling naming other affiliated churches as included within the ruling. Under these rules, a church is recognized as exempt if it is included in the annual update of the parent organization. If the church is included on such a list, it need take no further action in order to obtain such recognition. This language is significant, since the IRS concedes that the “control” that is needed to qualify for a group exemption may be ecclesiastical. Certainly, it could be said that many national and regional denominational agencies exercise some degree of “ecclesiastical” control over affiliated churches. But this kind of control certainly cannot support legal liability.125

4. IRS bias in favor of hierarchical churches. “Congregational” associations and conventions of churches are forced to interpret the “control” language loosely because of the discrimination by the IRS against such organizations in favor of connectional, or hierarchical, church organizations. The current group exemption procedure, granting favored status only to connectional church organizations, is suspect under the Supreme Court’s interpretation of the first amendment’s non-establishment of religion clause.126

5. Noncompliance with the group exemption requirements. Many denominational agencies that have obtained group exemptions have not fully complied with the requirements….Obviously, these “requirements” do not mean much. As a result, little if anything can be made of the “general supervision or control” language.127

125 ibid.: p. 899.
126 ibid.: pp. 899-900.
127 ibid.: p. 900.
**Securities Law**

Section 410(b) of the Uniform Securities Act (adopted in about 40 states) imposes civil liability on every officer or director of an organization that (a) offers or sells unregistered, nonexempt securities; (b) uses unlicensed agents in the offer or sale of its securities (unless the agents are specifically exempted from registration under state law); or (c) offers or sells securities by means of any untrue statement of a material fact or any omission of a material fact….Section 410(b) does provide that an officer or director of an organization that sells securities in violation of any of the three provisions discussed above is not liable if he “sustains the burden of proof that he did not know, and in the exercise of reasonable care could not have known of the existence of the facts by reason of which the liability is alleged to exist.”

**Wrongful Discharge of an Employee**

The courts of a number of states have permitted discharged “at will” employees to sue their former employer on the basis of one or more legal theories, including: (a) wrongful discharge in violation of public policy (e.g., employee terminated for filing a workmen’s compensation claim, or for reporting illegal employer activities); (b) intentional infliction of emotional distress (e.g., discharge accompanied by extreme and outrageous conduct); (c) fraud (e.g., employee accepts job in reliance on employer misrepresentations); (d) defamation (e.g., malicious and false statements made by previous employer to prospective employers); (e) breach of contract terms (e.g., employer made oral representations, or written representations contained in a contract of employment or employee handbook, that were not kept). Directors may be personally liable to the extent that they participate in such activities.

**Ratification**

Churches, knowing or unknowing, can be held legally liable for a pastor’s, lay person’s or church employee’s actions through ratification.

Ratification is “the affirmation by a person of a prior act which did not bind him but which was done or professedly done on his account, whereby the act, as to some or all persons, is given effect as if originally authorized by him. Stated differently, a church can be liable for the unauthorized acts of an employee or volunteer if it ratifies those acts either expressly or by implication. In order to be liable for unauthorized acts on the basis of ratification, a church must have knowledge of all material facts surrounding the acts and voluntarily affirm them. A church may ratify contracts, promissory notes, deeds, and other legal documents that are signed without authorization, and it may ratify acts causing personal injuries. In many cases, a church ratifies an unauthorized act by accepting or retaining the benefits of the transaction.”

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129 ibid.: pp. 340-341.
130 ibid.: p. 814.
**Insurance Coverage**

There can be a wide variety of injury claims that can be brought against churches and ministries. Large judgments against churches, their affiliate ministries, pastors, and church staff resulting in financial strain and/or ruin. Therefore, every church needs to periodically review their insurance coverage and insurance needs in light of current ministries or new ministries. There are several different types of insurance available to churches.

**General Liability Insurance**

A policy that provides an insured with a reimbursement amount, up to the policy limits, for money it is required to pay when the insured is liable to an injured person. Liability insurance is seen as a means of assuring that persons who are injured are compensated for those injuries.

Liability insurance covers most bodily injury and property damage claims. Be aware that most policies have what is called “exclusions” which may leave a church unprotected for some types of injuries or claims. Examples: Injury resulting from the use of a vehicle, injury resulting from providing professional counseling services, claims resulting from a board or committee action, civil rights claims, employment claims, insurer’s definition of “bodily injury” or “property damage”, and losses that are intentionally caused by an insured party.

**Property Insurance**

This type of insurance covers risks to the church property which may include tornadoes, earthquakes, fire, smoke, or storm damage. Richard Hammar suggests the following check list in his July 2002, Church Treasurer Alert!:

- Check to see if unique items such as stained glass windows, pipe organs, handbells, artwork, and sound equipment require special “endorsements.”

- Obtain appraisals of unique items to be sure they are adequately insured.

- Conduct periodic inventories of property to prove claims in the event of loss or destruction.

- Check to see if coverage is limited to the *market value* of damaged or destroyed property. If so, consider obtaining *replacement cost* coverage.

- Check on coverage for items of personal property owned by members or employees. Examples include expensive coats left in a coat room, or an employee’s own laptop computer.

- Check to see if boilers require a special endorsement.
• Check the exclusions under the policy. Some risks, such as earthquakes, mold, and sewer or drain backup, may be excluded and require special endorsements.

• If your church is located in one of 19,000 communities that participate in the National Flood Insurance Program, you can obtain flood insurance from insurers that participate in the National Flood Insurance Program (NFIP). Coverage amounts are often inadequate.

• Check to see if your policy contains a “coinsurance clause.” If so, you are required to insure your property for a specified percentage of its market value. If you don’t, you become a “coinsurer,” meaning that your policy will pay less than the stated limits in the event of a partial loss. These clauses make it essential for churches to be sure they have adequate coverage. This review should be done annually.

Claims Made vs. Occurrence Coverage Insurance

Liability insurance comes in two forms: claims made and occurrence coverage. Both have their advantages and disadvantages. Richard Hammar describes these in his August 2002 Church Treasurer Alert!:

Claims Made: Advantages

• Covers any lawsuit filed during the policy period, regardless of when the injury occurred

• Coverage limits are the current limits, not the limits in effect when the injury occurred

• Insurance premiums often are lower than for an occurrence policy

Claims Made: Disadvantages

• Must have carried “claims made” insurance continuously with the same insurer from the date of the injury to the date of the claim, or have purchased “prior acts coverage”

• “prior acts” coverage can be costly

• a brief lapse in insurance coverage for any reason can result in no “claims made” coverage

• coverage for prior claims is lost if a church switches from a claims made to an occurrence policy
• when a policy expires or is terminated, for any reason, coverage ceases (even for claims that are later made for injuries occurring during the policy period)

• claims for injuries occurring in more than one year may be filed during the same year, meaning that the policy’s “aggregate” coverage limit is more quickly reached (the aggregate limit is the total amount the insurer will pay out during that year for all covered claims)

• claims must not only be made during the policy period to be covered – they also must be reported to the insurer (a technicality that is sometimes overlooked)

**Occurrence Coverage: Advantages**

• covers any injury that occurs during the policy period regardless of when a lawsuit is filed

• no “prior acts” coverage needed if a church maintains a succession of “occurrence” policies

**Occurrence Coverage: Disadvantages**

• does not cover lawsuits filed during the policy period for injuries occurring prior to the policy period

• insurance premiums usually higher than for a “claims made” policy

_Richard Hammar warns:_

_Church should not switch from a claims made to an occurrence policy (with the same or a different insurer), or switch claims made insurers, without legal counsel._

**Professional Malpractice and Directors and Officers Insurance**

These are policies that cover church staff personal, their spouses, board members and church officers. It may be for giving of counseling to persons or for the actions and decisions of boards or officers.

**Fire Insurance**

This type of insurance provides coverage for losses resulting from hostile fires or lightning. Check to make sure what exclusions are included in your policy. The insured’s
failure to use all reasonable means to save and preserve the property during and after a fire is key to a claim.

**Automobile and Bus Insurance**

Automobiles, Vans and Buses owned by the church needs to be adequately insured and update periodically. Your insurer will probably have some guidelines and want a list of volunteers or employees who will be driving these vehicles. It is very important to make sure that you have the adequate amounts of “bodily injury” and “property damage” insurance for each type of vehicle.

**Workers’ Compensation**

Most states require churches to carry workers’ compensation insurance for their employees. This generally covers injuries which occur to employees while working. Note that workers’ compensation insurance generally does not cover injuries to volunteers.

**Volunteer Policy**

Check to see if any of your policies cover claims made by volunteers. If they are not included in your other policies, you must consider a separate volunteer Policy or endorsement. This may be filled by adding a subliminal medical provision to your general liability policy or purchase a separate accident policy altogether.

**Umbrella policies**

This will enable a church to cover any unforeseen insurance gaps for claims not covered by other policies.

**Special Events Insurance**

Many churches sponsor one time or special events yearly which may require additional insurance protection. Examples: car washes off church property, carnival, youth trip, excursions, hayrides, etc.. This type of insurance can protect these events from weather, accidents, violence, and human error (negligence).

**Sexual Misconduct Rider**

This would be to cover all church staff, employees and volunteers.

**Theft**

This type of coverage covers embezzlement and misappropriations of church funds by employees. It is usually a separate endorsement. It may be referred to as bonding.
Another area of common insurance coverage gaps that policies have concerning certain definitions and exclusions which may leave a church unprotected are:

**Intentional Wrongdoing**

This type is typically denied on the basis of specific coverage terms. Basic definition of coverage generally includes “damages for which an insured become legally responsible because of an accident” or “intentionally” responsible, “wanton or reckless conduct”. Most policies provide some sort of coverage where the church is liable for the intentional acts of its employees or volunteers based on the theory of negligent supervision, as long as the intentional acts were not committed under the direction or control of the church.

Some policies now may exclude all coverage for claims of physical or sexual abuse by church employees or volunteers.

**Defamatory Statements**

Usually a defamatory statement is made during a church conflict resolution process involving church members or staff. Because these defamatory statements did not cause either bodily injury or property damage it most likely will not be covered.

**Corporal Punishment**

This is an area where a teacher intentionally paddles a student or uses physical force, is not covered by a general liability policy. To have such a policy for the corporal punishment of a student by a teacher of the church or church school may provide protection.

**Amount of coverage**

It is difficult sometimes for church leaders to know if they have enough insurance coverage. Richard Hammar suggests the following guidelines in his July 2002, *Church Treasurer Alert!*:

- In general, the amount of coverage should be based on two primary considerations: (1) the nature and frequency of your activities, and (2) the net value of the church’s assets. To illustrate, if your church has a youth program that has frequent meetings involving several minors, or your church provides counseling, or hosts community activities, then your liability risks are increased and you should be looking for higher insurance limits. Further, as a general rule, liability insurance should have limits in excess of the net value of the church’s assets, so that the assets are protected in the event of litigation.

- Annually review all church insurance coverages to be sure they are adequate.
• Periodically obtain appraisals of church property (real property, personal property, and fixtures) to be sure that you have adequate coverage.

• Be sure that your church is insured for an amount in excess of what is required by a “coinsurance clause” in your insurance policy. A coinsurance clause is often difficult to understand, but the idea is that unless a church is insured for a specified amount (e.g., 80% of market value) then the church becomes a “coinsurer” in the event of a partial loss, and is responsible for paying part of that loss. This is done by a reduction in the amount that the insurer has to pay. The purpose of such clauses is to persuade property owners to insure their property for an amount equal to or approaching its market value. Over time, a church’s failure to increase the amount of its property insurance to reflect the current value of the church property will reduce the insured amount to less than the coinsurance amount, and this can result in an unpleasant and unbudgeted expense when the insurer only pays a portion of a substantial partial loss.

The Posting of Legally Required Posters

A church is an employer just like a small business. However, sometimes they may just have one employee, the pastor. As with any small business, churches may be required to post a variety of federal and state posters regarding minimum wage, equal employment opportunity, etc. To determine which posters a certain church must display, the church must determine if it is subject to the Fair Labor Standards Act and commerce requirements.

The Fair Labor Standards Act was passed in 1938 in order to regulate child labor, establish a minimum wage, establish a 40 hour work week, and establish a time and a half wage for overtime worked. Under this Act, an employee is defined as:

any individual employed by an employer including anyone who is “suffered or permitted to work.” To be an employee, an individual generally works with the expectation of some kind of compensation. (The Church Guide to Employment Law, p. 69)

The Act defines a business or enterprise as:

the related activities performed...by any person or persons for a common business purpose. (CGEL, p. 67)

Churches usually do not fall into this category unless they operate a preschool, school, or daycare.

For the Fair Labor Standards Act to apply to a church, the church must prove that it is involved in commerce or in the production of goods for commerce. The Act defines an enterprise to be involved in commerce if it:
1. has employees engaged in commerce or in the production of goods for commerce, or that has employees handling, selling, or otherwise working on goods or materials that have been moved in or produced for commerce by any person, and is an enterprise whose annual gross volume of sales made or business done is not less than $500,000; or

2. is engaged in the operation of a preschool, elementary or secondary school, or an institution or higher education (regardless or whether or not such institution or school is public or private or operated for profit or not for profit). (CGEL, p. 68)

Churches that operate a preschool, school, or daycare would be subject to the Fair Labor Standards Act. Churches are subject to nondiscrimination laws except discrimination based on religion. Under Title VII of the Civil Rights Act of 1964. Title VII:

*specifically permits churches and religious organizations to discriminate on the basis of religion, and they do not have to rely on the bona fide occupational qualification to do so.* (CGEL, pp. 43-44)

Churches may meet a variety of commerce requirements if they are involved in:

- operation of a private school
- sale of products (such as literature or tapes) to persons or churches in other states
- purchase of products from out-of-state vendors
- persons from other states attend your church
- operation of a “web page” on the internet
- operation of a commercial or unrelated trade or business
- employees travel out-of-state
- employees make out-of-state telephone calls
- mail is sent out-of-state
- television or radio broadcasts

Based on which acts and commerce requirements a church falls subject to will determine which of the following federal posters a church is required by law to post.

1. Minimum wage

If you are subject to the federal Fair Labor Standards Act’s minimum wage and overtime pay requirements, then you are required by law to “post and keep posted a notice explaining the Act…in conspicuous places in every establishment where such employees are employed so as to permit them to observe readily a copy.”

If you operate a preschool or daycare or if you are engaged in commerce then you are subject to the federal minimum wage and overtime pay requirements.

2. Equal Employment Opportunity

Every employer covered by federal nondiscrimination laws is required to post on its premises the poster “Equal Employment Opportunity Is the Law.”

Federal nondiscrimination laws include Title VII of the Civil Rights Act of 1964 (which bans discrimination in employment on the basis of race, color, national origin, gender, or religion); the Age Discrimination in Employment Act (which bans discrimination in employment on the basis of the age or an employee or job applicant who is 40 years of age or older); and the Americans with Disabilities Act (which bans discrimination in employment on the basis of the disability). Churches that are engaged in interstate commerce, and that have at least 15 employees (20 in the case of the age discrimination law) are subject to these laws, and as a result must display a poster.


3. Occupational and Safety and Health Act (OSHA)

In 1970, Congress enacted the OSHA “to assure so far as possible every working man and woman in the nation safe and healthful working conditions.” The Act achieves its aim primarily through imposing various duties upon employers. The Act defines “employer” as any person or organization “engaged in a business affecting commerce who has employees.”

Since religious organizations are not exempted by the Act, they are subject to it so long as they meet the commerce requirement.

Employers covered by OSHA are required to display a poster prepared by the US Department of Labor summarizing the major provisions of the Act, and telling employees how to file a complaint. The poster must be displayed in a conspicuous place where employees and job applicants can see it. Federal law requires that any reproductions or facsimiles shall be at least 8 ½ by 14 inches with 10 point type.

You can obtain free copy by contacting the U.S. Department of Labor, Occupational Safety and Health Administration, 200 Constitution Avenue, N.W., Washington, DC 20210. Or call your local OSHA office. Free download at [www.osha.gov](http://www.osha.gov).
4. Employee Polygraph Protection Act

The federal Employee Polygraph Protection Act makes it unlawful for an employer engaged in interstate commerce (regardless of the number of employees) to require or even suggest that an employee or job applicant take a polygraph examination.

Since religious organizations are not exempted by the Act, they are subject to it so long as they meet the commerce requirement.

Free copy can be obtained from the nearest office of the U.S. Department of Labor, Wage and Hour Division. Or, you can write the U.S. Department of Labor, Employment Standards Administration, Wage & Hour Division, Washington, D.C. 20210. Free download at www.dol.gov then to search A-Z index.

5. Family and Medical Leave Act

Generally, all private employers employing 50 or more employees for each working day during each of 20 or more calendar workweeks in the current or proceeding year as well as public employers and private elementary and secondary schools are required to display this poster in a conspicuous place. The poster summarizes the major provisions of the FMLA and tells employees how to file a complaint.

Free copy can be obtained from the U.S. Dept. of Labor, Employment Standards Administration, Wage & Hour Division, 429 N. Pennsylvania Street, Room 403, Indianapolis, IN 46204-1873 or call 1-317-226-6801. Free download at www.dol.gov then to search A-Z index.

6. Notice to Workers with Disabilities/Special Minimum Wage

Every employer of workers with disabilities under special minimum wage certificates authorized by the Fair Labor Standards Act, the McNamara-O’Hara Service Contract Act, and/or the Walsh-Healey Public Contracts Act shall display a poster explaining the conditions under which special minimum wages may be paid. The poster shall be displayed in a conspicuous place on the premises where employees and the parents or guardians of workers with disabilities can see it.

Free copy can be obtained from the U.S. Dept. of Labor, Employment Standards Administration, Wage & Hour Division, 429 N. Pennsylvania Street, Room 403, Indianapolis, IN 46204-1873 or call 1-317-226-6801. Free download at www.dol.gov then to search A-Z index.
7. USERRA

After the events of September 11, 2001 and the US going to war with Afghanistan and Iraq, the US government developed the USERRA to protect reservists that were called to active duty. The act is defined as:

The Uniformed Services Employment and Reemployment Rights Act (USERRA) protects service members' reemployment rights when returning from a period of service in the uniformed services, including those called up from the reserves or National Guard, and prohibits employer discrimination based on military service or obligation. The U.S. Department of Labor’s (DOL) Veterans’ Employment and Training Service (VETS) administers USERRA.

(US Department of Labor website, www.dol.gov)

Free posters can be downloaded at http://www.dol.gov/compliance/laws/comp-userra.htm#overview.

Churches may be required to post various state posters. Below is a list of the state requirements for all 50 states and Puerto Rico. Many of these posters are available for free downloads either through the Secretary of States office or the state department of labor. Many of these posters are based on the number of employees. Each church is advised to contact their Secretary of State office or state department of labor to find out which they must display.

**Alabama**
- Unemployment Compensation
- Notice to Employees to Report Injury
- Child Labor Laws
- Workers’ Compensation

**Alaska**
- Summary of Alaska Wage & Hour Act
- Safety & Health (OSHA) w/Hazardous Substances
- Sexual Harassment – Human Rights Law
- Emergency Information
- Unemployment Insurance
- *Workers’ Compensation
*The state agency responsible for this poster has chosen to control its distribution. Official versions of this poster are available only from the agency or its authorized agents.

**Arizona**
- Safety & Health Protection (OSHA)
- Exposure to Bodily Fluids
- Discrimination in Employment (English/Spanish)
- Constructive Discharge Notice
- Unemployment Insurance (English/Spanish)
- *Workers’ Compensation
*The agency responsible for this poster has chosen to control its distribution. Official versions of this poster are available only from the agency or its authorized agent.

**Arkansas**
- Employer & Employee – Wage & Hour Laws
- Workers’ Compensation
Unemployment Insurance

California
Safety & Health Protection (CAL OSHA)
Harassment or Discrimination
Pay Day Notice
Time Off for Voting
Workers’ Compensation
Family Care & Medical Leave Act
Pregnancy Disability Leave Notice A
Access to Medical Records
California Minimum Wage
Unemployment & Disability Insurance
Emergency Information
Whistleblowers Protection Act
Industrial Welfare Commission Wage Orders

Colorado
Notice of Injury
Colorado Minimum Wage
Unemployment Insurance
(English/Spanish)
Civil Rights Commission/Discrimination
Workers’ Compensation
(English/Spanish)
Notice of Pay Days

Connecticut
Discrimination in Employment
Workers’ Compensation
Safety & Health Protection (OSHA)
Connecticut Minimum Wage
Sexual Harassment
Unemployment Insurance

Delaware
Payment of Wages
Minimum Wage
Employee Breaks
Unemployment Compensation
Discrimination
Workers’ Compensation
Child Labor

District of Columbia
Minimum Wage
Unemployment Compensation
Workers’ Compensation
Family & Medical Leave Act
D.C. Parental Leave Act
Non-discrimination
Minor Labor Law

Florida
Discrimination (English/Spanish)
Child Labor Law
Workers’ Compensation & Anti-Fraud
Unemployment Compensation
(English/Spanish)
*Equal Opportunity Is The Law
*Required by all employers who receive funding under the “Workforce Innovation Act of 1998” (WIA)

Georgia
Unemployment Insurance
Workers’ Compensation
Equal Pay for Equal Work Act
Vacation
Worker Compensation Accident Report

Hawaii
Workers’ Compensation
Safety & Health Protection (OSHA)
Unemployment Insurance
Minimum Wage

Idaho
Sexual Harassment
Discrimination (English/Spanish)
Minimum Wage Law
Unemployment Insurance Benefits
(English/Spanish)
*Workers’ Compensation
*The state agency responsible for this poster has chosen to control its distribution. Official versions of this poster are available only from the agency or its authorized agent.
Illinois
Illinois Department of Labor Notice to Employers And Employees
Workers’ Compensation
Unemployment Insurance Benefits
Victims’ Economic Security and Safety Act
Equal Pay Notice

Indiana
Indiana Minimum Wage
Safety & Health (IOSHA)
Workforce Development Act
Workers’ Compensation (English/Spanish)
Equal Opportunity
Teen Work Hours

Iowa
Safety & Health Protection (OSHA)(English/Spanish)
Unemployment Insurance
Equal Employment Opportunity (English/Spanish)
Iowa Minimum Wage (English/Spanish)

Kansas
Equal Opportunity
Workers’ Compensation (English/Spanish)
Unemployment Insurance
Child Labor (Required Only if Employing Children Under 18)

Kentucky
Equal Housing Opportunity
Kentucky Wage & Hours Laws
Wage Discrimination Because of Sex
Unemployment Insurance Benefits
Equal Opportunity is The Law
Safety & Health Protection (OSHA)
Workers’ Compensation

Louisiana
Genetic Discrimination
Dept. of Motor Vehicles
Unemployment Insurance Benefits
Prohibition of Sickle Cell Discrimination (English/Spanish)
Minor Labor Law
Workers’ Compensation
Equal Opportunity for All
Military Leave
Workers’ Compensation Fraud

Maine
Occupational Safety and Health Regulations
Workers’ Compensation (English/Spanish/French)
Child Labor Laws
Whistle Blowers Protection Act
Unemployment Compensation
Maine VDT Law
Sexual Discrimination
Minimum Wage
Regulation of Employment

Maryland
Workers’ Compensation
Safety & Health Protection (OSHA)
Unemployment Insurance
Wage and Hour Fact Sheet
Discrimination
Health Insurance Coverage
Equal Pay for Equal Work
Employment of Minors Fact Sheet
Lie Detector Tests
Wage Payment & Collection

Massachusetts
Fair Employment Law
Workers’ Compensation
Minimum Fair Wage Law
Unemployment Insurance
Sexual Harassment
Parental Leave

Michigan
Safety & Health Protection (OSHA)
Discrimination (English/Spanish)
Child Labor Laws
Right to Know Law
General Rules
Unemployment Benefits
Minimum Wage
Whistleblowers
Overtime Compensation Rules

Minnesota
Safety & Health Protection (OSHA)
Minimum Wage
Discrimination
Unemployment Benefits
Workers’ Compensation

Mississippi
Equal Opportunity
Unemployment Insurance
Workers’ Compensation

Missouri
Discrimination in Public Accommodations
Workers’ Compensation
Discrimination in Employment
Unemployment Benefits

Montana
Discrimination
Minimum Wage
Safety & Health Protection (OSHA)*
Unemployment Insurance*
Workers’ Compensation*
*The state agency responsible for this poster has chosen to control its distribution. Official versions of this poster are available only from the agency or its authorized agent.

New Hampshire
The Workers’ Right to Know
Discrimination
Protective Legislation Law
Whistleblowers
Minimum Wage
Unemployment Compensation
Workers’ Compensation
*The state agency responsible for this poster has chosen to control its distribution. Official versions of this poster are available only from the agency or its authorized agent.

New Jersey
Child Labor Law Abstract
Payment of Wages
Discrimination in Employment
Statutory Minimum Rate
Discrimination in Place of Public Accommodations
Unemployment Compensation
Family Leave Act
Schedule of Hours of Minors Under 18
Conscientious Employee Act
Workers’ Compensation
*The state agency responsible for this poster has chosen to control its distribution. Official versions of this poster are available only from the agency or its authorized agent.
**New Mexico**
Notice of Accident Forms  
(English/Spanish)  
Job Health & Safety Protection (OSHA)  
Workers’ Compensation  
(English/Spanish)  
Discrimination (English/Spanish)  
Minimum Wage

**New York**
Discrimination (English/Spanish)  
Employment of Minors  
Unemployment Insurance  
Minimum Wage (English/Spanish)  
*Workers’ Compensation  
*Disability Benefits  
*The state agency responsible for this poster has chosen to control its distribution. Official versions of this poster are available only from the agency or its authorized agent.

**North Carolina**
Safety & Health Protection (OSHA)  
Unemployment Insurance  
Minimum Wage  
Workers’ Compensation

**North Dakota**
Workers’ Compensation  
Minimum Wage  
Unemployment Compensation Benefits

**Ohio**
Discrimination – Equal Employment Opportunity  
Minor Labor Law  
Minimum Wage  
Unemployment Compensation  
Employer’s Identification Notice  
*Workers’ Compensation  
**Self-insured (Workers’ Compensation)  
*The state agency responsible for this poster has chosen to control its distribution. Official versions of this poster are available only from the agency or its authorized agent.

**Oklahoma**
Minimum Wage  
Workers’ Compensation  
Discrimination  
Child Labor Law

**Oregon**
Family Leave Act (English/Spanish)  
Minimum Wage (English/Spanish)  
*Unemployment Benefits  
Notice to Agriculture Employees  
(English/Spanish)  
Safety and Health Protection (OSHA)  
(English/Spanish)  
*Workers’ Compensation  
*The state agency responsible for this poster has chosen to control its distribution. Official versions of this poster are available only from the agency or its authorized agent.

**Pennsylvania**
Employment Provisions  
Fair Housing Practice  
Public Accommodation Provisions  
Equal Pay Law  
Minimum Wage  
Child Labor Law  
Workers’ Compensation  
Unemployment Compensation

**Puerto Rico**
Federal Posters are all that’s required

**Rhode Island**
Hazardous To Your Health  
Minimum Wage  
Workers’ Compensation  
Parent & Family Medical Leave Act  
Equal Opportunity
Unemployment Insurance and Temporary Disability Insurance

**South Carolina**
Employment Discrimination
Safety & Health Protection (OSHA)
Unemployment Insurance
Workers’ Compensation
Payment of Wages, Child Labor Law

**South Dakota**
South Dakota requires a posting regarding workplace safety. Additional posters listed are recommended.
Facts About Unemployment Insurance Benefits
Workplace Safety – Required
Questions About Worker’s Compensation
Sexual Harassment

**Tennessee**
Safety & Health Protection (OSHA)
(English/Spanish)
Unemployment Insurance
Child Labor Law
Workers’ Compensation

**Texas**
Texas has two different required posters. Which poster you need depends on whether or not you have workers compensation insurance.
For employers that have workers’ compensation insurance:
Workers’ Compensation Notice
(English/Spanish)
Texas Pay Day Law
*Child Labor
*Equal Employment
For employers that do not have workers’ compensation insurance:
Notice to employees that employer does not have Workers’ Compensation Insurance (English/Spanish)
Texas Pay Day Law

**Utah**
Safety & Health Protection (OSHA)
Workers’ Compensation
Unemployment Insurance

**Vermont**
Workers’ Compensation
Parental, Family, and Short Term Family Leave
Sexual Harassment
Safety & Health Protection (OSHA)
Employers Reinstatement Liability
Minimum Wage
Child Labor Law (Children over Sixteen and under Eighteen years of age.)
Wage orders for: hotel, restaurant, mercantile(retail)
*Unemployment Insurance
Minors work schedule
*The state agency responsible for this poster has chosen to control its distribution. Official versions of this poster are available only from the agency or its authorized agent.

**Virginia**
Safety & Health Protection
Workers’ Compensation
Unemployment Insurance Benefits
Discrimination

**Washington**
Washington has two different required posters. Which poster you need depends on whether or not you have workers’ compensation insurance or are self insured.
For employers that have workers’ compensation insurance:
Discrimination in Employment
(English/Spanish)
Family Leave Provisions
Minimum Wage (English/Spanish)
Rights As an Agricultural Worker (English/Spanish)
Rights as Non-Agriculture Worker
Workers’ Compensation Insurance
Unemployment Insurance (English/Spanish)
Safety & Health Protection (OSHA)
For employers that are self insured
Discrimination in Employment (English/Spanish)
Family Leave Provisions
Minimum Wage (English/Spanish)
Rights As an Agricultural Worker (English/Spanish)
Rights as Non-Agriculture Worker
Notice that employer is self insured
Unemployment Insurance (English/Spanish)
Safety & Health Protection (OSHA)

**West Virginia**
Wage Payment & Collection Act
Unemployment Benefits
Workers’ Compensation
Minimum Wage
Discrimination

**Wisconsin**
Business Closing/Mass Layoff Law
Fair Employment Law
Minimum Wage
Unemployment Benefits
Family & Medical Leave Act
Retaliation Protection for Health Care Workers
Hours and Times Minors May Work
Honesty Testing Devices
Cessation of Health Care Benefits

**Wyoming**
Minimum Wage
Safety & Health Protection (OSHA)
Unemployment Insurance
Discrimination
Workers’ Compensation
**Unincorporated vs. Incorporated**

The organizational document for a nonprofit incorporation is known as the articles of incorporation. Incorporation takes an affirmative action on the part of the ministry. Typically, state law requires nothing more than that the ministry file articles of incorporation with the office of the secretary of the state. The proper form for filing may be obtained from the secretary of state’s office at little or no charge.

Also, be aware the IRS requires certain provisions in your articles of incorporation which may not be required by your state. Therefore, in addition to the information required by the state, your articles of incorporation must include the following: 501 (c)(3) language in purpose statement, private inurement clause, political activities clause, racial nondiscrimination clause, dissolution clause, and the general clause regarding exempt activities.

Incorporation protects the members of the ministry from personal liability in the event of a lawsuit. Individuals who make up a corporation are protected from personal liability. This is the main reason why churches incorporate.

This is because a corporation is viewed under the law as an entity which has a legal identity separate and distinct from its members. The congregation can be sued in its own right as an individual. While individual members may be sued personally for any tort which they personally commit, they will generally not be held liable for the actions of another member of the corporation (ministry). A tort is any injury to another’s person or property through either negligence or an intentional act.

A church which chooses to remain unincorporated is known as an unincorporated association. Instead of articles of incorporation, an unincorporated organization should prepare articles of association. The articles of association may mirror the articles of incorporation, but will not be filed with the state. They will remain an internal ministry document. The same tax-exempt provisions discussed above are still required for unincorporated associations.

In some states laws have been passed to provide protection to, and restrictions on, unincorporated associations. As each state has its own laws regarding unincorporated associations, we strongly encourage you to research the law for your state to determine the liabilities and protections you will face.
Whether your ministry is incorporated or not, you must obtain a federal employer identification number (EIN). The EIN is a means of identification. It does not confer any status. The EIN identifies your organization as unique among all the other organizations throughout the United States.

The EIN is a nine-digit number written with two digits, a hyphen, and seven more digits. Example: 12-3456789. Because the EIN has the same number of digits as a social security number, a common error made by beginning organizations is the use the SSN of the organizer or treasurer to open a bank account for the organization.

The EIN is obtained by filing Form SS-4, Application for Employer Identification Number. This form may be obtained by calling 1-800-TAX-FORM (1-800-829-3673). The form is free. All sub ministries of the organization should use the same EIN.

**Employment Discrimination**

Employment Discrimination laws seek to prevent discrimination based on race, sex, religion, national origin, physical disability, and age by employers. There is also a growing body of law preventing or occasionally justifying employment discrimination based on sexual orientation. Discriminatory practices include bias in hiring, promotion, job assignment, termination, compensation, and various types of harassment. The main body of employment discrimination laws is composed of federal and state statutes.

Title VII prohibits discriminatory conduct ranging from hiring to termination and everything in between. Under Title VII it is illegal for an employer to “fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual’s race, color, religion, sex, or national origin” 42 U.S.C. 2000e-2(a)(1).

Usually the question of whether you ministry is covered by Title VII, will not be clear cut. Your ministry may also be subject to state law which prohibits similar types of discrimination. Therefore, it is best for you to attempt to comply with Title VII, rather than risk a lawsuit. Most ministries do not want a reputation for discriminating on the basis of race, sex, color or national origin, regardless of whether they are subject to Title VII.

**Employment Practices**

Lawsuits alleging wrongful employment practices are the fastest-growing area of civil litigation today. Unfortunately, many churches and related ministries are unaware of the legal risks they face as employers. Hiring, disciplining, compensating, or terminating employees can expose your ministry to expensive litigation if the employment issue is not handled correctly.
Mistaken assumptions about employment law can also leave religious organizations vulnerable to employment-related lawsuits.

**Worker’s Compensation**

Most states require churches and related ministries to have workers' compensation insurance for their employees, including clergy.

Worker’s compensation policies provide benefits mandated by law in the state where your ministry operations occur or where your employees reside. Policy covers employees only, and the benefits are provided only in relation to a work-related injury or disease as specified in the state law. The premium is based on your payroll estimates for different classes of employees.

Workers' Compensation laws are designed to ensure that employees who are injured or disabled on the job are provided with fixed monetary awards, eliminating the need for litigation. These laws also provide benefits for dependents of those workers who are killed because of work-related accidents or illnesses. Some laws also protect employers and fellow workers by limiting the amount an injured employee can recover from an employer and by eliminating the liability of co-workers in most accidents. State Workers Compensation statutes establish this framework for most employment.

The policy may also include employer's liability insurance that protects you up to the coverage limit in the event you are sued in civil court as the result of an injury to your employee arising out of the employee's job-related injury or illness.

*Note:* Many state workers' compensation statutes contain punitive provisions directed toward employers who fail to purchase this coverage to protect employees.

**Securities Law Violations**

Churches often use the sale of bonds, notes, and certificates as fund-raisers, especially in capital improvements or building campaigns. Before such sales take place, church leaders need to be well-versed in securities law and regulations.

In order to protect the public from fraud and deception, various securities laws have been established on both the federal and state level. These laws impose the following conditions:

1. registration of proposed securities with the federal or state government in advance of sale
2. filing of sales and advertising literature with the federal or state government
3. registration of agents and broker-dealers who will be selling the securities
4. prohibition of fraudulent practices
   *
   *Risk Management Handbook for Churches and Schools*, p. 376

229 Block B2 – The Church and the Law
Some states exempt religious organizations from registering proposed securities. The church needs to contact its state’s securities commission office for registration requirements.

Though the church may not be required to register the proposed securities, those selling the proposed securities must be registered with the state securities commission.

Churches must understand that they are subject to the provisions of the Uniform Securities Act. This Act states for religious organizations:

In connection with an offer or sell, sale, offer to purchase, or purchase, of a security, a person may not, directly or indirectly:

1. employ a device, scheme, or artifice to defraud;
2. make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made not misleading, in the light of the circumstances under which they are made; or
3. engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon a person.

(RMHCS, p. 379)

The antifraud provisions prohibit a wide variety of activities, including the following:

- making false or misleading statements about church securities
- failing to disclose material risks associated with securities
- manipulating the church’s financial records in order to facilitate the sale of securities
- failing to establish a debt service or sinking fund reserve out of which church securities will be retired
- making false predictions
- recommending the sale of securities to investors without regard to their financial condition
- inducing transactions that are excessive in view of an investor’s financial resources
- borrowing money from an investor
- commingling investors’ funds with the personal funds of another, such as a salesman
- deliberately failing to follow an investor’s instructions; making unfounded guarantees
- misrepresenting to investors the true status of their funds
- representing that funds of investors are insured or “secure” when in fact they are not
• representing that investments are as safe as if they had been in a bank, when this is not the case
• representing that securities have been approved of or recommended by the state securities commission or that the commission has passed in any way on the merits or qualifications of the securities or of any agent or salesman (*RMHCS*, pp. 379-380)

If churches violate any of the securities laws, they may face any of the following from the state or federal level:

• investigations
• hearings
• subpoenas
• injunctions
• criminal actions
• cancellations of sales
• suits for monetary damages by aggrieved investors
• monetary fines
• revocation of an exemption, or registration, of securities (*RMHCS*, p. 381)

No church should consider the sale of securities without taking the following precautions: (*RMHCS*, pp. 384-385)

1. **Legal counsel.** The most important precautions that church leaders can take is to retain an attorney who specializes in securities law, and who has experience in working with nonprofit organizations. Such a person can be invaluable in helping a church to avoid inadvertent violation of state and federal securities law.

2. **State registration requirements.** Determine whether or not your state requires church-issued securities, and persons who offer or sell such securities, to be registered. Your attorney will know the answer to this question, and will assist you in complying with any registration requirements that may apply. Many church leaders erroneously assume that churches are “exempted” from securities regulation. Nothing could be further from the truth. Church securities are not exempt from registration in some states, and many states do not exempt clergy or church board members who offer or sell church securities from the “salesperson” registration requirements.

3. **Be familiar with the concept of securities fraud.** One of the most important precautions that church leaders can take is to be familiar with the definition of securities fraud. Churches are not exempt in any state from the prohibition of fraud in the offer or sale of securities. This fact, coupled with the expansive definition of “fraud” in state securities laws, can quickly lead to inadvertent liability.
4. **Consider other forms of fundraising.** Other means of raising funds should be seriously considered. Churches that issue securities to raise funds because they do not qualify for conventional financing often find themselves in violation of securities law.

**Politics**

The colonists came to America to escape the persecution and tyranny of the Church of England. In America, they were able to establish their own houses of worship and communities free from persecution. However, by the time the colonists began to claim their independence from England, those leading the people had become students of John Locke and Rousseau who espouse humanist theology.

This theology declared there to be a supreme being, however, this may or may not be God. Therefore, a debate began to determine just where did the church fit into American life and government. Having endured government ruled by the church, the early creators of American government endeavored to make sure such tyranny could not be established again.

Therefore, the First Amendment was added to the Constitution to serve a two-fold purpose: (1) to insure people the right to worship as they desire; (2) to prohibit the government from establishing a Church State. The First Amendment states:

\[
\text{Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof;...}
\]

Shortly after the first amendment to the Constitution was penned, Thomas Jefferson wrote the following to the Danbury Baptist Association:

\[
\text{Believing with you that religion is a matter which lies solely between man and his God, that he owes account to none other for his faith or his worship, that the legislative powers of government reach actions only, and not opinions, I contemplate with sovereign reverence that act of the whole American people which declared that their legislative should “make no law respecting an establishment of religion, or prohibiting the free exercise thereof,” thus building a wall of separation between church and state.}^{131}
\]

Jefferson was the first to refer to the Establishment cause as a separation of church and state. George Washington would support this stance in the treaty signed with Tripoli in 1796:

\[
\text{As the Government of the United States of America is not in any sense founded on the Christian Religion; as it has in itself no character of enmity against the laws, religion, or tranquility of Musslenmen; and as the said States never have entered}
\]

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into any war or act of hostility against any Mehomitan nations, it is declared by the parties, that no pretext arising from religious opinions shall ever produce an interruption of the harmony existing between the two countries.  

In the years that followed the writing of the Constitution and the Bill of Rights, definitions had to be established for what constitutes religion. It was not until 1890 that the United States Supreme Court established as judicial definition:

The First Amendment of the Constitution...was intended to allow everyone under the jurisdiction of the United States to entertain such notions respecting his relations to his Maker, and the duties they impose, as may be approved by his conscience, and to exhibit his sentiments in such form of worship as he may think proper, not injurious to the rights of others, and to prohibit legislation for the support of any religious tenets, or the modes of worship of any sect.

This definition and interpretation of religion and the First Amendment were expanded by the United States Supreme Court in 1947:

Neither a state nor the Federal Government can set up a church. Neither can pass laws which aid one religion, aid all religious, or prefer one religion over another. Neither can force nor influence a person to go to or to remain away from church against his will or force him to profess a belief or disbelief in any religion. No person can be punished for entertaining or professing religious beliefs or disbelief, for church attendance or non-attendance. No tax in any amount, large or small, can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion. Neither a state nor the Federal Government can, openly or secretly, participate in the affairs of any religious organizations or groups, or vice versa.

The definitions and interpretations of the First Amendment have not ended the separation of church and state debate. The fear of the founders of the United States was that there would not be a definitive line draw between the two. Legislation that has occurred during the last thirty years, indicate an ever elimination of the line between church and state.

In 1981, a conference was held in Washington, D.C. to address the growing intrusion of government into the church. This conference had representatives from the National Council of Churches, the U.S. Catholic Conference, the Synagogue Council of America, the National Association of Evangelicals, the Lutheran Council in the U.S.A., the Southern Baptist Convention, the Mormons, Salvation Army, Seventh-day Adventists,

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134 ibid.; p. 11.
Christian Scientists, Unitarians, and several other church bodies. At this conference, the following list of intrusions was introduced:

1. Regulation of religious fund-raising.
2. Lobbying disclosure requirements of religious bodies thought to be trying to influence legislation.
3. Regulation of curriculum content and teachers’ qualifications in private religious schools.
4. Requirements that church-related colleges institute coeducational sports, hygiene instruction, and dormitory and off-campus residence facilities that they may consider morally objectionable.
5. Threats to such colleges and even theological seminaries to cut off loans or other aid to students if the schools do not report admissions and employment dates by race, sex, and religion, even though the schools receive no direct government aid.
6. Sampling surveys of churches by the Bureau of the Census, requiring voluminous reports, though the Bureau admitted it had no authority to do so.
7. Grand jury interrogation of church workers about internal affairs of churches.
8. Use by intelligence agencies of clergy or missionaries as informants.
9. Subpoenas of ecclesiastical records by parties in civil and criminal suits.
10. Placing a church in receivership because of complaints by dissident members of alleged financial mismanagement.
11. Withdrawal of tax exemption from various religious groups for alleged “violation of public policy.”
12. Definition of what is “religion” or “religious” activity by courts or administrative agencies, contrary to the long-standing definition by churches.
13. Redefinition by courts of ecclesiastical polities, so that hierarchical churches are “congregationalized,” while “connectional” churches are deemed hierarchical, contrary to their own self-definition.
14. Denying to church agencies or institutions are exemptions afforded to “churches,” thus in effect dismembering the churches.135

In more recent years, churches have lost their tax-exempt status for involvement in political campaigns or their buildings for failure to pay taxes. As the line defining the separation of church and state continues to disappear, the church must define its stance with the government.

Paul’s writings call the church to obey the government. However, this is often difficult for Christians to understand, especially when the leaders of the government display moral behavior contrary to biblical principles.

Paul and Peter write regarding the government in the following passages:

Romans 13:1-7 – Everyone must submit himself to the governing authorities, for there is no authority except that which God has established. The authorities that exist have been established by God. Consequently, he who rebels against the

135 McCuen, pp.58-60.
authority is rebelling against what God has instituted, and those who do so will bring judgment on themselves. For rulers hold no terror for those who do right, but for those who do wrong. Do you want to be free from fear of the one in authority? Then do what is right and he will commend you. For he is God’s servant to do you good. But, if you do wrong, be afraid, for he does not bear the sword for nothing. He is God’s servant, an agent of wrath to bring punishment on the wrongdoer. Therefore, it is necessary to submit to the authorities, not only because of possible punishment but also because of conscience. This is also why you pay taxes, for the authorities are God’s servants, who give their full time to governing. Give every what you owe him: if you owe taxes, pay taxes; if revenue, then revenue; if respect, then respect; if honor, then honor. (NIV)

Titus 3:1-2 – Remind the people to be subject to rulers and authorities, to be obedient, to be ready to do whatever is good, to slander no one, to be peaceable and considerate, and to show true humility toward all men. (NIV)

1 Peter 2:13-17 – Submit yourselves for the Lord’s sake to every authority instituted among men: whether to the king, as the supreme authority, or to governors, who are sent by him to punish those who do wrong and to commend those who do right. For it is God’s will that by doing good you should silence the ignorant talk of foolish men. Live as free men, but do not use your freedom as a cover-up for evil; live as servants of God. Show proper respect to everyone: Love the brotherhood of believers, fear God, honor the king. (NIV)

Both Paul and Peter declare that the church and Christians are to submit to the government. But what is meant by submit? Tertullian may help to answer that question. He writes:

_We offer prayer for the safety of our princes to the eternal, the true, the living God, whose favour, beyond all other things, they must themselves desire....Without ceasing, for all our emperors we offer prayer. We pray for life prolonged; for security to the empire; for protection for the imperial house; for brave armies, a faithful senate, a virtuous people, the world at rest – whatever, as man or Caesar, an emperor would wish._

It is clear that Christians are called upon to pray for the government and its leaders. They are also to demonstrate respect for each. Christians may not agree with the moral behavior or decisions of the government or its leaders, however, Scripture does not free them from the obligation to pray for the leaders.

Christians must keep in mind that God has placed the government in authority to maintain order and to punish those that do wrong. Without such leadership the world

would be in a constant state of chaos. While it is true, many leaders have abused their power, others have given their lives to directing the country the best they know how.

**Church’s Role in Politics**

Politics is always a hot potato no matter what the setting might be, this holds true for the church and its ministries and staff persons. The local congregation must be very careful about taking an active role in local and national politics. There are areas in regards to politics that the church is prohibited to participate. These include:

1. Contributions to political campaign funds.
2. Public statements of position (verbal and written) in favor of or in opposition to candidates for office—in official church publications and at official church sponsored functions.
3. Provision of a forum for expression of candidates’ views on a partisan basis.
4. A church distributes a voters guide containing questions demonstrating a bias on certain issues.
5. The endorsement of candidates.
6. Campaign activities by employees within the context of their employment.
7. A church fails to “disavow” the campaign activities of persons under “apparent authorization” from the church, by repudiating those acts “in a timely manner equal to the original actions” and taking steps “to ensure that such unauthorized actions do not recur.”
8. Engaging in fund raising on behalf of a candidate.
9. Newspaper ads urging voters for or against a candidate.

If a church participates in any of these prohibited activities, they jeopardize their federal 501 (c)(3) tax-exempt status. There could also be additional penalties in the form of a tax percentage accessed on monies spent by the congregation and/or its officers and leaders for participating in a political campaign.

The church is not completely forbidden to participate in politics. There are areas in which they are permitted to participate. These areas include:

1. Public comments made by ministers and other church employees in connection with political campaigns, not made at church facilities or in church publications and accompanied by statements that the comments are strictly personal and are not intended to represent the church.
2. A church invites all candidates for a political office to address the congregation, and informs the congregation before each candidate’s speech that the views expressed are those of the candidate and not the church and that the church does not endorse any candidate.

3. A church distributes a compilation of voting records of all members of Congress on major legislative issues involving a wide range of subjects; the publication contains no editorial opinion and its contents and structure do not imply approval or disapproval of any members or their voting records. Churches should exercise extreme caution before deciding whether or not to distribute campaign materials prepared by other organizations.


Church leaders should be aware that a precedent has already been set for a church losing its tax-exempt status.

Branch Ministries, Inc. functioning as the Church at Pierce Creek, placed a full page ad in the Washington Times and USA Today on October 30, 1992. This ad called into question the moral character of Bill Clinton. The ad proclaimed “Christian Beware. Do not put the economy ahead of the Ten Commandments.”


Church leaders need to keep in mind that neutrality is the safest avenue to protect the church during any state, local, or national election.

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Resources Cited

Web Sites: www.churchservicesdivision.com


Brotherhood Mutual Insurance Company
6400 Brotherhood Way
Fort Wayne, IN 46825
1-219-482-8668
www.brotherhoodmutual.com

Christian Law Association
Church & Law Seminar: Maximizing Your Ministry & Minimizing Your Legal Risk
P.O. Box 4010, Seminole, Florida 33775-4010.
1-727-399-8300
www.ChristainLaw.org

GuideOne Insurance
1111 Ashworth Road
West Des Moines, IA 50265
1-800-247-4176
www.guideone.com

The Management Assistance Program for Nonprofits
2233 University Avenue West, Suite 360
St. Paul, MN 55114
1-651-647-1216

Revised June 2008
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The Church and the IRS

The church has specific rules that it must follow to stay in compliance with the Internal Revenue Service. This block will address only the issues with the church directly. Block C2 will address IRS issues for clergy.

Church Records

Each church should maintain the following records: (1) correct and complete books and records of account, (2) minutes of the proceedings of its members, (3) minutes of the proceedings of its board of directors, (4) resolutions of its board of directors, (5) minutes of the proceedings of committees, and (6) a current list of voting members. These documents, in addition to the corporate charter, constitution, bylaws, certificate of incorporation, and business correspondence, constitute the records of a church corporation. The Model Nonprofit Corporation Act, under which many churches are incorporated, states: Each corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors and committees having any of the authority of the board of directors; and shall keep at its registered office or principal office in this State a record giving the names and addresses of its members entitled to vote. All books and records of a corporation may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time.\(^\text{138}\)

The “Revised Model Nonprofit Corporation Act,” specifies:

(a) A corporation shall keep as permanent records minutes of all meetings of its members and board of directors, a record of all actions taken by the members or directors without a meeting, and a record of all actions taken by committees of the board of directors.\(^\ldots\)

(b) A corporation shall maintain appropriate accounting records.

(c) A corporation or its agent shall maintain a record of its members in a form that permits preparation of a list of the name and address of all members, in alphabetical order by class, showing the number of votes each member is entitled to cast.

(d) A corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

(e) A corporation shall keep a copy of the following records at its principal office:

(1) its articles or restated articles of incorporation and all amendments to them currently in effect;

(2) its bylaws or restated bylaws and all amendments to them currently in effect;
(3) resolutions adopted by its board of directors relating to the characteristics, 
qualifications, rights, limitations and obligations of members or any class or 
category of members;
(4) the minutes of all meetings of members and records of all actions approved by 
the members for the past three years;
(5) all written communications to members generally furnished within the past 
three years, including the financial statements furnished for the past three 
years under section 16.20;
(6) a list of the names and business or home addresses of its current directors and 
officers; and
(7) its most recent annual report delivered to the secretary of state…

Churches incorporated under statutes other than the Model Nonprofit Corporation Act (or 
the revised Act) and unincorporated churches often are under no legal obligation to 
maintain records.

**Inspection**

Most church members believe that they have the right to inspect church records at 
anytime. This is not generally a true assumption. In order for this to be true, the church’s 
bylaws or the state’s nonprofit corporation law must grant permission for church 
members to inspect the church’s records. A recent New York court ruling could possibly 
make it easier for church members to have access to church records. The court’s ruling 
provides the following clarifications on inspection rulings:

1. Most state nonprofit corporation laws give members a legal right to inspect 
specified corporate books and records at a reasonable time and for a “proper 
purpose.” This court also recognized that members of nonprofit corporate records, 
meaning that the right exists whether or not granted by the applicable nonprofit 
corporation law. This is perhaps the first time that a court has reached this 
conclusion.

2. The court provided a broad interpretation of a “proper purpose.” The definition of 
this term is critical since it will determine whether or not members have a legal 
right to inspect specified documents. The court concluded that a request to inspect 
corporate documents that is based on members’ desire to investigate and correct 
alleged misconduct by officers and directors is a proper purpose. It also concluded 
that a purpose may be proper even though it serves some personal interest of the 
member or members requesting the documents. The court provided a useful 
definition of a proper purpose as one that is “germane to the members’ status in 
the corporation” including the right to “communicate with fellow members 
regarding amended bylaws and the right to investigate management conduct.”

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139 ibid.: p. 288.
140 ibid.: p. 288.
3. The court was unwilling to let the charity respond to document requests by providing summaries of the requested documents. On the other hand, it noted that a charity need not “expand” or provide additional details to committee and board minutes that were not in the original minutes. “As long as the minutes bear the signature of the secretary of the meeting as evidence of their accuracy and completeness, this satisfies the obligation” under the statute to turn over records. This case suggests that a request by members to see those minutes will not require the church to provide details that was not in the original minutes.141

Nonprofit Corporation Law

Section 25 of the Model Nonprofit Corporation Act, gives members of an incorporated church the right to inspect corporate records for any proper purpose at any reasonable time. The Revised Model Nonprofit Corporation Act gives members broad authority to inspect corporate records, but specifies that “the articles or bylaws of a religious corporation may limit or abolish the right of a member…to inspect and copy any corporate records.”142

The courts are divided as to whether a church incorporated under the Model Nonprofit Corporation Act has the right to deny its members the right to inspect its records. The only thing that church leaders can be assured of is that non-members do not possess any right to inspect their records.

Some church members and non-members have tried to use the Privacy Act and Freedom of Information Act as supports in claiming rights to inspect church records. Neither of these Acts apply to religious organizations. Therefore, the Acts do not provide the members or non-members with a legal right to inspect a church’s records.

Church Charter or Bylaws

A right of inspection may be given by the bylaws or charter of a church corporation or association.143

State Securities Law

Churches that raise funds by issuing securities (i.e., bonds or promissory notes) may be required by state securities laws to allow investors – whether members or not – to inspect the financial statements of the church.144

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143 ibid.: p. 292.
144 ibid.: p. 292.
Subpoena

Rule 34 of the Federal Rules of Civil Procedure specifies that any party to a lawsuit may serve on any other party a request (1) to produce and permit the party making the request, or someone acting on his behalf, to inspect and copy, any designated documents…which are in the possession, custody or control of the party upon whom the request is served; or (2) to permit entry upon designated land or other property in the possession or control of the party upon whom the request is served for the purpose of inspection…..145

Rule 45(b) of the Federal Rules of Civil Procedure states that a subpoena may command the person to whom it is directed “to produce the books, papers, documents, or tangible things designated therein….” Rule 45 also stipulates that a subpoena may be quashed or modified if it is “unreasonable and oppressive.”146

Since church records are not inherently privileged, they are not immune from production or inspection. Although most states consider confidential communications to be privileged when they are made to clergy acting in their professional capacity as a spiritual adviser, several courts have held that the privilege does not apply to church records.147

“Accountings” of Church Funds

The courts are divided as to whether church’s can be demanded to present an accounting of their funds. This demand may come from members or a government agency or officer. Churches can not be assured the court will rule in their favor not to have to produce an accounting of its church funds.

Public Inspection of Tax-Exemption Applications

Generally, “exempt organizations” (including churches and religious denominations) must make available a copy of the following materials in response to a request from a member of the public: (1) the exemption application form (Form 1023) submitted to the IRS; (2) any supporting documents submitted with the exemption application, including legal briefs or a response to questions from the IRS; and (3) any letter or document issued by the IRS with respect to the exemption application (such as a favorable determination letter or a list of questions from the IRS about the application).148

An exempt organization is not required to provide a photocopy of its exemption application to a requester, but is required to have on hand a copy available for inspection.149

145 ibid.: p. 293.
146 ibid.: p. 293.
147 ibid.: p. 293.
148 ibid.: p. 297.
149 ibid.: p. 297.
An organization that fails to comply with a request for inspection may be assessed a penalty of $10 per day up to a maximum of $5,000. A willful failure to comply may result in a penalty of $1,000. The IRS notice also provides that “if an organization filed its application before July 15, 1987, it is required to make available a copy of its application only if it had a copy of the application on July 15, 1987.”

If an exempt organization maintains one or more “regional or district offices,” the exemption application (and related material) “shall be made available at each district or regional office as well as at the principal office.” This rule will be relevant to many religious denominations. Churches and religious denominations should be aware of these new requirements, since some undoubtedly will be receiving requests for inspection.

**Government Inspection of Donor and Membership Lists**

It is clear that governmental actions that may have the effect of curtailing the freedom of association are subject to the closest scrutiny. Yet the courts have made it clear that the right to associate is not absolute; a “significant interference” with the right may be tolerated if the government (1) avoids unnecessary interference, (2) demonstrates a sufficiently important interest, and (3) employs the least intrusive means of achieving its interests.

**The Church Audit Procedures Act**

Section 7602 of the Internal Revenue Code gives the IRS broad authority to examine or subpoena the books and records of any person or organization for the purposes of (1) ascertaining the correctness of any federal tax return, (2) making a return where none has been filed, (3) determining the liability of any person or organization for any federal tax, or (4) collecting any federal tax. This authority has been held to apply to churches.

As part of the Tax Reform Act of 1969, Congress amended section 511 of the Internal Revenue Code to extend the federal tax on the unrelated business income of tax-exempt organizations to churches and religious denominations. In general, unrelated business income constitutes income from a regularly carried on trade or business not substantially related to the exempt purposes of a tax-exempt organization.

The Tax Reform Act of 1969 also added section 7605(c) to the Internal Revenue Code: No examination of the books of account of a church or convention or association of churches shall be made to determine whether such organization may be engaged in the carrying on of an unrelated trade or business or may be otherwise engaged in activities which may be subject to [the tax on unrelated business income] unless the Secretary (such officer being no lower than a principal internal revenue officer for an internal

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150 ibid.: p. 297.
151 ibid.: pp. 297-298.
152 ibid.: p. 298.
153 ibid.: p. 300.
154 ibid.: p. 301.
revenue region) [1] believes that such organization may be so engaged and [2] so notifies the organization in advance of the examination. No examination of the religious activities of such an organization shall be made except to the extent necessary to determine whether such organization is a church or a convention or association of churches, and no examination of the books of account of such an organization shall be made other than to the extent necessary to determine the amount of tax imposed by this title.155

The first sentence of section 7605(c) shielded the books of account of churches and denominations from any IRS examination for the purpose of determining any unrelated business income tax liability unless the IRS (1) had some basis for believing that such an organization was engaged in an unrelated trade or business, and (2) notified the organization in advance of the examination.156

The second sentence of that section specifically recognized the authority of the IRS to examine (1) the religious activities of a church or denomination to the extent necessary to determine if it were in fact entitled to tax-exempt status, and (2) the books of account of a church or denomination to the extent necessary “to determine the amount of tax imposed” under any internal revenue law (including income, employment, and excise taxes).157

Section 7605(c) was criticized for its failure to provide adequate guidelines and for its insensitivity to the unique protections afforded churches by the first amendment’s free exercise of religion clause. Such criticism led to the repeal of section 7605(c) in the Tax Reform Act of 1984 and the enactment of the Church Audit Procedures Act as section 7611 of the Internal Revenue Code. Section 7611 imposes detailed limitations on IRS examinations of churches for tax years beginning in 1985 or thereafter. The limitations can be summarized as follows:

1. **Church tax inquiries.** The IRS may begin a church tax inquiry (defined as any inquiry to determine whether a church is entitled to tax-exempt status as a church or is engaged in an unrelated trade or business) only if (a) an appropriate high-level Treasury official (defined as a regional IRS commissioner or higher official) reasonably believes on the basis of written evidence that the church is not exempt (by reason of its status as a church), may be carrying on an unrelated trade or business, or is otherwise engaged in activities subject to taxation; and (b) the IRS sends the church written inquiry notice containing an explanation of the following: (1) the specific concerns which gave rise to the inquiry, (2) the general subject matter of the inquiry, and (3) the provisions of the Internal Revenue Code that authorize the inquiry and the applicable administrative and constitutional provisions, including the right to an informal conference with the IRS before any examination of church records, and the First Amendment principle or separation of church and state.

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155 ibid.: p. 301.
156 ibid.: p. 301.
157 ibid.: p. 301.
2. **Church tax examinations.** The IRS may begin a church tax examination of the church records or religious activities of a church only under the following conditions: (a) the requirements of a church tax inquiry have been met, and (b) an examination notice is sent by the IRS to the church at least fifteen days after the day on which the inquiry notice was sent, and at least fifteen days before the beginning of such an examination, containing the following information: (1) a copy of the inquiry notice, (2) a specific description of the church records and religious activities which the IRS seeks to examine, (3) an offer to conduct an informal conference with the church to discuss and possibly resolve the concerns giving rise to the examination, and (4) a copy of all documents collected or prepared by the IRS for use in the examination and the disclosure of which is required by the Freedom of Information Act.

3. **Church records.** Church records (defined as all corporate and financial records regularly kept by a church, including corporate minute books and lists of members and contributors) may be examined only to the extent necessary to determine the liability for and amount of any income, employment, or excise tax.

4. **Religious activities.** Religious activities may be examined only to the extent necessary to determine whether an organization claiming to be a church is in fact a church.

5. **Deadline for completing church tax inquiries.** Church tax inquiries not followed by an examination notice must be completed not later than ninety days after the inquiry notice date. Church tax inquiries and church tax examinations must be completed not later than two years after the examination notice date.

6. **Written opinion of IRS legal counsel.** The IRS can make a determination based on a church tax inquiry or church tax examination that an organization is not a church that is exempt from federal income taxation or that is qualified to receive tax-deductible contributions, or that otherwise owes any income, employment, or excise tax (including the unrelated business income tax), only if the appropriate regional legal counsel of the IRS determines in writing that there has been substantial compliance with the limitations imposed under section 7611 and approves in writing of such revocation of exemption or assessment of tax.

7. **Statute of limitations.** Church tax examinations involving tax-exempt status or the liability for any tax other than the unrelated business income tax may be begun only for any one or more of the three most recent taxable years ending before the examination notice date. For examinations involving unrelated business taxable income, or if a church is proven not to be exempt for any of the preceding three years, the IRS may examine relevant records and assess tax as part of the same audit for a total of six years preceding the examination notice date. For examinations involving issues other than revocation of exempt status or unrelated business taxable income (such as examinations pertaining to employment taxes), no limitation period applies if no return has been filed.
8. **Limitations on repeat inquiries and examinations.** If any church tax inquiry or church tax examination is completed and does not result in a revocation of exemption or assessment of taxes, then no other church tax inquiry or church tax examination may begin with respect to such church during the five-year period beginning on the examination notice date (or the inquiry notice date if no examination notice was sent) unless such inquiry or examination is (a) approved in writing by the Assistant Commissioner of Employee Plans and Exempt Organizations of the IRS, or (b) does not involve the same or similar issues involved in the prior inquiry or examination. The five-year period is suspended if the two-year limitation on the completion of an examination is suspended.

9. **Exceptions.** The limitations upon church tax inquiries and church tax examinations do not apply to:
   a. inquiries or examinations pertaining to organizations other than churches
   b. any case involving a knowing failure to file a tax return or a willful attempt to defeat or evade taxes
   c. criminal investigations
   d. the tax liability of a contributor to a church, or inquiries regarding assignment of income to a church or a vow of poverty by an individual followed by a transfer of property
   e. routine IRS inquiries, including
      (1) the filing or failure to file any tax return or information return by the church;
      (2) compliance with income tax or FICA tax withholding;
      (3) supplemental information needed to complete the mechanical processing of any incomplete or incorrect return filed by a church;
      (4) information necessary to process applications for exempt status, letter ruling requests, or employment tax exempt requests; or
      (5) confirmation that a specific business is or is not owned by a church.

10. **Remedy of IRS violations.** If the IRS has not complied substantially with (a) the notice requirements, (b) the requirement that an appropriate high-level Treasure official approve the commencement of a church tax inquiry, or (c) the requirement of informing the church of its right to an informal conference, the church’s exclusive remedy is a stay of the inquiry or examination until such requirements are satisfied.  

    The courts have held that the IRS summons or subpoena directed at church records must satisfy the following conditions to be enforceable:

    1. It is issued in good faith. Good faith in this context means that (a) the investigation will be conducted pursuant to a legitimate purpose, (b) the inquiry is necessary to that purpose, (c) the information sought is not already within the IRS’ possession, and (d) the proper administrative steps have been followed.

158 ibid.: pp. 302-304.
2. It does not violate the church’s first amendment right to freely exercise its religion. An IRS subpoena will not violate a church’s first amendment rights unless it substantially burdens a legitimate and sincerely held religious belief, and is not supported by a compelling governmental interest that cannot be accomplished by less restrictive means. This is a very difficult test to satisfy, not only since few churches can successfully demonstrate that enforcement of an IRS summons or subpoena substantially burdens an actual religious tenet, but also because the courts have ruled that maintenance of the integrity of the government’s fiscal policies constitutes a compelling governmental interest that overrides religious beliefs to the contrary.

3. It does not create an impermissible entanglement of church and state.\textsuperscript{159}

Federal law provides that if the IRS wants to retroactively revoke the tax-exempt status of a church, then it must show either that the church “omitted or misstated a material fact” in its original exemption application, or that the church has been “operated in a manner materially different from that originally represented.”\textsuperscript{160}

\textbf{Reporting Requirements}

Under state and federal law, churches may be required to file various reports. The common ones are discussed below.

\textbf{State Law}

\textbf{Annual Corporate Report}

This report calls for the name of the corporation, the address of its registered office in the state of incorporation and the name of its registered agent at such address, a brief statement of the nature of the affairs that the corporation is actually conducting, and the names and addresses of the current directors and officers….Failure to file the annual reports may result in a small monetary fine, or in some states the loss of corporate status.\textsuperscript{161}

\textbf{New Hire Reporting}

Churches are required to report information about “new hires” to a designated state agency pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act, which was enacted by Congress in 1996.\textsuperscript{162}

\textsuperscript{159} ibid.: p. 304.
\textsuperscript{160} ibid.: p. 305.
\textsuperscript{161} ibid.: p. 307.
\textsuperscript{162} ibid.: p. 308.
Other State Reports

Each church is encouraged to check with their specific secretary of state and state department of revenue for any additional reporting requirements.

Federal Law

Application for Recognition of Tax-Exempt Status

Churches, their integrated auxiliaries, and conventions or associations of churches are exempted by law from payment of federal income tax and therefore they are not required to file an application with the IRS.163

A church may obtain recognition of exemption in either of two ways: (1) by filing a Form 1023 with the IRS, or (2) by being a member of a convention or association of churches that has obtained a “group-exemption ruling” from the IRS. If a church independently applies for and receives IRS recognition of exemption, it must notify the IRS of any material changes in its sources of support, purposes, character, or methods of operation. Churches that are included in the group exemption ruling of a convention or association of churches must annually notify their convention or association of any changes in their purposes, character, or methods of operation.164

Church of God, Anderson, IN churches do not need to file for their own tax-exempt status since their acceptance into the annual Yearbook of the Church of God covers them under the group letter of the General Assembly of the Church of God, Anderson, IN. However, churches may consider filing for their own status if they are interested in pursuing grants. Many foundations will not accept the recognition in the Yearbook as proof of the church’s tax exempt status.

Annual Information Returns

Section 6033 of the Internal Revenue Code requires most tax-exempt organizations to file an annual information return with the IRS. The annual information return is IRS Form 990. This form sets forth an exempt organization’s gross income, expenses, disbursements for exempt purposes, assets and liabilities, net worth, contributions received (including the names and addresses of substantial contributors), and compensation paid to certain employees. Section 6033 provides a “mandatory exemption” for (1) “churches, their integrated auxiliaries, and conventions and associations of churches”; (2) certain religious and charitable organizations whose annual gross receipts normally do not exceed $5,000; and (3) the “exclusively religious activities of any religious order.” Form 990 itself specifies that the following organizations are exempt from the annual information return requirements: (1) “a church, an interchurch organization of local units of a church, a convention or association of churches, an integrated auxiliary of the church (such as a men’s or women’s organization, religious

163 ibid.: p. 309.
164 ibid.: p. 309.
school, mission society, or youth group); (2) “a school below college level affiliated with a church or operated by a religious order”; (3) “a mission society sponsored by or affiliated with one or more churches or denominations, if more than one-half of the society’s activities are conducted in, or directed at, persons in foreign countries”; (4) “an exclusively religious activity of any religious order”; (5) “an organization whose annual gross receipts are normally $25,000 or less.”

Beginning in 2008, the IRS is requiring some small nonprofit tax exempt groups to file a “Postcard” information report. Churches should be exempt from filing this postcard, however, auxiliary groups may receive such a notice. If the group does not receive a notice from the IRS requiring this postcard, they should not worry with filing the postcard. The IRS is notifying those they are requiring to file the postcard.

If you receive a notice, the postcard can only be filed online at www.irs.gov.

**Tax on Unrelated Business Income**

A church that has $1,000 or more in gross income from an unrelated trade or business must file an IRS Form 990-T. In computing unrelated business taxable income, churches are entitled to deduct all reasonable and necessary expenses directly associated with the unrelated business.

**Employment Taxes**

Every employer, including organizations exempt from federal income tax, that pays taxable wages to employees is responsible for withholding, depositing, paying, and reporting federal income tax, social security and Medicare tax, and federal unemployment tax unless specifically exempted by law. Churches are exempted from paying federal and state unemployment taxes on their employees.

**Information Returns**

Churches must issue annual “information returns” to (1) all employees who are paid wages, and (2) any self-employed person to whom the church paid annual compensation of at least $600. These information returns are referred to as the W-2 and 1099-MISC forms, respectively. In addition, churches are required to issues a 1099-INT form to each person who was paid $600 or more in interest income during any one year (a $10 rule applies to certain forms of interest payments).

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165 ibid.: pp. 309-310.
166 ibid.: p. 310.
167 ibid.: p. 310.
168 ibid.: p. 311.
Annual Certification of Racial Nondiscrimination

Any church that operates, supervises, or controls a “private school” must submit a Form 5578 each year to the IRS certifying that it operates its school in a racially nondiscriminatory manner. The term private school is defined in the instructions to Form 5578 to include “an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on. The term includes primary, secondary, preparatory, or high schools, and colleges and universities, whether operated as a separate legal entity or as an activity of a church….The term also includes preschools…”

Returns Regarding Dissolution or Termination

Section 6043 of the Internal Revenue Code requires a corporation to file a return (Form 966) within 30 days after the adoption of any resolution or plan concerning the dissolution of the corporation. Churches, their integrated auxiliaries, and conventions and associations of churches, however, are exempted by section 6043 from this reporting requirement.

EEOC Reports

The Equal Employment Opportunity Commission (EEOC), an agency created by Congress to enforce Title VII of the Civil Rights Act of 1964, requires all employers, including religious organizations, having 100 or more employees to submit annually an Employer Information Report. This report is prepared on Standard Form 100, which is also known as Employer Information Report EEO-1.

Violation of Trust Terms

Church officers and directors may be legally accountable for violating the terms or restrictions of properties and funds held in trust by the church.

This ruling can apply to how the church officers and directors handle designated funds that come into the church. When there is a financial crunch or the designated project has been abandoned, it is very tempting for the church officers and directors to divert these designated funds to other areas.

Church board members may be liable for diverting designated gifts to other purposes only if someone has the legal right to enforce the original designation. Some courts have ruled that the donor has such a right, but others have not. Even if a donor cannot enforce a designated gift, this does not make it unenforceable. In most states the following

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169 ibid.: p. 311.
170 ibid.: p. 311.
171 ibid.: p. 311.
172 ibid.: p. 334.
persons are authorized to enforce a designated gift: (1) the state attorney general; (2) a
donor who reserves a right to enforce a designated gift in a written instrument; or (3) a
trustee of a written trust that contains the designated gift.\textsuperscript{173}

Since designated gifts generally can be enforced by someone (even if not the donor),
church board members may be legally responsible for diverting designated gifts to other
purposes. As a result, it is essential for church leaders to consult with a local attorney
before using a donor’s designated funds for some other purpose. To reduce the risk of
personal liability, church leaders should consider the following precautions if they decide
to use designated gifts for other purposes:

Donors can be identified. If donors can be identified, they should be asked if they want
their contributions returned or retained by the church and used for some other purpose.
Ideally, donors should communicate their decision in writing to avoid any
misunderstandings. Churches must provide donors with this option in order to avoid
violating their legal duty to use designated funds only for the purposes specified. Of
course, churches should advise these donors that they may need to file amended tax
returns if they claimed a charitable contribution deduction for their contributions in a
prior year.

Donors cannot be identified. A church may not be able to identify all donors who
contributed to the building fund. This is often true of donors who contributed small
amounts, or donors who made anonymous cash offerings to the building fund. In some
cases, designated contributions were made many years before the church abandoned its
building plans, and there are no records that identify donors. Under these circumstances
the church has a variety of options. One option would be to address the matter in a
meeting of church members. Inform the membership of the amount of designated
contributions in the church building fund that cannot be associated with individual
donors, and ask the church members to take an official action with regard to the
disposition of the building fund. In most cases, the church membership will authorize the
transfer of the funds to the general fund. Not that this procedure is appropriate only for
that portion of the building fund that cannot be traced to specific donors. If donors can be
identified, then use the procedure described below.

Some donors can be identified, and some cannot. In most cases, some of the building
fund can be traced to specific donors, but some of it cannot. Both of the procedures
summarized above would have to be used.

\textit{Uniform Management of Institutional Funds Act (UMIFA).} This Act is designed to
provide the boards and trustees of charitable organizations (including churches) with
guidance in handling institutional funds. The Act defines an institutional fund as a fund
that is “not wholly expendable by the institution on a current basis under the terms of the
applicable gift instrument.” An official interpretation of the Act, adopted by its drafters,
further clarifies that an endowment fund is an institutional fund…which is held in
perpetuity or for a term and which is not wholly expendable by the institutional. Implicit

\textsuperscript{173} ibid.: p. 335.
in the definition is the continued maintenance of all or a specified portion of the original
gift….If a governing board has the power to spend all of a fund but, in its discretion,
decides to invest the fund and spend only the yield or appreciation therefrom, the fund
does not become an endowment fund under this definition….According to these
provisions, the Act would not apply to church building funds (or other designated funds)
that exist for a specific project requiring the expenditure of the entire fund. However,
some churches have established perpetual endowment funds that will meet the Act’s
definition of an institutional fund. These churches should be familiar with the key
provisions of the Act. An introductory note to the Act states: It is established law that the
donor may place restrictions on his largesse which the donee institution must honor. Too
often, the restrictions on use or investment become outmoded or wasteful or unworkable.
There is a need of review of obsolete restrictions and a way of modifying or adjusting
them. The Act authorizes the governing board to obtain the acquiescence of the donor to
a release of restrictions and, in the absence of the donor, to petition the appropriate court
for relief in appropriate cases.\textsuperscript{174}

The Act contains the following relevant provisions:

S7. (a) With the written consent of the donor, the governing board may release, in whole
or in part, a restriction imposed by the applicable gift instrument on the use or investment
of an institutional fund.

(b) If written consent of the donor cannot be obtained by reason of his death, disability,
unavailability, or impossibility of identification, the governing board may apply in the
name of the institution to the [appropriate] court for release of a restriction imposed by
the applicable gift instrument on the use or investment of an institutional fund. The
[attorney general] shall be notified of the application and shall be given an opportunity to
be heard. If the court finds that the restriction is obsolete, inappropriate, or impracticable,
it may by order release the restriction in whole or in part. A release under this subsection
may not change an endowment fund to a fund that is not an endowment fund.

(c) A release under this section may not allow a fund to be used for purposes other than
the educational, religious, charitable, or other eleemosynary purposes of the institution
affected.

(d) This section does not limit the application of the doctrine of \textit{cy pres}.\textsuperscript{175}

An official comment to this section of the Act contains the following additional guidance:
One of the difficult problems of fund management involves gifts restricted to uses which
cannot be feasibly administered or to investments which are no longer available or
productive. There should be an expeditious way to make necessary adjustments when the
restrictions no longer serve the original purpose….This section permits a release of
limitations that imperil efficient administration of a fund or prevent sound investment
management if the governing board can secure the approval of the donor or the

\textsuperscript{174} ibid.: pp. 335-336.
\textsuperscript{175} ibid.: p. 337.
appropriate court. Although the donor has no property interest in a fund after the gift, nonetheless if it is the donor’s limitation that controls the governing board and he or she agrees that the restriction need not apply, the board should be free of the burden….If the donor is unable to consent or cannot be identified, the appropriate court may upon application of a governing board release a limitation which is shown to be obsolete, inappropriate or impracticable.\footnote{176 ibid.: p. 337.}

The “cy pres” doctrine. Note that Section 7(c) of the Uniform Management of Institutional Funds Act (quoted above) specifies that the Act does not limit the application of the cy pres doctrine. This is a potentially significant provision. The “cy pres” doctrine (which has been adopted by most states) generally specifies that if property is given in trust to be applied to a particular charitable purpose, and it is or becomes impossible or impracticable or illegal to carry out the particular purpose, and if the donor manifested a more general intention to devote the property to charitable purposes, the trust will not fail but the court will direct the application of the property to some charitable purpose which falls within the general charitable intention of the donor.\footnote{177 ibid.: p. 338.}

**Willful Failure to Withhold Taxes**

The officers and directors of a church or other nonprofit organization can be personally liable for the amount of payroll taxes that are not withheld or paid over to the government.\footnote{178 ibid.: p. 341.}

Section 6672 of the Internal Revenue Code, specifies that “any person required to collect…and pay over any [FICA or income] tax who willfully fails to collect such tax…or willfully attempts in any manner to evade or defeat any such tax or the payment thereof, shall, in addition to other penalties provided by law, be liable to a penalty equal to the total amount of the tax evaded, or not collected, or not accounted for and paid over.”\footnote{179 ibid.: p. 341.}

The court observed that a person is liable for the full amount of taxes under section 6672 if “(1) he or she was under a duty to collect, account for, and pay over the taxes (i.e., a ‘responsible person’), and (2) the failure to pay the taxes was ‘willful.’”\footnote{180 ibid.: p. 341.}

**Exceeding the Authority of the Board**

If the board of directors operates outside the authority granted by the church charter or bylaws, it exceeds its authority. This occurs if the board tries to amend the bylaws without the knowledge of the corporation membership.
Loans to Directors

The Model Nonprofit Corporation Act, as well as various other laws under which some churches are incorporated, prohibit the board from making loans (out of corporate funds) to either directors or officers. Directors who vote in favor of such loans can be liable for them in the event that the loan is unauthorized or otherwise impermissible. Church boards must check the state law under which they are incorporated before considering any loans to a minister.181

Minutes

The church secretary should prepare written minutes of every church membership meeting, being careful to note (1) the date of the meeting, (2) the number of members present, (3) the progression of every action from motion to final action, (4) some statement that each adopted action was approved by the necessary number of votes (a tally of the votes for and against a particular action should be inserted in the minutes if the vote is close or the action is of an extraordinary nature), and (5) a verbatim transcript of each approved action. Minutes should be signed by the church secretary, but this is not a legal requirement.182

Dissolution

The dissolution of incorporated churches generally is regulated by state corporation law since the state alone has the authority to dissolve those organizations it has created. Corporate dissolutions may be either voluntary or involuntary. A voluntary corporate dissolution is accomplished by the corporation itself. Most state religious and nonprofit corporation laws contain a specific procedure for voluntary dissolution, which generally consists of the following elements:

1. Board resolution. The board of directors adopts a resolution recommending that the corporation be dissolved and directing that the question of dissolution be submitted to the church membership.

2. Notice to members. All voting members are notified in writing that the question of dissolution will be discussed at a special or general meeting of the members.

3. Approval. A resolution to dissolve the corporation is adopted if it receives at least two-thirds voter approval.

4. Notice to creditors. Notice of the dissolution is mailed to all creditors of the former corporation.

181 ibid.: p. 342.
182 ibid.: p. 384.
5. Payment of debts. All corporate liabilities are paid. Any assets remaining after payment of liabilities are transferred to the organization or organizations, if any, prescribed in the dissolved corporation’s charter or in the controlling rules of a church hierarchy, if any, with which the church is affiliated. If neither the charter nor controlling rules of a religious hierarchy specifies how corporate assets are to be distributed following dissolution, the assets are conveyed to one or more organizations engaged in activities substantially similar to those of the dissolving corporation.

6. Articles of dissolution prepared. The articles of dissolution are executed. The articles set forth the name of the corporation, the date of the meeting of members at which the resolution to dissolve was adopted, and an acknowledgment that a quorum was present, that the resolution was adopted by at least two-thirds of the members present at such meeting, that all debts of the corporation have been paid, and that all remaining assets of the corporation have been transferred to the organization engaged in activities substantially similar to those of the dissolving corporation.

7. Articles of dissolution filed. The articles of dissolution are filed with the secretary of state. If the articles of dissolution conform to all legal requirements, the secretary of state issues to a representative of the dissolved corporation a certificate of dissolution, which is recorded with the office of the recorder of deeds of the county in which the church had been located.183

It is important to recognize that the IRS maintains that every incorporated church must contain a provision in its charter ensuring that in the event of dissolution the assets of the church will pass to a tax-exempt organization. The IRS has stated that the following provision will suffice: Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.184

If a church, in the regular course of its affairs, is unable to pay its debts and obligations as they come due, the nonprofit corporation laws of many states permit an incorporated church to be involuntarily dissolved by a creditor whose claims are unsatisfied.185

Unincorporated churches having no affiliation with a religious hierarchy are mere voluntary associations of persons and may dissolve on their own initiative by a vote of

183 ibid.: p. 394.
184 ibid.: pp. 394-395.
185 ibid.: p. 396.
the membership, by abandonment of the church, or by withdrawal of all members from
the church, assuming that all applicable provisions in the church’s bylaws or other
internal rules are followed.186

Record Keeping

Most all churches have boxes and boxes of old records and reports packed away in
offices, attics, and basements. Many of these can be discarded and reduce the risk of
providing fuel for a fire. Richard Hammar makes the following recommendations on
keeping records in his March 2005 Church Treasurer Alert!:

Form 945 - 4 years after filing return
(annual return of withheld federal income tax)

Form W-9 - 4 years from filing deadline of the contractor’s tax return
(request for taxpayer identification number)

Form 8283 – 4 years from the filing deadline of donor’s tax return
(noncash charitable contribution)

Offering envelopes – 4 years from filing deadline of the donor’s tax return
(some churches issue donors a periodic summary of contributions that includes a
statement advising donors to question any discrepancies quickly since all
documentation (including offering envelopes) the church relied on in preparing the
summary will be disposed of within a specified period of time (e.g., six months) Such
a statement relieves the church of the responsibility of warehousing offering
envelopes and other supporting documentation for long periods of time.)

Contribution statements – 4 years from the filing deadline of the donor’s tax return.

Written acknowledgements of charitable contributions – 4 years from the filing
deadline of the donor’s tax return.

Written acknowledgements for short-term missions trips participants - 4 years from
the filing deadline of the donor’s tax return.

Accountable reimbursement policy – permanently

Accountable reimbursement policy receipts – 4 years from the filing deadline of the
employee’s tax return.

Exception:

• The regulations require employers to maintain receipts and other records used
by employees to substantiate their reimbursed business expenses
• The IRS has indicated that it may relax this requirement, but it has not done so

186 ibid.: p. 396.
• If an employer does not maintain these records, its employees will have to substantiate expenses if audited

All records associated with nonaccountable expenses reimbursements – 4 years from filing deadline of the employee’s tax return.

**Housing allowance** – 4 years from the filing deadline of the pastor’s tax return.

**Cafeteria Plan** – permanently.

**Estimated housing expense form** – 4 years from the filing deadline of the pastor’s tax return.

**Safety net housing allowance** – permanently.
(continuing resolution designating a specified percent of the salary of any staff pastor as a housing allowance if no allowance has otherwise been declared)

**Job descriptions of staff pastors** – 4 years from the filing deadline of the pastor’s tax return.

**Form 8274** – permanently.
(certification by churches requesting exemption from FICA taxes)

**Property tax exemption applications and certificates** – consult local law offices.

**Sales tax exemption applications and certificates** – consult local law offices.

**Tax-sheltered annuity salary reduction agreements** – 4 years from filing deadline of the employee’s tax return.

**Form 990-T** – 4 years from the filing deadline of the tax return.
(exempt organization’s unrelated business income tax return)

**Retirement gifts** – 4 years from the filing deadline of the employee’s tax return.

**Special occasion gifts** – 4 years from filing deadline of the employee’s tax return.

**Health plans** – permanently.

**Documents defining compensation** – 4 years from the filing deadline of the employee’s tax return.

**Correspondence received from the IRS or state and local tax agencies** – permanently.

**Articles of Incorporation** – permanently.
Bylaws – permanently.

Certificate of Incorporation – permanently.

Certificate of Good Standing – permanently.

Minutes of membership meetings – permanently.
(summaries of actions taken at regular and special membership meetings)

Minutes of board meetings – permanently.
(summaries of actions taken at regular and special board meetings)

Annual Corporate Reports – permanently.
(an annual report that in many states must be filed annually with the Secretary of State by any corporation incorporated under the general nonprofit corporation law)

Form W-2 – 4 years after filing the return.
(wage and tax statement)

Form W-4 – 4 years after filing the return.
(withholding allowance certificate)

Form 941 – 4 years after filing the return.
(employer’s quarterly tax return)

Form 1023 – permanently.
(application for recognition of exemption)

Form 1099-MISC – 4 years after filing the return.
(miscellaneous income)

Form 5578 – 4 years after filing the return.
(annual certification of racial nondiscrimination)
(used by private schools if church-affiliated to certify compliance with federal nondiscrimination requirements (due by the 15th day of the 5th month following the close of each fiscal year))

Revised June 2008
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Ministerial Transition Issues

Pastoral Transitions

“Organizing in the Interim”

For many congregations when the pastor leaves, new duties will fall to people who have little experience. Below are examples of questions that must be answered and responsibilities that must be filled:

1. The congregation must know who is governing the church and who is in charge of that board or committee.

2. The congregation wants to know who is on the pulpit committee and why they were chosen. Many pulpit committees are required by their bylaws to be ratified by the congregation. It is important to go by the church’s bylaws at this time. **Bylaw changes and revisions should not be done in the interim. The new pastor should be a part of the bylaw revisions or replacement.**

3. Who will plan worship?

4. Where can congregants go for spiritual counsel?

5. Who will handle specific ministry responsibilities? (Marriage, funerals, hospital and shut-in calling, emergencies, etc.)

Committee chairs should be asked to maintain regular meeting schedules, and as much as possible, congregational life should go on as normal. An Interim Pastor should be sought and brought on within a month of the former pastor’s departure.

“The Task and Role of the Interim”

The interim pastor is a specialist as differentiated from a supply pastor. The interim is one who comes and picks up a number of the pastoral responsibilities while the pulpit committee proceeds with the search for the permanent pastor.

There are a number of important roles that the interim can play in the life of the congregation:

- He/she helps the people in the congregation deal with their grief. Pastoral change creates in many a strong sense of loss that should be addressed. The
The interim should be conversant with the stages of grief, so as symptoms arise, they are recognized and addressed appropriately.

- The interim can help the congregation learn how to better say hello and goodbye. Welcoming and loving the next pastor is critical. There will be some who, because of their attachment to the last pastor, will choose not to allow themselves to get close to a pastor again because they do not want to get hurt. This attitude will stunt their growth and their ability to trust the new leader. Understanding that the work of the church is not about the pastor but the Kingdom and God’s call will enable the congregation to move on when a beloved pastor is gone.

- There are often turf-wars that spring up when the pastor leaves. The interim is key in keeping unity and mending fences that were broken or torn down either during or after the last pastorate.

- Interim pastors can be a bit of a snoop. There are sometimes funds, equipment, or materials that the last pastor knew about that he/she did not communicate about with anyone else. Finding needed materials will sometimes fall to the interim.

- The interim will be called upon to carry pastoral responsibilities. Such things as visiting the sick, caring for the dying, committee appointments and meetings, managing worship, supporting congregational programming, oversight of Christian education, etc. **The interim should not sponsor major new congregational programs or directions.** The establishing and leading of such programs is for the new Pastor.187

Interim pastors should stay out of the work of the search committee. If the committee needs direction, a pastoral advisor from a nearby Church of God is a good idea. The interim can make sure that the search committee is regularly communicating with the congregation. Regular reports and updates on the committee’s progress will ease some tension in the congregation’s life.

Interim work rarely lasts longer than 12-18 months. It is a good idea to evaluate every 3 to 6 months how the leaders and the interim feel about their relationship, with an opportunity for either party to bow out gracefully. Realize that job anxiety usually begins to rise in the interim; the closer the congregation gets to calling their new pastor. Communication with the interim can help this anxiety and also warn the interim that they should begin looking for their next assignment.

**One of the cardinal rules for interims from the beginning is that the interim will under no conditions be the candidate for the permanent position. If an interim is unwilling to accept this condition, then they should not be used as an interim.**

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It is amazing how quickly a bond is made between pastor and people, and this happens with the interim. The interim must stand strong on this principle. It is common for the congregation to be anxious, as the time gets longer in waiting for God’s direction. The interim’s job is to keep a cool head and reassure the congregation that the process of searching will come to a positive end. We certainly should ask why this principle is so important?

1. By virtue of working within the church, the interim pastor gains an unfair advantage over other candidates who will not have the same visibility. The goal of the search committee is to find the individual who best fits the profile of the church. They might be tempted to adapt the profile to match the style of the interim pastor.

2. The interim pastor has a unique opportunity to lead in ways that might not be received from a permanent pastor. Interim pastors often observe relationships and attitudes that are not conducive to church health. Because they are in a temporary position they can address issues without fear of losing their job…they know they are losing their job.

3. An interim pastor will always have those who are for him/her and those who are against him/her. Whether or not he/she is chosen as the new pastor, some in the church will be upset, resulting in unnecessary conflict. Also, if he/she is not chosen, his/her feeling about not being selected could hinder the remainder of his/her ministry until the new pastor arrives.188

An interim is of critical importance in churches that have experienced conflict with their last pastor. The interim with the help of the state or regional office can help the church to heal and begin to look to its future. An interim is also very important to the congregation that is seeking a new pastor after a long tenured pastor. To hire a new pastor too soon is to make the new pastor as unintentional interim. He/she will be compared to the last pastor and usually they do not measure up. Finally, a congregation with multiple staff persons needs an interim to help administrate the “team.” This also protects the associate pastors from becoming the “dumping ground” for duties that the pastor would normally carry. An interim can also protect the associate who might wish to be pastor, by allowing that individual the opportunity to candidate on equal footing with others pursuing the position.

The interim is also called to help the congregation to celebrate victories during the search process and when it is concluded. “The final task of the interim pastor is to ‘dance at the wedding’ when the new pastor is installed.”189 To help the church celebrate their new leader is one of the high moments in the ministry of the interim.

189 Mead, p. 63.
There are a growing number of “Intentional Interims” around the country. These are persons who have studied and prepared to do interim work. Churches can check with their state or district to see if they have any professionally trained interims. An intentional interim can particularly help churches that have been through some specific trauma. Training for intentional interims can be received through the Interim Ministry Network described in the attached bibliography.

“Congregational Survey”

The congregation survey is an important tool in the pastoral search process. The survey helps the pulpit committee in several ways.

1. The congregational survey gives the members of the congregation an opportunity to express their opinion about the church and what they would like in a new pastor.

2. The congregational survey provides a way for the congregation at large to be heard.

3. The congregational survey helps the pulpit committee to better understand the congregation.

4. The congregational survey helps the pulpit committee evaluate candidates in light of congregational needs and desires.

5. The congregational survey helps the Area Administrator “weed out” candidates that would not fit a specific congregation.

The congregational survey is a tool that must be evaluated with a critical eye. A congregation may well know what it wants but not be aware of what it needs. Therefore, the survey should have questions that pertain to the needs of the congregation as well as the wants.

The congregational survey should cover several critical areas of church life:

1. Opinions on the congregation’s strengths and weaknesses.

2. Information on the one filling out the survey
   a. Age
   b. Occupation
   c. Length of time in the church
   d. Yearly income
   e. Gender and Marital Status
   f. Education
   g. Involvement in the life of the church
   h. Distance to church from where they live

3. Expectations of a pastor
4. Hopes for the future of the church
5. Preferable age and experience of the next pastor

The pulpit committee would be wise to put together information that would help a candidate understand their congregation.

1. A list of the church’s core values.
2. A brief history of the church including pastoral tenures, splits or major disruptions, greatest victories, etc.
3. Factors that contributed to the growth or decline of the congregation.
4. Demographic composition of the congregation and community.
5. Attendance trends in the last decade.
6. Leadership styles of the last 2 or 3 pastors and the style with which the congregation is most comfortable.
Sample Congregational Survey

A. Personal Demographics

1. Age (circle): 18 or under 19-31 32-50 51-71 over 71

2. Years you have attended this church (circle): 2 years or less 3-5 years 6-10 years 11-20 years over 20 years

3. Years you have been a Christian (circle): 2 years or less 3-5 years 6-10 years 11-20 years over 20 years

4. Years you have had a church job or responsibility (circle): 2 years or less 3-5 years 6-10 years 11-20 years over 20 years

5. You are (circle): Single Married

6. You are (circle): Male Female

7. What best describes your occupation? (circle):
   agriculture business
   clerical construction education
   food service government health care
   homemaker manufacturing professional
   retired student

8. Highest level of education you have achieved. (circle):
   grade school high school some college
   college graduate masters doctorate

B. Community Perceptions

(5-excellent; 4-good; 3-fair; 2-disappointing; 1-poor)

1. _____ Do visitors perceive the church as friendly?

2. _____ How would you rate the church’s reputation in the community?

3. _____ How would you rate the church’s involvement in the community?

4. _____ How would the poor and disadvantaged be welcomed here?

C. Rating of Ministries

(5-excellent; 4-good; 3-fair; 2-disappointing; 1-poor)

1. _____ How would you rate the churches evangelistic ministries?
2. _____ How would you rate the development of leaders?

3. _____ How would you rate the Men’s ministry?

4. _____ How would you rate the Women’s ministry?

5. _____ How would you rate the Children’s ministry?

6. _____ How would you rate the Youth ministry?

7. _____ How would you rate the Single’s ministry?

8. _____ How would you rate the Mission’s ministry?

9. _____ How would you rate the Small Group ministry?

10. _____ How would you rate the Christian Education ministry?

11. _____ How would you rate the Prayer ministry?

12. _____ How would you rate your ministry to the poor and disadvantaged?

**D. Ministry preferences and needs.**
(4-very important; 3-important; 2-somewhat important; 1-unimportant)

1. _____ Focus of corporate worship on saving the lost.

2. _____ Focus of corporate worship on worship and praise.

3. _____ Focus of corporate worship on biblical teaching.

4. _____ Evangelism happens on Sunday.

5. _____ Evangelism happens through daily relationships.

6. _____ Evangelism happens through planned visitation program.

7. _____ Sunday School.

8. _____ Sunday Evening Services.

9. _____ Mid week services.

10. _____ Small groups.

11. _____ Ministries for Marriage and Families.
12. _____ Ministry outreach to our local community.

13. _____ Ministry outreach through national and world missions.

14. _____ Teaching the Bible.

15. _____ Developing mature believers.

16. _____ Social concerns.

**E. Church Governance**
(4-very important; 3-important; 2-somewhat important; 1-unimportant)

1. _____ The church should be led by elders.

2. _____ The church must have strong pastoral leadership.

3. _____ The church should be congregationally governed.

4. _____ How the congregation is presently governed is ________________.

**F. Mission and Vision**
(4-strongly agree; 3-agree; 2-somewhat important; 1-unimportant)

1. _____ The church exists to reach the lost for Christ.

2. _____ The church exists to disciple believers.

3. _____ The church exists to meet the needs of the community.

4. _____ The church exists to proclaim the message of unity.

5. _____ The church exists to proclaim the message of holiness.

6. _____ The primary focus of the church should be lost people.

7. _____ The primary focus of the church should be its members.

8. _____ The primary focus of the church should be social concerns.

9. _____ The primary ministry of the church should be evangelism.

10. _____ The primary ministry of the church should be education.

11. _____ The primary ministry of the church should be discipleship.
12. _____ The primary ministry of the church should be helping the needy.

13. _____ The church should grow larger and larger.

14. _____ The church should be active in planting another congregation.

15. _____ The church should actively support foreign missions.

16. _____ The church should actively support national missions.

17. _____ The church should actively support state/regional cooperative ministries.

18. _____ The church should actively support local cooperative ministries.

G. Pastoral Leadership Style (circle your preference)

1. Autocratic.  Leader makes the decisions and announces it.

2. Collaborative.  Leader defines the goal, suggests guidelines, and seeks input and fine-tuning from group; with group making the decision.

3. Democratic.  Group encouraged to make decisions within agreed upon guidelines with minimum of leaders influence.

4. Directive.  Leader presents idea or goal and suggest tentative decision; group asked to make suggestions to improve acceptability; group affirms leader’s decision.

5. Laissez-faire.  Group does whatever it wants to – no policies or procedures agreed upon; everyone left alone; emphasis upon volunteerism.

6. Persuasive.  Leader presents ideas and goals and invites questions to establish understanding with group; leader then makes necessary modifications and “sells” the idea to the group for approval.

H. What are this congregation’s greatest strengths …

I. What are this congregation’s greatest weaknesses …
**J. Pastor Profile.** (circle your preference)

1. Age:   20-30 years old   30-40 years old   40-50 years old   50 or older  
2. Gender:  Male   Female   Either  
3. Education:  High School   College   Graduate School  
4. Experience: None   1-5 years   5-15 years   15 or more  
5. Marital:  Married   Single   Does not matter

**“The Call”**

When a pastor has finished the candidating process and the church has voted to call the pastor, the next phase of pastoral transitions begins. Usually, a pastor has left the community before the congregational vote takes place. Therefore, the pastor should receive a phone call immediately following the vote to tell him/her the results.

Very often the pastoral candidate will want some time to reflect on the strength of the vote and to pray before giving their response to the call (Only if the vote was to call the candidate). A note here to pastoral candidates … if you know that you will not accept a call from the church, tell the pulpit committee chair before a vote is taken. This procedure will save the congregation from a major let down.

**“The Preparation”**

When the candidate accepts the call, a number of issues then must be determined.

1. When will the pastor begin his/her service?  
2. How will moving arrangements be dealt with? (The church should bear the financial responsibility.)  
3. A plan to inform the entire church and community about the new pastor’s coming. Doing good publicity is important; it will generate enthusiasm in the congregation and in the community. People who are searching for a church home often look to a church with a new pastor. One of the significant ways to introduce the pastor to the community is through an installation service. The Installation service is discussed below.  
4. Putting together a list of significant dates in the church for the new pastor, i.e. business meeting; school start, end, and vacation dates, ministerial meeting times, board and committee meeting schedules, and other significant events that the pastor should put into his/her calendar.
5. The pulpit committee should meet to decide how to help acclimate the new pastor to the new community. Maps, meals, introductions to community leaders, any ideas that will help the pastor and his/her family quickly assimilate into the church and community at large.

6. If the church has a parsonage, it would be good to allow the pastoral family to decorate the parsonage themselves. If the pastor must purchase a home, getting them in touch with a good realtor and coaching them on good areas to live or avoid can be very helpful.

The pastor and church will experience a positive start when the pastoral family is welcomed warmly and actively assimilated into the community.

“The Installation”

The Installation service provides a wonderful opportunity to introduce your new pastor to the community. The service should be well advertised. Personal invitations should be sent to dignitaries of the community (Mayor, Town Council, County Commissioners, etc.). Invitations should also be sent to all pastors in the area. Be sure to inform and invite other Church of God congregations in the area.

The planning of the Installation service is a joint effort between the pastor, the search committee, and the district office. Most state or regional offices have sample worship folders and guidelines for installation. To obtain samples contact your state or regional office. Often the new pastor has a person who is special to him/her, and would like them to participate. The church should underwrite the cost of bringing that person to the installation. The state or regional office likes to have someone there to welcome the new pastor, be sure to speak with someone in that office early on to be sure that a specific date is available.

The installation is a gathering of pastors, churches, and dignitaries. It is important to plan this service at a time that all can attend. Sunday afternoon is the most regularly used time. In planning a time, be sure to give travel time for those who are a significant distance away. Typically, churches will also plan a light snack afterwards, giving the pastor an opportunity to meet many of the guests for the first time.

Installation is often the last duty of the pulpit committee. In some churches the pulpit committee stays together for another year meeting with the pastor on a regular basis to make sure that the transition is smooth, and any difficulties are ironed out. A few churches choose to make the pulpit committee the pastor-parish committee for the tenure of the pastor. In each case, the church’ bylaws and the church’s governing board must be consulted.
Establishing a Pastoral Compensation Strategy

Topics:

- The Biblical basis of adequate compensation for pastoral staff
- Establishing a base salary for the Senior Pastor
- Supplementing the base salary
- Benefits
- Reimbursements

Purpose: The purpose of this document is to provide a guideline for the local church with strategies to systematically develop a pastoral compensation plan that honors God, provides for the adequate compensation of the pastoral staff and undergirds the church and its ministries.

A. The Biblical Basis of Adequate Compensation for Pastoral Staff

Scripture provides clear guidelines into the way in which pastoral staff should be compensated. Those who answer the call to the ministry take on significant responsibilities. Surveys indicate that most pastors, even on multiple staff, are involved in ministry responsibilities 60-80 hours per week. The hours are generally long each day and extend into the evenings on at least two to three evenings per week. A pastor is on call at any time of the day or night for emergencies and intervening in crises. A pastor is required to be a biblical scholar, counselor, teacher, leader, vision caster for the church, chief cook and bottle washer and many other functions.

In 1 Timothy 5:17-18, Paul writes, “The elders who direct the affairs of the church well are worthy of double honor, especially those whose work is preaching and teaching. For the Scripture says, ‘Do not muzzle the ox while it is treading out the grain,’ and ‘the worker deserves his wages.’”

In Galatians 6:6-7, Paul writes, “Anyone who receives instruction in the Word must share all good things with his instructor. Do not be deceived: God cannot be mocked. A man reaps what he sows.”

1 Thessalonians 5:12-13 say, “Now we ask you, brothers, to respect those who work hard among you, who are over you in the Lord, and who admonish you. Hold them in the highest regard in love because of their work.”

Dr. Garry McIntosh, in his book, “How to Develop a Pastoral Compensation Plan,” points out that these Scriptures put a significant responsibility on the church to develop an adequate compensation plan to provide for the pastors of the church. The church can expect to be effected in either a positive or negative way by the way that they “sow” in compensating the pastoral staff.
B. Establishing a Base Salary for the Senior Pastor

There are several methods that can be used to establish a “base salary” for the Senior Pastor. The base salary consists of the basic salary without supplemental or benefit additions plus housing costs. Below is a short description of each method:

1. **Comparable Worth** – Contact the local school district and get a report of the salary and benefits package for the principal of a Senior High School. This position most closely approximates, in a school system, what the responsibilities of a Senior Pastor would be. Usually the package that a principal is provided with would also reflect the local economy.

2. **Position and Experience** – primarily used in multiple staff churches. People with the greatest responsibilities and in the position the longest are paid the higher amount.

3. **Church Ruling Board Method** – David Pollock writes in his book, “Business Management in the Local Church” that one method to use in establishing a reasonable salary package for the Senior Pastor is to obtain the salary and benefits of each person on the senior board of the church, total those figures and divide by the number of people on the board and use the resulting figures to compensate the Senior Pastor.

4. **Keyed to Housing Costs** – by conducting a demographic study of your community, you can easily obtain what the average home mortgage payment is in your community. The Association of Realtors use the following assumption in determining the affordability of housing: the monthly payment for principal, interest, taxes, and insurance (PITI) can be no more than 30% of income. Using this figure, a reasonable base salary would be approximately 3 times the average PITI payment in a community. If the average monthly PITI payment is $1,500, then the monthly base salary of the Senior Pastor would be 3 x $15,00 or $4,500 per month or $54,000 per year.

C. Supplementing the Base Salary

Once you’ve established a base salary for the Senior Pastor, there are several supplemental considerations.

1. **Length of service (experience)** – as a pastor serves in the local church for a period of time, that experience should be rewarded in an appropriate way. An example of a suggested scale from Dr. McIntosh is listed below:
2. **Level of Education** – as the pastor(s) continue his/her professional education, the church will benefit from the increased knowledge. A Master’s degree would increase the base by 3%, a special degree in counseling or other areas would increase the base by 6% and a Doctorate would increase the base by 9%.

3. **Continuing Education** – in order to encourage a pastor to continue his/her education, a certain amount should be set aside for the purpose of helping to cover the cost of continuing education. This could be 1% or 2% of the base salary. That would be paid as it is needed. It should be a separate line item in the church budget, not included in salary.

4. **Social Security offset** – pastors are considered to be self-employed by the IRS and as such, they are required to pay the full amount of the SE tax (Social Security tax). People who are not self-employed (which is the vast majority) pay half of the requirement and their employer pays the other half. Many churches provide an additional pay equal to 7.65% (half of SE tax) of the pastor’s salary to help “offset” the additional debt and put the pastors on an equal playing field as the vast majority of employed people. This is taxable income to the pastor.

5. **Housing Allowance** – the amount of the housing allowance is actually included in the base salary figure but there are several tax considerations in separating this amount out of gross salary for reporting purposes. Federal tax law permits a pastor who owns or rents a home to exclude from gross income that portion of income that is designated in advance as a “housing allowance” by the church or governing church board. That housing allowance must be documented in a letter for record by the governing board by the end of the previous calendar year. The amount designated as housing allowance per month can include the following in the total: rent, monthly mortgage payments, property taxes, insurance, utilities, furnishings, repairs and maintenance.

6. **Cost of Living Adjustment** – each month the U.S. Department of Labor Statistics issues a Consumer Price Index of CPI for the United States as well as regionally for the purpose of showing how the cost of living has either increased or decreased. By taking the price changes in housing, utilities and various key consumer goods in the last twelve months, if a CPI of 2% is determined, this means it costs 2% more now to
obtain the same goods and services than a year ago. Many employers and churches adjust salaries accordingly.

D. Benefits (see Appendix for samples of various benefits)

1. Paid Sick Leave – most churches establish a certain number of days per year for sick leave. Ten days per year would be one possibility. Most pastors work enough hours to more than compensate for any days off for sickness. It is recommended that carry over of sick days not used from one year to the next be limited to one year’s accumulation.

2. Paid Holidays – examples of holidays would be July 4th, Labor Day, Thanksgiving Day, Christmas and New Year’s Day. Many times pastors work on holidays and it is appropriate to allow them days off in lieu of the actual holiday date that they worked. It is recommended that unused paid holidays not be carried over. Comp (compensation) days can be used if the pastor works on a holiday. The comp day should be used within one month of the holiday.

3. Paid Vacations – generally this is negotiated by the Pastoral Search Committee or other church board in the hiring process but a reasonable starting point would be 10 vacation days or two weeks in the first year and increasing to 20 days or four weeks after ten years of service. For a ten day per year paid vacation rate, use 6.67 hours per month accumulation rate. It is recommended that you establish a limit on carry over of vacations by establishing a bank of days that does not exceed one and a half years accumulation of vacation days at any time.

4. Additional Paid Days – paid time for working with ministerial organizations, jury duty, military training, bereavement, and advance education are all items to be considered. Establish a limit of paid days to limit church liability.

5. Paid Insurance – many churches provide health and life insurance for pastoral staff. A significant number of churches provide some kind of Life Insurance. Health insurance can be provided to the pastor(s) and their families covered 100% by the church, 100% of the pastor(s) and a portion of the families or a portion of the pastor(s) and their families. Many churches are also providing disability insurance for the pastor(s).

6. Retirement – some kind of retirement fund or provision should be provided. Additional help can be found by visiting the web site of the Board of Pensions of the Church of God or contacting someone from that organization. The web address is www.cogpension.org. The phone number is 800-844-8983. Many helpful resources, articles and tax information are available 24 hours a day.

7. Additional Benefits – included on the Board of Pension web site are up to date articles and methods of additional benefits that are possibilities for clergy. Such as;
Sabbaticals, professional allowances, continuing education and health reimbursement arrangements.

**E. Reimbursements**

A church should have a line item in their budget for pastoral expenses and project what expenses would be incurred for each (each item must have a limit established):

1. **Auto** – ABC Manual Block C2
2. **Meals** – meals purchased while on official church business
3. **Lodging** – rooms and lodging while on church business
4. **Gifts** – gifts purchased and given in the role of pastor of the church to members of the church or staff.
5. **Benevolent gifts** – money, food or lodging given by the pastors to those in need.
6. **Entertainment** – any time the pastors are required by church duties to entertain church guests at home or at restaurants should be reimbursable with appropriate documentation.
7. **Additional reimbursements** can be found in the books mentioned in the bibliography. The church can either issue a set amount of money to the pastors at the beginning of the year or periodically. They can also establish a line item in the budget and reimburse as they are requested to do with the receipts, purchase orders or other documentation. In either method, the pastors need to keep receipts and records to justify the reimbursements to the IRS and the church.

**Calling Agreement**

Once a church and pastor have reached an agreement on salary package, it should be put in writing. An example of a “calling agreement” follows:
Minister “Calling” Agreement

Note: This is not to be considered a contract in the usual sense. It is simply a written statement of ministerial compensation as agreed to by church leaders and ministers.

The ______________________________ of _________________________________________

Board/Committee                                                           Church

Reverend _______________________________ have discussed the following salary, fringe benefits and reimbursables, and have reached understanding and agreement. This agreement is effective from ______________, 20___ to ________________, 20___.

I. Salary for the year will total $______________. Of the salary $______________ is to be considered Housing Allowance or Housing Maintenance Allowances. (The Board of Trustees will adopt the Housing Allowance resolution annually.) The salary will be paid _____________________.

II. Fringe Benefits:

A. Pension Contribution: The church will pay ____% of total salary. Amount this year will be $_______________.

B. Health Insurance: The coverage is provided by ___________________________ at an estimated cost of $ _____________. The premium will be paid by the church to ___________________________. If the cost rises during the year, the church will / will not pay the increase.

C. Social Security (Self-employment Tax): This cost is to be paid by the minister. The church, however, in recognition that the minister pays 100% of this cost compared to secular workers who pay 50% of this cost, chooses to assist the minister with this obligation by contributing to him/her the following: $ _________________.

D. Vacation: The schedule provides _____ vacation weeks for the current calendar/fiscal year.

E. Workman’s Compensation Insurance. This coverage is / is not provided.

F. Emergency Leave of Absence: Emergency leave is defined as follows:

_____________________________________________________________________
_____________________________________________________________________

The minister will / will not receive normal salary. If not, explain: _____________

(circle one)
G. **Ministry Leave of Absence**: The church will provide for the minister to be away for ____ days / weeks for preaching missions, conference leadership, etc. The minister will receive normal salary for ____ days / weeks while serving in this manner.

H. **Sick Leave**: The sick leave agreement concerns those illnesses and injuries which cause disability extending beyond ____ days. Salary will continue at full rate for ____ days. For the next ____ days, it will continue at ____% of the total salary. The church does / does not provide disability insurance. If yes, the amount per week benefit is $____________. Benefits are payable after ____ days of disability. The benefits are to be paid to __________________________. In the event of permanent disability, Minister/church or death of the minister, the parsonage is to be vacated within ____ days / weeks.

I. **Life Insurance**: The church will pay $__________ per week/month to __________________________

J. **Chaperone Leave of Absence**: The job-related activity is anticipated and appreciated by the church. This year the church acknowledges the following leave requests and approves.

1. Event Duration
2. Event Duration
3. Event Duration
4. Event Duration
5. Event Duration
6. Event Duration

III. Reimburseables:

A. **Auto Expense Allowance**:
   ____ Government (IRS) allowable @ ____ cents per mile, OR
   ____ Other: ____________________________________________________

B. **Publications and Library**: The minister is free to invest $__________ in various magazines, tapes, books, etc. These items are to be the property of __________________________.

C. **Education Leave**: The minister is free to schedule __________________________ as an approved continuing education experience. The time away is to be ____
Tuition costs of $__________ are to be paid by __________________________.

Travel costs of $__________ are to be paid by __________________________.

The salary will/will not continue. Effective 12/31/2001, the Tax Relief Reconciliation Act of 2001 provides that graduate education costs (limited to $5,250.00 annually) are not taxable income when provided to an employee in studies that enhance their work-related performance. Total undergraduate costs remain tax free.

IV. Other:

A. Pulpit Supply: During approved absences, the church will/will not pay pulpit supply costs. When the minister is paid by both the church and the group receiving his/her service, the minister will/will not pay the pulpit supply costs.

B. Other items such as equipment, computer, etc.:

____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

Acknowledged: ___________________________ minutes dated ____________, 20___.

Dated: _________________________, 20___  Signed

________________________________________
Minister

________________________________________
Chairperson
Pastoral Evaluations

The ABC’s committee has not found an evaluation form that is really functional for churches. However, below are three samples of what may be used.

Pastoral Questionnaire

We invite your participation in a program to assist your pastor to strengthen his/her effectiveness in ministry. Please answer the questions candidly and objectively. The answers will be shared with the pastor only in a composite report so that confidentiality can be maintained.

A. Professional Abilities and Attitudes

Circle the appropriate number to indicate your assessment of your pastor.

<table>
<thead>
<tr>
<th></th>
<th>Poor</th>
<th>Fair</th>
<th>Avg.</th>
<th>Good</th>
<th>Excel</th>
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</thead>
<tbody>
<tr>
<td>1. Fulfills responsibilities promptly and adequately</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2. Shows satisfaction in his/her work</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>3. Protects confidentiality</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>5</td>
</tr>
<tr>
<td>4. Works effectively under pressure</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5. Dresses, grooms appropriately</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>6. Manages time wisely</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

B. Personal Characteristics

Circle the number that best reflects your observation of the pastor’s characteristics, with the numbers showing a scale from the description on the far left to that on the far right.

<table>
<thead>
<tr>
<th></th>
<th>1 2 3 4 5</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Weak spiritually</td>
<td>1 2 3 4 5</td>
<td>Strong spiritually</td>
</tr>
<tr>
<td>Low commitment</td>
<td></td>
<td>Deeply committed to Christ, His church and the ministry</td>
</tr>
<tr>
<td>2. Conventional</td>
<td>1 2 3 4 5</td>
<td>Imaginative; innovative</td>
</tr>
<tr>
<td>Lacks originality, freshness</td>
<td></td>
<td>Uses fresh, new methods; sees new possibilities</td>
</tr>
<tr>
<td>3. Insensitive to others</td>
<td>1 2 3 4 5</td>
<td>Warm; sensitive to others</td>
</tr>
<tr>
<td>Tactless, brusque, cool, distant</td>
<td></td>
<td>Empathetic, understands other’s feelings; caring</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>---</td>
<td>-------</td>
<td>---</td>
</tr>
<tr>
<td>4.</td>
<td>Suspicious</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>Distrusts others and their motives</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Indecisive</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>Has difficulty making decisions</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Lacks enthusiasm</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>Not inspiring; doesn’t get excited</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Divisive</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>Polarizes people</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Lacks confidence</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>Needs constant support</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Rigid</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>Resists change; opinionated</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Compromises values</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>Accommodates values</td>
<td></td>
</tr>
<tr>
<td></td>
<td>circumstances</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Ill at ease</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>Appears nervous, tense</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Vague thinker</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>Elusive, illogical</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Inaccessible</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>Isolates self; seems too busy to care</td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>Low credibility</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>Manipulative, untrustworthy</td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>Disorganized</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>Scattered, weak plans</td>
<td></td>
</tr>
</tbody>
</table>

**C. Pastor Skills**

Circle the appropriate number.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Soul-winning; outreach</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Conducts/supports public evangelistic meetings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Poor**  **Fair**  **Avg.**  **Good**  **Excel**
<table>
<thead>
<tr>
<th>Task</th>
<th>Poor</th>
<th>Fair</th>
<th>Avg.</th>
<th>Good</th>
<th>Excel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holds personal Bible studies</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Involves and trains laypersons for soul-winning</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Conducts baptismal classes for adults and children</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Visits evangelistic interests at home</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Supports health, family, community classes</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

2. Pastoral Care

<table>
<thead>
<tr>
<th>Task</th>
<th>Poor</th>
<th>Fair</th>
<th>Avg.</th>
<th>Good</th>
<th>Excel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Makes pastoral visits</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Does counseling</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Gives leadership to youth</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Relates to members with warmth and care</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Handles conflict</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

3. Worship

<table>
<thead>
<tr>
<th>Task</th>
<th>Poor</th>
<th>Fair</th>
<th>Avg.</th>
<th>Good</th>
<th>Excel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preaches</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Encourages worship atmosphere – warm, orderly, reverent, spirited, appropriate music</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Conducts baptisms, communion services, child dedications, etc.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

4. Leadership and administration

<table>
<thead>
<tr>
<th>Task</th>
<th>Poor</th>
<th>Fair</th>
<th>Avg.</th>
<th>Good</th>
<th>Excel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducts board, committee meetings</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Follows up board, and committee actions</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Guides overall church program</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Communicates church program to members</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Inspires and motivates members</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
## Pastoral Survey

### Name of Church
_____________________________________________________

### Name of Pastor
_____________________________________________________

As a part of our self-improvement program, we are surveying church members to discover how we can improve our pastoral skills. Your name was drawn from a random sample to represent your congregation in helping your pastor better understand his/her strengths and weaknesses.

Please mark your agreement or disagreement with each of the ten statements. Comments are especially important when you disagree with the statement.

1. **My pastor is a spiritual leader.**
   - [ ] Strongly disagree
   - [ ] Disagree
   - [ ] Unknown
   - [ ] Agree
   - [ ] Strongly agree

   **Comments:**

---

<table>
<thead>
<tr>
<th>Recruits and trains leaders</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gives financial leadership</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

**Summarize strengths:**

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

**Suggestions for improvements:**

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

*The above survey was prepared by the Potomac Conference.*
2. My pastor organizes and administers the church effectively.
   - [ ] Strongly disagree
   - [ ] Disagree
   - [ ] Unknown
   - [ ] Agree
   - [ ] Strongly agree

   Comments:

3. My pastor meets the reasonable expectations of our congregation.
   - [ ] Strongly disagree
   - [ ] Disagree
   - [ ] Unknown
   - [ ] Agree
   - [ ] Strongly agree

   Comments:

4. My pastor’s sermons are biblical, interesting, and helpful.
   - [ ] Strongly disagree
   - [ ] Disagree
   - [ ] Unknown
   - [ ] Agree
   - [ ] Strongly agree

   Comments:

5. My pastor visits regularly in members’ homes to provide encouragement and spiritual growth.
   - [ ] Strongly disagree
   - [ ] Disagree
   - [ ] Unknown
   - [ ] Agree
   - [ ] Strongly agree

   Comments:
6. My pastor is helpful when I am sick or in a crisis.

☐ Strongly disagree
☐ Disagree
☐ Unknown
☐ Agree
☐ Strongly agree

Comments:

7. My pastor is accessible when I need him/her.

☐ Strongly disagree
☐ Disagree
☐ Unknown
☐ Agree
☐ Strongly agree

Comments:

8. My pastor is interested in our youth and encourages good programming for them.

☐ Strongly disagree
☐ Disagree
☐ Unknown
☐ Agree
☐ Strongly agree

Comments:

9. My pastor trains our officers and leaders for their church duties.

☐ Strongly disagree
☐ Disagree
☐ Unknown
☐ Agree
☐ Strongly agree

Comments:
10. My pastor supports evangelistic programs to help our church grow.

- [ ] Strongly disagree
- [ ] Disagree
- [ ] Unknown
- [ ] Agree
- [ ] Strongly agree

Comments:

The thing I like best about my pastor is:

If I were going to change anything about my pastor it would be:

The above survey was prepared by the Potomac Conference.

This last example of a pastor(s) evaluation has several parts and has been utilized by large, multi-staff churches.

**Goal Review Form**
Date: ___________

Person being reviewed: ___________________ Position: ______________________

Supervisor completing review: _________________ Position: ___________________

Total # of Goals: _____ # of Goals on Schedule: ____ # Goals behind: _____

1. What has been the most productive project or goal?

2. What goals need to be reworked?

3. What areas of ministry need more definition and development?

4. What has been learned in this last season of ministry?
5. What, if any, changes will you implement in this next season?

6. What do you need from me to help you accomplish your goals?

Signatures:

Staff: ____________________________
Supervisor: _________________________

Performance Review Process

Performance Reviews help guarantee the most objective appraisal of an employee’s performance. The following process is to be used with all employees and key volunteers who oversee a significant ministry area. The goal is to regularly assess an individual’s skills, workload, compensation, and any performance accomplishments, and reduction of performance gaps.

Schedule the Review: The supervisory person should schedule the review in advance, suggested minimum of one month.

Determine the Type of Review: The supervisory person should determine the type of review to be conducted, i.e. primary review (supervisor to individual), a 180° (supervisor and peers) or a 360° review (180° plus ministry recipients).

Give out Review Material Based on Review Type: Give any review material to the individual being reviewed and any peers or sources (recipient) participating in the review process.

Collect Return Forms: If any forms need to be returned to you prior to the review, specify the due date.

Clarify degree of review and outcome expectations: Review material prior to the review and determine if there are any expected outcomes connected to this review, i.e. promotion, expanded responsibilities, decreased responsibilities, raises, or reprimands. Is it a primary review (supervisor to individual), a 180° (supervisor and peers) or a 360° review (180° plus ministry recipients). Review previously completed reviews to see if a follow-up to a “performance gap” is necessary.

Fill out Performance Review: With all of your forms gathered and reviewed, fill out either the performance review (once a year or at a special occasion), or the goal review (2-3 yearly). The last page of the performance review has a summary section for each portion of the 360°.
**Meet with Person Being Reviewed:** Meet with the staff or volunteer being reviewed. Let the staff person express their feelings and perceptions of their performance, and follow-up with your assessment of what has gone well (celebrate) and what needs improvement. Discuss all areas being considered making additional notes where needed follow-up or celebration is important.

**Record Score and Make Recommendations:** Make and record your assessment of the person being reviewed based on the 1-5 scale. Show the possible score and the score they received. Make a recommendation for yearly reviews, either a bonus and/or a raise.

**Follow-up Paperwork:** Make 4 copies of the completed review; give one to the staff; one to any department head over your position; keep a copy for your file; and submit the original to the Office Administrator with any recommendations for bonus, raises, or job changes.

**Follow-up Personal:** Touch base with the staff being reviewed to encourage and give on-going supervision and feedback.

---

**Overview of Definitions**

1. **Goal Evaluation:** Done by Council and Supervising pastor or leader.
   - Use goal review for the evaluation process.
   - Goal review filled out by supervisor.

2. **Team Evaluation:** Done by coworkers and supervisor.
   - Are there any “concern cards” in the employee file, and do they reflect any unhealthy trends? Evaluated by supervisor.
   - Staffs that work with the person under review will be asked to respond in writing to the following questions with a numerical evaluation and a comment.

3. **Recipient Evaluation:** Done by a sampling of the group being ministered to.

4. **Performance Evaluation:** Done by supervisor with copies going to the individual being reviewed, their personnel file and to any elder or leadership council that are intended to review such material.

5. **Staff assessment review:** Done by individual being reviewed. Each staff person will be given three reviews in a year. The goal evaluation and the team evaluation will be conducted at all three reviews. The recipient, performance, and staff assessment evaluations will accompany the third and final review of the year.
Recipient Questions

1 = poor
5 = excellent

Due Date: _________________________

1. Servant Leadership: __________________ displays a servant kind of leadership that makes those volunteering feel supported. 1 2 3 4 5
Comments:

2. Shepherding: _________________ consistently displays caring behavior towards those around him/her through good listening and supportive words and actions. 1 2 3 4 5
Comments:

3. Communication: _________________ gives clear direction and instruction to the volunteers he/she leads. 1 2 3 4 5
Comments:

4. Stimulates growth: _________________ leads is such a way that those being ministered to are challenged and inspired to live a more consistent spiritual walk. 1 2 3 4 5
Comments:

5. Casts Vision: _________________ keeps the church’s mission and vision in the minds of those being ministered to. 1 2 3 4 5
Comments:

6. Effectiveness: _________________’s ministry produces the fruitfulness that represents effective ministry. 1 2 3 4 5
Comments:

Reviewed by: ____________________________

Date: ____________________________

Note: Use back of page if needed.
Team Questions

1= poor
5= excellent

Due Date: ______________________________

1. Integrity: Does _________________ conduct him/herself in a manner that is consistent to our values and standards of leadership? 1 2 3 4 5
   Comments:

2. Conflict Management: _________________ handles conflict quickly, clearly and with a gracious attitude. 1 2 3 4 5
   Comments:

3. Shepherding: _________________ consistently displays caring behavior towards those around him/her through good listening and supportive words and actions. 1 2 3 4 5
   Comments:

4. Communication: _________________ consistently gives clear direction and instruction in oral and written form. 1 2 3 4 5
   Comments:

5. Performance: _________________ follows through on his/her responsibilities with a clear commitment to quality and other’s time. 1 2 3 4 5
   Comments:

6. Team value: _________________ carries his/her share of the weight on our team. 1 2 3 4 5
   Comments:

Reviewed by: _______________________________

Date: _______________________________

Note: Use back of page if needed.
Performance Review

Employee: __________________________

Supervisor: ___________________________

Date: _______________________________

Employee Comments (self evaluation)

Answer the following three (3) questions in the space provided below or on the back of this form and exchange with the supervisor conducting the review. If additional pages are used, please include your name and the date on each.

1. What were the most positive aspects of my performance during the last 12 months?

2. What were the weakest aspects of my performance during the last 12 months?

3. Which steps can I take which will best improve my performance in the next 12 months?
Employee Comments (cont.)

1. What did your supervisor do in the last twelve months that was the most helpful in improving your job performance?

2. What did your supervisor do that hindered your job performance?

3. What could your supervisor do in the next twelve months to improve your job performance?
Performance Review

Employee: _____________________________

Supervisor: _____________________________

Date: ________________________________

Supervisor Comments
(Employee Performance)

Answer the following three (3) questions in the space provided below or on the back of this form and exchange with the employee. If additional pages are used, please provide the date and the employee’s name on each.

1. What were the most positive aspects of the employee’s performance during the last 12 months?

2. What were the weakest aspects of the employee’s performance during the last 12 months?

3. How can this employee best improve his/her performance in the next 12 months?
Supervisor Comments (cont.)

List employee’s major areas of responsibilities and the style of supervision provided.

<table>
<thead>
<tr>
<th>Major Areas of Responsibility</th>
<th>Directed</th>
<th>Coached</th>
<th>Supported</th>
<th>Delegated</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

Please give an overall ranking to the employee’s job performance.

- □ Unacceptable – Job performance must change dramatically in order to retain position.
- □ Below expectations – Needs significant improvements in one or more areas.
- □ Expectations met – Accomplishing job for which they were hired.
- □ Exceeds expectations – Quality of effort and results consistently above average.
- □ Far exceeds expectations – Skill and effort of employee would make them extremely difficult to replace.
It is the policy of _______________________________ Church that performance reviews take place at least annually. The supervisor has the responsibility to communicate to his/her employees what he/she expects, and the employee has the right to know what his/her supervisor is thinking relative to on-the-job performance.

The employee and his/her supervisor are to answer the questions on the attached forms one week prior to the review and then exchange their written comments. The supervisor should encourage an open, two-way discussion. A complete set of these comments should be kept by each party and then signed by both the employee and supervisor and placed in the employee’s personnel file.

A performance review for _______________________________ was conducted on

Name

______________________________

Date

______________________________  __________________

signature – Employee     date

______________________________

signature – Supervisor     date
Sabbaticals

Churches should have policies in place that allow for pastoral sabbaticals. Richard Shockey has written the following document to help churches prepare for such events.

When a minister serves a congregation for six years or longer, it is time for a sabbatical. An extended time away for the purpose of study, enrichment, vision casting, travel, rest, prayer and/or visiting different cultures provides the needed respite that is pivotal in helping assure continued healthy leadership. Congregations may be strengthened by offering a pastor or an associate a sabbatical – time to briefly step away from the cyclical, unending demands of daily parish life.

A sabbatical is not a vacation. Rather it is a time for intentional exploration and reflection, for drinking anew from God’s life-giving waters, and for regaining the enthusiasm and creativity for ministry.

Genesis and Leviticus speak of “Sabbath time” in terms of days, years, and land usage. Since the Sabbath is recognized as a distinctive time in creation – as a gift of rest for both renewal and hope – Scripture infers that regular, periodic rejuvenation is vital in all areas of life. The Old Testament writers directed a time period for the soil to remain untilled so that it could replenish itself. Just like the soil, humans need a season to lie fallow for revitalization of the body, mind, and soul. Dave Ellingson declared, “We require a time to receive rather than give, to get input rather than give output, to carefully nurture and cultivate our lives so that the soul of our spirits might be rid of weeds and have an opportunity to receive nourishment (Ellingson, page 2).”

Pastors, associates, and ministry leaders are called to the work of ministry as servants of the church. Because of the spiritual dimension of leadership and the emotional energy required by the task, ministers often get into a “give and give and give, but never receive” treadmill. When there is little relief from the constant pressure of Sunday morning deadlines, committee meetings, counseling sessions, visitation schedules, community commitments, and a host of other day-to-day encounters, a leader might scream, “Stop the world. I want to get off!” Greg Asimakoupoulos discovered in his weariness, “Much of my depression was actually my body’s muffled cry for rest (Asimakoupoulos, page 102).”

A sabbatical allows the minister to get off the treadmill in exchange for a battery recharge of vision and hope. It creates an opportunity for the minister to:

- recapture a sense of vision,
- be nurtured in faith and skills,
- become introspective,
- rekindle spiritual passion,
- refocus priorities,
- review the ministerial journey, and
- reflect on the call of God for life and ministry.
A sabbatical feeds the body, mind, and soul resulting in renewed, refreshed, and revitalized energy to function as a shepherd and servant leader. Several clergy persons have expressed “ah-ha” moments as a result of the sabbatical journey. Often, the sabbatical extends the pastor’s tenure with a congregation. When the minister returns with a renewed vision, the congregation often opens a new, exciting chapter in congregational ministry.

A congregation would be well advised to establish a sabbatical policy that determines at what point in the minister’s tenure a sabbatical may occur, the length of time that may be taken, and a process for evaluating the experience. For example, one church established a policy providing for a three-month sabbatical after the minister had completed six years of service to the congregation (associates were included in the same sabbatical policy). Following the sabbatical, the minister was asked to report on the experience. In addition, a questionnaire was developed for congregational evaluation of church life while the pastor or associate was gone. The survey helped the leadership prepare for the next sabbatical leave.

Issues centering on finances often surface when the subject of ministerial sabbaticals is raised. In many cases, congregations may declare, “We can’t afford it.” This kind of reaction is more likely if the church is experiencing a budget crisis at the time of a sabbatical leave request or has failed to make adequate preparations for the funding of sabbaticals.

Careful planning, however, can assure a sabbatical’s fiscal feasibility. Assuming a sabbatical policy of two to three months is granted after six years of ministry, a simple formula may be written into the yearly church budget enabling an amount, equal to one to four weeks of a minister’s salary package, to be set aside for sabbatical reserve. After six years, the accumulated amount would be available from the reserve fund. The same formula would continue during the sabbatical year, providing for ministerial continuing education expenses and travel costs, as well as monies to pay interim expenses. If invested, the reserve funds could collect interest and further enhance an excellent resource pool for sabbatical expenses.

A sabbatical allows the minister to be away from the congregation for an extended time period. In all cases, there needs to be a backup plan for crises moments. An interim pastor or a minister-on-call should be available to provide pastoral care and leadership during emergency experiences. The lay leaders and/or pastoral staff need to clarify lines of authority, logistical issues, visitation patterns, newcomer follow-up, and a host of other issues during the minister’s absence.

It is best to establish a single, key contact person who is designated to interact with the minister during the sabbatical. This contact person may call the minister on an “as necessary” basis. To site a specific example of such a necessity, one pastor was contacted when the church was struck by lightning and burned to the ground.

Except in dire emergencies, however, the minister should be free to experience the sabbatical unhindered by the routine of congregational life. When a plan is established, congregational life generally runs smoothly and efficiently during the sabbatical.
A minister should design a sabbatical that is unique to his/her personal requirements. When Jesus retreated, he went to a mountain or out on a boat. He designed his time away based on the inner needs in his life. Ministers should do the same.

Sabbaticals should be planned with the church’s leadership. A written sabbatical plan gives objective focus and a common, agreed-upon understanding of the purpose and goals for the time away. Elements of the sabbatical should be strategically planned to give balanced time for personal relaxation and other components such as education, travel, etc. Ingredients of a sabbatical proposal include:

- What the minister desires to accomplish during the sabbatical.
- A description of the sabbatical plan, with timelines, and activities.
- Detailed congregational leadership assignments during the minister’s absence.
- A specific declaration of expected budget expenses.
- The preparation of an evaluation form to assess church life during the sabbatical.

Preparation for a sabbatical requires time. It could take as long as one year to contemplate and finalize the plan and to position leadership for the absence of a minister. Intentional planning is absolutely necessary. The time investment is well worth it, however.

Vibrant, healthy congregations are led by vigorous, effective ministers. To retain the spark of dynamic leadership, a minister needs to step away from the intensity of daily ministry for breathing space. During a respite from leadership, pasturing, administrating, counseling, comforting, and fundraising, the minister may learn, grow, and renew his/her personal wellsprings of faith and commitment. Following a sabbatical, a minister often resumes congregational leadership with a fresh spirit and a renewed passion.

**Getting ready for retirement**

Rev. Leonard Snyder prepared the following insights regarding retirement for the pastor. Some years ago I heard Dr. Elton Trueblood say, “Life is lived in chapters and it is a wonderful thing to know what chapter you are in.” He went on to say that everyone should hurry up and retire so one could do the things he/she wanted to do without having to worry about earning a living.

As a minister looks back over the chapters of his/her life the book may be divided into many chapters. Some of those chapters might be entitled, Childhood, The Teen Years, When I Became a Christian, My Call to and Preparation for Ministry, My First Assignment, My Best Experience, The Parenting Chapter, or The Grandparenting Chapter. Perhaps in the pages, yet to be written in the book of your life is a chapter called RETIREMENT. The time immediately preceding that chapter could be called THE TRANSITION CHAPTER. What happens in the Retirement Chapter is going to be greatly affected by what happens in this chapter.

If you are the one facing retirement, interest in this subject may be prompted by the clock of life that keeps ticking. That clock seems to either trigger changes of which we and others
may be aware. Perhaps at this point in your life you may be noticing changes that are not always so welcomed. It may be that you don’t hit the golf ball as far as you need to, or working all day and attending meetings all evening leaves you a little more “done in” than before. An all-day shopping trip now calls for a little bounce back time. Having the kids home for Thanksgiving is still wonderful, but you notice that it is a lot more work than you remembered it being.

On the flip side, the chapters in the life of a church may be related to topics such as: When We Started, Our First Pastor, Our First Building Program, and many other chapters. Sometimes people think of the chapters in the life of a local congregation in terms of the pastors who were there. These chapters may be noted by a display of pictures hanging in some prominent place. For whatever reason, it is not likely that any of those people whose pictures appear in this gallery of photographs are in the local congregation except the present pastor.

Whether it is a principle or a fact of life, it is generally true that laypersons come to stay and pastors come to go. In most cases you hope pastors come to stay for a lifetime, unless God-inspired vocational or educational pursuits or a call to ministry leads them elsewhere. However, one cannot imagine or wish for a situation where all former pastors were still present and active in a local congregation.

Change is inevitable. Congregations that have maintained warm and cordial working relationships with their ministers are to be commended. Likewise, those who come to the time of retirement and are still faithfully involved in ministry are to be commended.

A Baptist survey that I heard about recently stated that only one out of every twenty who begin ministry will finish it. Another statistic showed that of every 10 who begin ministry, five will be out within five years. Only two of those will re-enter ministry.

Cleaning out some files, I came across a couple of letters from old friends of mine. One was a boyhood friend, who was with me the night I became a Christian. He was one of the gifted young men in the Movement who had almost completed his studies for a PhD when family problems entered the scene. Finally there was a separation, a divorce, and then his defrocking. It is still one of my life’s losses. I re-read the letter of his hurt and frustration and realized again that basically he had no one to blame but himself.

The other letter was from a friend in college. He, too, was gifted and became a recognized pastor, but a moral failure led to his giving up the ministry.

My point is not to suggest that there are many failures, but to call for a commendation of those who have been faithful. Hopefully the local congregation that has a pastor and spouse coming to the Retirement Chapter will find some appropriate way to honor ones who have been faithful. The question is not one of calculating so-called successes, nor whether they received 1, 3, or 5 talents from the Lord, but only that they have been faithful to use what God entrusted to them.
An interesting Old Testament Scripture recognizes the need for a chapter call Retirement.

(Num 8:24-26 NIV) “This applies to the Levites: Men twenty-five years old or more shall come to take part in the work at the Tent of Meeting, but at the age of fifty, they must retire from their regular service and work no longer. They may assist their brothers in performing their duties at the Tent of Meeting but they themselves must not do the work. This, then, is how you are to assign the responsibilities of the Levites.”

While our situations are far removed from those described for the Levites, it does point out that even centuries ago, people recognized the need for a transition in the aging process of life.

1. Issues for the church to consider

1. When will your pastor retire? Related to that are questions like, “How old is your minister and does he/she plan to retire at 62, 65, or some future date? Probing the minister for the answer to these questions is probably not the best way to deal with this issue. Hopefully the minister will make that announcement at the appropriate time.

It needs to be understood by both parties that the will of God is the ultimate consideration any time a pastoral change is made. There may be other issues than the 65th birthday that determine when this should occur. In the larger picture, there could be health issues, or it could be that a working spouse could acquire lifetime health benefits for the family by working another year at his/her place of employment. This might be a major financial advantage and there is no set time in most situations when a person should retire.

Pressing a pastor for an answer to this question is usually not wise. However, a pastor must be aware of the fact that a congregation may have a legitimate interest in knowing at what point this transition will occur.

2. If a pastor has lived in a parsonage through his/her ministry, where will “home” be in retirement? Is there some way to help the pastor make a transition from a church-owned house to buying or renting for perhaps the first time since entering the ministry? While living in a parsonage has benefits, the downside of the story comes at retirement when a minister is faced with the reality that the parsonage is no longer available and there is no place else to live. A house that has been home for a number of years and that is now paid for, partly out of what was considered a minister’s pay package, is the property of the church, not the one who has lived in it. In a sense, the pastor either paid rent, by exchanging part of the pay package to live there, or made payments on the house by the same means.

3. Ministers come to serve and then move on. While there are exceptions, ministers need to accept the reality that ministry in a given place is for a SEASON. It is also true that most congregations understand that ministers do not come to STAY, even as persons who serve in other fields of endeavor, i.e., persons in politics or business.
Congregational lay leaders are given assignments in the body of Christ for a specific period of time and then they, too, move to other areas of service. Persons who hold the same church job for overly-long periods of time may be well-intentioned but may also become problem persons in the life of the church.

We are ALL servants of the Most High God working in HIS church under the HOLY SPIRIT, following BIBLICAL EXAMPLES AND GUIDELINES.

2. Issues for the minister to consider

1. Where will you worship?
   You worked and ministered in a place where in many ways you have had it YOUR way. That is probably an exaggeration, but hopefully you have not been in a situation where it never went like you thought the Lord would have it go. After retirement, what happens if it isn’t going the way you have led the church to go? There will be those who sense your possible frustration or hurt and that can lead to problems.

   Generally, it is probably true that a retiring minister’s family would see no reason for them to move from the local congregation. It is a delicate matter and could be very disruptive. Therefore, the retiring minister should not expect others to make the decision about where to live and worship.

   How would it feel if the news came that the candidating minister, thought very highly by the Search Committee, would not consider coming because the former pastor would continue to worship in the local congregation? That sort of thing does happen. A rather large church recently had a difficult time securing a new pastor, partly because the pastor who had recently retired decided to stay in the congregation.

   Another congregation has had years of conflict because the former minister wanted to come back to the congregation from which he retired. This is a lovely couple with family in the church who cannot understand why there should be any problem … but there is.

   Maybe in one out of ten situations, it is successful, but even then, it may take a lot of work to make it happen. It usually works better for the retired pastor than it does for the new pastor. What can the new pastor say, when confronted with “Do you want our former pastor to continue to worship here?” or “Do you mind if he does the funeral or wedding for a particular family?”

   Some former pastors who stayed on have actively solicited the opportunity to do weddings and funerals.

   The thought that it might not be best to continue to worship in the local congregation, may not be the easiest topic for a family discussion, but it IS one that needs to take place. There is no easy answer that applies to every situation.
2. Where will you live?

1. Even though you may live in your own house, some will still think of it as the parsonage, the house where the pastor lives.

2. For some, the thought of moving as the retirement chapter begins is a frightening and disconcerting thought. For others it might be an entirely new thought, and for some an unacceptable thought.

3. We served in Hamilton for 33 years and then moved to Delaware, Ohio when I served for five years as Director of Ohio Ministries. I am not sure what we would have done had we retired while still in Hamilton. We might have moved to another city or perhaps just opted to attend another congregation nearby. Our move made that choice easier. In addition, I am sure it was an advantage for a new and excellent pastor to have the freedom of not having a former pastor looking over his shoulder. He has often, and I believe sincerely, invited us to worship there on a regular basis, but I believe we have made the right decision for us. It would be very difficult to refuse the invitations that might have come to do weddings and funerals, experiences that are needed to help build strong ties to the new minister.

4. My study is not scientific and I, as Paul, cannot say this is of the Lord, but it is my honest opinion that when you leave a church you should leave.

3. Who will I be?

1. The retiring minister may well be asking the question, “Who will I be when I retire?” This leads to another question, “How much of what we think of ourselves is based on what we do?” How does one continue to relate to those who just yesterday called him/her pastor? The day after retirement is it still Pastor, Brother, or is it just Bill or Bob or Jane?

What you are called is not just an issue for the retiring pastor, but may also be an issue for the new minister or the members of the congregation. If the retiring pastor has deep feelings about the matter they should be made known so that everyone may be comfortable and avoid a possible embarrassing situation.

2. We were still in Hamilton for two weeks after my final Sunday and I recall saying that until we moved in a couple of weeks, I would certainly consider helping in an emergency. During that time, the Secretary called to say there was a need. She explained that the folding machine wouldn’t work and she could not finish her work. I gladly went and fixed it but afterward, I humorously thought, “After 33 years my value to the congregation is reduced to being able to repair a folding machine!”
4. What will you do?

1. We were asked by many different people, “What are you going to do when you retire?” Though we probably did not say it, the obvious answer to that question that often came to us was, “Why do we have to do anything?” What a blessed relief not to have to keep the schedule that has consumed much of your life for many years. To be able to let the phone ring occasionally without picking it up, and without fear of being called to task for an oversight, might be part of what retirement is all about.

2. Obviously, one who has served the Lord for so many years will find a myriad of ways to continue to serve. Some service will be with remuneration and other opportunities will simply be accepted as a part of your service as a member of a local congregation and your continuing service to God.

3. Perhaps you, too, will suddenly realize that one who has dealt with all the deep issues of many people’s lives in sermons, lessons and counseling appointments may be reduced to a fixer of some piece of equipment. And you don’t have to wear a shirt and tie to do that.

4. It can be a time to enjoy in a greater way things like family, fishing, tennis, golfing, photography, extended travel, missions trips or accepting conferences and preaching in places that time might not have permitted prior to retirement. You can have more time to enjoy old friends and greater opportunity to find new ones.

5. Will we make it financially?

1. It is a wonderful thing if one can have an income for life that is not related to a particular responsibility or employment situation.

2. How well you have planned for retirement will quickly become evident once the regular church checks stop coming. It is important that one take into consideration the need to cover things like health insurance and medical expenses. Many people retiring from other lines of work receive lifetime health insurance coverage. This almost never happens in the experience of a local congregational minister, but nothing says it couldn’t happen.

3. Early planning pays great dividends in the later years of life. Some say that it is those early dollars invested in a retirement program that makes the most difference.

4. The Social Security Office can give possible income projections for your retirement that are helpful. Also, if there should happen to be an error in your account, the earlier you catch and correct it, the better it is.
5. The Church of God Pension Board has an outstanding plan and their staff persons are always willing and anxious to help.

6. Issues for both church and minister to consider

1. Will the pastor continue to live in the same city and worship with the same congregation? Obviously, the decision about where the minister is to live is one he/she must personally make. However, where they worship is another matter. It would seem that the kind thing to do is to invite the minister to continue to worship with the congregation and the many dear friends. However, the Pulpit or Search Committee may discover that some prospective ministers do not want to consider an invitation because the former minister is still there. It is a delicate issue and the prospective minister may not express his/her reluctance to the committee. Even if the question is put to the prospect, he/she knows that there may be a pre formed bias behind the question and may be reluctant to share true feelings.

2. Candor at this point, from one who has dealt with such matters, prompts me to make this unscientific statement. In 9 out of 10 situations, it is not good for the former minister to continue to worship in the congregation from which he/she just resigned. Personality issues may be a factor here, but in almost every case I know where this has happened, the former pastor thinks it is working better than the present pastor.

3. Perhaps a potential conflict may arise when the leaders follow the new minister in ways that are contrary to those of the former minister led and still thinks best. Will the congregation feel hesitant to follow the new minister because of some sense of respect for the feelings of the former minister? How completely can the former minister lay down the leadership role when what has been hammered out in many meetings through discussion and prayer is set aside for a new and untried plan? Will the new minister feel free to make remarks or preach sermons that might be needed to raise some questions about the ways things were done in the past? It is not an easy situation!

What DOES the former minister do when it is not possible to be excited or even support the new programs and changes that are taking place?

4. When a pastor has retired from a congregation there are those who, for very sincere and understandable reasons, want to invite him/her back to officiate at weddings or conduct funerals. In such situations, it is hard for the former minister to say no. It is equally hard for the present minister to say no to the question by the former pastor, “Should I do it?” It is almost certain that someone would be offended if the present pastor would suggest that it might not be advisable.

Weddings and funerals are times of building relationships with people and every new minister welcomes the opportunity to serve and build those necessary bonds.
between minister and member. Except in extreme cases, it is probably best for the congregation to accept the presence of the new pastor who is anxious to serve and proceed on that basis.

7. A final thought

1. Prepare to appreciate and enjoy the Retirement Chapter. It need not be a dreaded ugly giant...but a beautiful gift from God. It is not a time to stop, but a time to slow down as you get ready to go and meet Him.

2. It will be largely a personal decision to be happy or frustrated. If you are a gripper, it will probably get worse.

3. A friend, who had a somewhat distinguished ministry, complained that he ended up living in a tin box, meaning a trailer, which incidentally was a very nice one. He seemed sour and cynical because he did not get the recognition that he thought he deserved and apparently did not have the financial base he desired. His negative attitude not only affected him, but those around him as well.

4. If you are a happy person in the Lord, there is every reason to believe you can continue to be happy in the Lord.

5. Changes will likely occur
   - Your support group will change
   - Your location will likely change
   - Your income will change
   - Your lifestyle will change
   - Your wants will change
   - Your taxes will change
   - Your dress will change
   - Your goals and ambitions will change.
   You will not be driven by others, but by your God given call.

6. Those who, throughout their ministry, have told others that the Lord will provide, have no reason to believe anything different as they retire.

Psalm 32:8

_I will instruct you and teach you the way you should go, I will counsel you with my eye upon you._

Not what I wish to be, nor where I wish to go,
For who am I that I should choose my way?
The Lord shall choose for me, ‘tis better far, I know’
So let Him bid me go or stay.
Appendix A

Employee Compensation Item Examples

Continuing Education: as budget item and as time item

Example 1: as budget item

The congregation should provide a minimum of $300 per year to defray the cost of tuition, etc. for the pastor to improve his/her skills and to experience personal growth for a more effective ministry.

Example 2: as time item

Continuing education and service to the church at large is encouraged of the pastoral staff. To encourage such, the following schedule of time away will apply:

A. Senior Pastor: from two to three (2-3) weeks as granted by the Board of Elders.
B. Associate Pastor: from one to two (1-2) weeks as granted by the Board of Elders.

Since there are some educational programs that are available one day a week, the pastoral staff may request of the Board of Elders to be given an additional day off for that purpose. This would be done instead of the one, two, or three (1, 2, or 3) weeks mentioned above.

On occasion clerical and other staff may request permission to attend a continuing education event that will facilitate them in their job performance. Up to five (5) days per year may be granted by permission of the Senior Pastor. Any expenses for their training will be paid by the Church and they will be paid their regular salary if they are required to be away from their duties.

Additional time may on rare occasions be granted: (ex. Doctoral intensive seminars, clergy renewal leave, etc.) but only by the approval of the Board of Elders and the Senior Pastor.

Unused continuing education and other service time may be used as vacation by pastoral staff but encouragement is given to use it as intended.

Example 3: as time item

1. The pastoral staff is allowed one Sunday per fiscal year to accept a speaking engagement outside of their normal responsibilities within the church. This is in addition to any speaking engagement they may schedule on days they take as vacation days.
2. The pastoral staff are allowed and encouraged to serve as speakers at retreats, camps, and other Church of God functions (not Sundays).
3. All absences as a result of speaking engagements of the associate pastor(s) require the approval of the Senior Pastor. Absences of the Senior Pastor require approval of the Board of Elders.
4. All full-time employees must request and receive approval from the Board of Elders to engage in any outside employment. This includes both volunteer and paid outside employment.

5. Part-time employees may engage in outside employment that doesn’t affect the performance of their scheduled duties without specific approval of either the Board of Elders or their supervisor.

6. The church realizes the value of continuing education and supports the pastoral staff in obtaining that education. The Board of Elders must be aware of deviations from normal work schedules resulting from attendance in continuing educational opportunities.

Social Security Allowance:

Example 1:

Social Security Tax for ministers is based on base salary, plus housing allowance. Hopefully, congregations will provide the full allowance, which is equal to 15.3% of the base salary, plus housing, after 7.65% is first deducted from the total. Please note: For tax purposes the SECC (Social Security Tax for Ministers) allowance given to the minister is classified as additional salary and is also subject to Federal and Social Security taxation.

Housing Allowance: See Block C2

Paid Sick Leave:

Example 1:

At least 3 weeks per year with full salary. The sick leave should accumulate year after year, if not used, so were an extended illness to develop, the congregation would better know how to compensate the pastor and for how long.

Example 2:

1. Sick leave for the Senior Pastor and Associate Pastor(s) is part of the salary negotiation, which is conducted when the call is issued. The sick leave period will be tied to the church fiscal year.
2. Annually the Administration Division will review sick leave benefits.
3. Part-time support staff that work less than 20 hours per week will receive three paid days of sick leave per church fiscal year. The “week” of vacation will be equal to their average work week.
4. Part-time support staff that work more than 20 hours per week will receive one paid week of sick leave per church fiscal year. This includes full-time support staff. The “week” of vacation will be equal to their average work week.
5. Sick leave may accrue from year to year; however, under no circumstances will an employee accrue more than twice his/her annual benefit of sick leave. For example, Employee A receives one week of sick leave per fiscal year. If he/she doesn’t use that
sick leave it may roll over onto the next fiscal year. If no sick leave is taken that second year the person now has twice his/her annual benefit of sick leave – no more sick leave will accrue until their current balance is reduced.

6. Sick leave will not be paid upon the termination of employment.

Example 3:

A. Full-time (30+ hours) clerical and other staff will be granted up to five (5) paid sick days per fiscal year (January-December). Unused days will be forfeited. On exceptional occasions, these days may be used as personal days but only by permission of the Senior Pastor. Part-time clerical and other hourly staff will accumulate no sick days and will be paid only when they work.

B. Full and part-time pastoral staff will not be regulated by a given number of sick days but will report to and be answerable to the Senior Pastor. The Senior Pastor will report to and be answerable to the Board of Elders. Part-time pastoral staff (15-39 hours) will be governed by the policy for full-time clerical and other staff.

Example 4:

A. Sick leave time would be up to 5 days a year at full pay.

B. In the event of total disability or extensive sickness the Church Council will be called upon to respond according to the need.

C. If the employee is sick or for some reason will not be coming to work, they will notify the Senior Pastor as early as possible.

Example 5:

All the pastors of the _________________ Church of God shall be entitled to the following sick pay benefits.

Full-time Pastors

Sick days are accumulated at 8 hours per month of service. These days are carried over from year to year and are reduced only by actual paid sickness. The maximum net days accumulated are limited to 90 days.

Part-time Pastors

Sick days are accumulated at 4 hours per month of service. These days are carried over from year to year and are reduced only by actual paid sickness. The maximum net days accumulated are limited to 45 days.

These days are to be used only for sickness of yourself and are not redeemable for additional vacation time.

If you are ill for 5 or more sequential days, you will be required to furnish a doctor’s slip verifying your need to be off work.
Upon death, retirement, or other termination of employment, no pay adjustment will be made to the employee for this policy.

**Paid Holidays:**

**Example 1:**

All pastors of ________________ Church of God are entitled to the following paid holidays.

- New Years Eve
- New Years Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve
- Christmas Day

Should the holiday fall on a Saturday on Sunday, the prior day or following day shall be observed as determined in advance by the Management Board.

**Example 2:**

A. Holidays shall total nine each year. They will be: New Years, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and the day after, Christmas Eve and Christmas Day. Holidays may not be banked. They must be taken as near as possible to the actual day.

B. All employees will be paid for holidays based on the number of hours in their average work day.

**Example 3:**

The following holidays are observed and given with pay for full-time clerical employees and all part-time to full-time pastoral staff:

- Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day following Thanksgiving, Christmas Eve, Christmas Day, and New Year’s Day.

For clerical and other staff, if the holiday does not fall on a working day, another day may be taken in coordination with the Senior Pastor. For pastoral staff, if the holiday falls on a Sunday or at a time when required to minister, another day may be scheduled in coordination with the Senior Pastor.
Example 4:

1. Official church holidays are:
   a. New Year’s Day
   b. Memorial Day
   c. The Fourth of July
   d. Labor Day
   e. Thanksgiving Day
   f. Christmas
2. Full-time employees who are normally scheduled to work during a church holiday will receive a paid day off.
3. Part-time employees may take the holiday off without pay. They may also receive the holiday off if they are due any compensatory time. Either case will be at the discretion of the supervisor. Additionally, they may choose to work when the office is closed with the concurrence of their supervisor. If the supervisor concurs with their working through the holiday, they will be paid at the normal rate.
4. If a paid holiday falls within an employee’s vacation, it will not be counted as a vacation day – they will receive pay for the holiday. For example, Employee A takes Monday through Friday off. Normally they would be charged with five days of vacation time; however, if Monday were a church holiday they would be charged with four days of vacation time and receive one day of paid holiday. This assumes this employee is a full-time employee. If the employee were a part-time employee, they would be charged with four days of vacation and would receive the holiday off without pay.
5. If an employee is required to work on a church holiday, they will receive compensatory time off after the holiday at the discretion of their supervisor. Overtime will not be authorized.

Example 5:

The pastor should be treated as members of the congregation are treated by their employers.

Paid Vacation:

Example 1:

Four weeks (including Sundays) regardless of how long the pastor has served.

Example 2:

1. Vacation time for the Senior Pastor and Associate(s) is part of the salary negotiation, which is conducted when the call is issued. The vacation period will be tied to the church fiscal year.
2. Pastoral staff may only take one Sunday per week of vacation. For example, if a pastoral staff member has 14 days vacation, he/she may only include two Sundays.
3. Annually the Board of Elders will review vacation benefits.
4. Part-time support staff that works less than 20 hours per week will receive one paid week of vacation per church fiscal year. The “week” of vacation will be equal to their average work week.

5. Part-time support staff that work more than 20 hours per week will receive two paid weeks of vacation per church fiscal year. The “week” of vacation will be equal to their average work week.

6. Each employee receives his/her full annual allocation of vacation days upon the anniversary of the church year (July 1st). All employees must successfully complete their probation period prior to being eligible to take vacation.

7. Vacation time cannot accumulate from fiscal year to fiscal year. All employees are expected to take their full benefit of vacation each year to ensure they are rested and healthy.

8. In the event an employee resigns, they will receive any vacation time not used in accordance with the following.
   a. Each employee receives his/her full annual allocation of leave upon the anniversary of the church year (July 1st). If they resign prior to the anniversary of the church year, their vacation benefit will be subdivided into twelfths and they will be awarded one twelfth for each month of employment of the current church year. If they have taken more vacation than they would earn (one twelfth per month) they will repay the excess vacation. If they are owed vacation it will be paid as directed below.
   b. The vacation pay will be received one pay period after the last earned paycheck of the employee terminating employment.

9. Annual vacation must be scheduled with the Senior Pastor. Priority of vacation will be based on seniority. Seniority is based on position and time in the position. For example, the Senior Pastor, regardless of length of service to the church, would be the most senior employee. The Associate Pastor is the second most senior employee. In the case of several Associate Pastors, the more senior Associate Pastor would be the one with a greater length of service to the church.

10. The Senior Pastor approves vacations for all subordinate employees; the Board of Elders approves the Senior Pastor’s vacation period.

Example 3:

A. The vacation year runs concurrent with the congregation’s fiscal year – January 1 – December 31.

B. Unused vacation time is forfeited at the end of the fiscal year.

C. A vacation week is Monday-Friday for clerical, custodial and other hired persons. A vacation week including weekends is nine (9) consecutive days in duration. Two weeks is sixteen (16) consecutive days or two Monday – Friday periods. A vacation week for pastoral staff is for nine (9) consecutive days but inclusive of but one Sunday. Two weeks is sixteen (16) consecutive days and inclusive of two Sundays.

D. Given holidays that fall during a vacation are in addition to the vacation time.

E. No clerical or pastoral staff will take more than two (2) consecutive weeks of vacation at a time except with the permission of the Senior Pastor. The Senior Pastor will do so only with permission of the Board of Elders. Custodial staff will coordinate vacation time with...
the Board of Trustees unless the Board of Trustees request that such be scheduled through the Senior Pastor for coordination purposes.

F. Clerical and custodial staff will be granted vacation time if employed thirty (30) or more hours per week. The following schedule will apply:
   - Six (6) months to one (1) year ......................1 week
   - One (1) year to five (5) years ......................2 weeks
   - Six (6) years to ten (10) years .................3 weeks
   - Ten (10) years and over .........................4 weeks
   - A maximum of four (4) weeks can be earned.

G. Full-time pastoral staff (40 plus hours) will be governed by the following schedule:
   - Six (6) months to five (5) years ...............3 weeks
   - Six (6) years to ten (10) years ...............4 weeks
   - Eleven (11) years to fifteen (15) years .....5 weeks
   - Sixteen (16) years and over ................6 weeks
   - Whenever a new full time staff member is added, consideration is to be given for his/her level of vacation time they had acquired during the previous service.

Part-time pastoral staff (15-39 hours) will be governed by the policy for clerical and custodial staff except the Sundays away will correspond with the number of weeks of vacation time earned.

H. The Senior Pastor will be the clearinghouse for all vacation scheduling and will be responsible to keep such a schedule. He/she will be the final authority in matters of vacation scheduling so to avoid more than one staff member being away at a time.

I. Scheduling of requested vacation time for pastoral staff will be in accordance with seniority with the possible exception of the Senior Pastor. The Senior Pastor, regardless of seniority, will have preference.

Example 4:

A. All employees shall be eligible for vacation time within each calendar year according to the following schedule:

   - 1 year through 4 years   2 work weeks (Incl. 2 Sun.)
   - 5 years through 14 years 3 work weeks (Incl. 3 Sun.)
   - 15 or more years        4 work weeks (Incl. 4 Sun.)

B. Unused vacation time will be paid at the end of the year.

C. An employee shall not take any vacation before serving at least 6 months, unless approved by the Church Council.

D. Vacation time during the first year ending December 31, shall be in proportion to the time served in the local congregation during the calendar year.

E. Vacations shall be arranged so that at least one staff person is available at all times.

F. Pastor and associates shall limit their absences to no more than two consecutive weeks unless approved by the Church Council.

G. All vacation schedules must be approved by the Senior Pastor at least 30 days prior to requested vacation time.
H. The Senior Pastor will submit vacation schedules to the Church Council at least 30 days prior to the proposed vacation.

Example 5:

The pastors of ________________ Church of God shall be entitled to the following vacation in accordance with their service time with ________________ Church of God or as stated in your employment contract.

<table>
<thead>
<tr>
<th>Service Time</th>
<th>Full-time employee</th>
<th>Part-time employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 6 months</td>
<td>none</td>
<td>none</td>
</tr>
<tr>
<td>6 months to 1 year</td>
<td>8 days</td>
<td>4 days</td>
</tr>
<tr>
<td>1 year to 5 years</td>
<td>13 days</td>
<td>6.5 days</td>
</tr>
<tr>
<td>5 years to 10 years</td>
<td>18 days</td>
<td>9 days</td>
</tr>
<tr>
<td>Over 10 years</td>
<td>23 days</td>
<td>11.5 days</td>
</tr>
</tbody>
</table>

Annual leave shall be taken so as not to interfere with the Church operations. When a conflict of two person’s vacation exists, the lesser service person’s vacation shall be rescheduled.

Sundays Policy:

Since Sundays are the primary contact time with the people, the number of Sundays allowed away from the church will be restricted. However, given the nature of ministry with its pressures and heavy expectations, and given working spouses schedules that often necessitate weekends away for maximum usage of vacation time, the allowance will be as follows. For full-time pastors they are:

- Up to six months: No Sundays away
- 6 months to 1 year: 1 Sunday away
- 1 year to 5 years: 3 Sundays away
- 5 years to 10 years: 4 Sundays away
- Over 10 years: 5 Sundays away

For part-time pastors the number of Sundays allowed will be as follows:

- Up to six months: No Sundays away
- 6 months to 1 year: 1 Sunday away
- 1 year to 5 years: 2 Sundays away
- 5 years to 10 years: 3 Sundays away
- Over 10 years: 4 Sundays away

Another way to put this is that one week’s vacation typically will equate to one Sunday away. Two weeks vacation equates to two Sundays, etc. No pastor may take more than two consecutive weeks of vacation without the express approval of the Senior Pastor.
Service on behalf of the congregation such as youth conventions, the North American Convention, work camps, etc. are not considered as vacation time and any Sundays gone in their execution are not counted against the Sunday allowance. Occasional speaking engagements away from the church may be allowed for associates upon coordination with and approval by the Senior Pastor.
Since full-time pastors do not enjoy the occasional benefit of a three day weekend due to Sunday being in the middle (Memorial Day & Labor Day), twice per year they may take their day off coupled with two additional days exclusive of a Sunday (unless they choose to use a Sunday in their allowance) and use this for personal time away with family.

Additional Paid Days:

Maternity Leave:

Example 1:

A benefit of 50% of salary will be paid up to six weeks. Vacation, sick, or personal days may also be used.

Example 2:

Maternity leave will be granted to female pastoral staff members. They will be given six (6) weeks leave with all salaries and benefits. The scheduling of the leave will be done in coordination with the Senior Pastor and the Board of Elders.

Example 3:

1. All full-time employees are entitled to six weeks maternity leave upon the delivery of a child. This maternity leave only applies to female staff members actually delivering a child.
2. Full-time employees will receive four weeks of the maternity leave at full pay with the remainder as unpaid leave.
3. Full-time employees may request an additional period of maternity leave. This request should include a letter from medical personnel stating the medical necessity of additional leave. The Administration Division will review the request and determine if additional leave is appropriate. Additional leave may be granted as an unpaid leave of absence.

Bereavement Leave:

Example 1:

1. In the event a death occurs within the immediate family, employees are allowed one week of bereavement leave with pay. This includes full-time and part-time employees.
2. The immediate family consists of:
   a. Spouse
   b. Parent(s)
3. In the event a death occurs within the extended family (not immediate family), employees are allowed 50% of their normal workweek as bereavement leave with pay. This includes full-time and part-time employees.

4. The extended family consists of:
   a. Grandparent(s)
   b. In-laws (parents and siblings)
   c. Sibling(s)

5. If a church holiday occurs within the period of bereavement, it is charged as a holiday and the bereavement leave will be extended one workday for full-time employees. For example, Employee A takes Monday through Friday as bereavement leave but Friday is a normal church holiday. That employee would receive Monday through Thursday as bereavement leave, Friday would be their normal holiday, and the following Monday would complete the full week of bereavement leave.

Example 2:

Funeral leave with pay will be granted upon the death of an employee’s close relative, including close step-relatives. “Close relative” generally includes one’s spouse, parents, current in-laws, grandparents, siblings, children and grandchildren. If the funeral is in-state, the paid leave will not exceed 3 days. If the funeral is outside the state, the paid leave will not exceed 5 days. Part-time employees will be paid based on their regularly scheduled hours. Any additional time requested shall be charged against the employee’s annual leave or will be without pay. The employee requesting funeral leave must notify his or her supervisor as soon as possible.

Jury Duty:

Example 1:

All employees summoned to jury duty will continue to receive their regular compensation during active jury duty for up to fifteen days in one calendar year. If you are called to serve on jury or witness duty, you must submit a copy of the summons to serve as soon as possible after you receive notification. Your pay will be adjusted by compensation received for serving on said jury.

Example 2:

All salaried employees will be paid for jury duty. Hourly employees will be paid only if during their regularly scheduled working hours.

Sabbatical Leaves:

1. Sabbatical leaves only apply to full-time pastoral staff.
2. A pastoral staff member is eligible to apply for a sabbatical leave after six years of continuous service to the church.
3. Once a staff member takes a sabbatical, they may not apply for another one until they have served six continuous years of service after returning from the sabbatical.

4. The sabbatical benefit will consist of up to a three-month leave of absence.
   a. The Board of Elders will determine pay during this time at the time of application.
   b. The Board of Elders should consider the cost of the sabbatical, the source of any additional funding, a policy for payback, and the time limit during their considerations.

5. A pastoral staff member applying for a sabbatical should prepare their request in writing no less than six months prior to the start date. This application should include:
   a. Purpose of the sabbatical
   b. Schedule of how the time will be spent
   c. Expected benefits to be received by the staff member taking the sabbatical
   d. Expected benefits to be received by the congregation

6. The Board of Elders will review and approve the application prior to the staff member beginning the sabbatical.
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Conditional Deeding

Breaking the Myths of Conditional Deeding

The Church of God is realizing that over the years many church properties and assets were lost to the furtherance of the ministry of the Church of God because these properties and assets were not safeguarded to the Church of God. On the other hand, churches have become skeptical of conditionally deeding property to the Church of God after the disastrous events of Church Extension. Below is an attempt to break myths surrounding conditional deeding:

**Myth 1:** We are an autonomous church and we can do with our property whatever we want and no one can tell us what to do.

WRONG: The IRS is very specific about what you can and cannot do with your property should the church close. In IRS Publication 557 on page 19, the IRS states:

"Assets of an organization must be permanently dedicated to an exempt purpose. This means that should an organization dissolve, its assets must be distributed for an exempt purpose...or to the federal government or to a state or local government for a public purpose. If the assets could be distributed to members or private individuals or for any other purpose, the organizational test is not met."

A church, being an exempt organization under the group letter of the General Assembly of the Church of God, Anderson, Indiana (yearbook recognition) or through their own 501(c)(3) filing, is required to have a dissolution clause in their organizational documents. This means that a church must list where their property and assets will be distributed if the church should cease to exist. One good place for this to be listed is in the Articles of Incorporation but it should be in the bylaws as well.

The best way to make sure that the property is distributed as the church desires is to have quitclaim deeds drawn that specifically designate where the property and assets will be distributed. Each state has specific requirements for conditionally deeding properties. Churches should contact their Area Administrators/State Ministers for templates for preparing these quitclaim deeds. This distribution should be listed in the Articles of Incorporation as well.

**Myth 2:** If we conditionally deed our property to our state ministry, we will have to get their permission every time we desire to do something to our property.

WRONG: The church does not have to ask permission to remodel, paint, expand, or make changes to the property. They only have to notify the state office if they plan to sell...
the property for relocation or to dissolve the church. If the church is wishing to relocate, whoever they have the property conditionally deeded to will have to release their claim before the property can be sold.

**Myth 3:** If our church property is conditionally deeded to our state ministry, they can force our church to close to sell the property to settle any financial debt our state ministry has.

WRONG: When church property and assets are conditionally deeded, the church maintains control of the property. The autonomous nature of the Church of God does not give the state offices the power to mandate any church to close or to sell its property. Closure of a church will be the joint determination of the remaining congregation and the state office.

**Benefits of Conditional Deeding:**
Now that we’ve broken the myths of conditional deeding, let’s look at the benefits:

- Conditional deeding keeps property and assets in the Church of God in your state and can be used to further the ministry of the Church of God either in the community where the property is located or in new communities.
- A conditional deed keeps property and assets from being removed if an outside group of a different persuasion tries to remove the church from the Church of God.

The last thing church leaders want to think about is the possibility of having to close a church. However, if the church leaders do not designate in their Articles of Incorporation and/or bylaws, who receives the property or proceeds from the property, the property can become the responsibility of the courts to distribute as they see fit.

It is important that church leaders realize that federal law requires that churches include a dissolution clause in their bylaws and Articles of Incorporation.

The following are two examples for the wording that can appear in a dissolution clause:
A way to secure the property for the Church of God, Anderson, IN, is for churches to conditionally deed their properties to their state, area, district, or province office of the Church of God. This chapter contains examples of conditional deeding policies for Ohio, Florida, Michigan, and special IRS Requirements.

**IRS Requirements**

If a church is incorporated, the IRS requires the following three statements appear in the Articles of Incorporation even if the property is deeded to the state, area district, or province office of the Church of God. These statements are:

1. Said corporation is organized exclusively for charitable, religious and educational purposes, including, for such purposes, the making of distributions to organizations under Section 501(c)(3).

2. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, directors, officers or other private persons, except that the corporation shall be authorized and
empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of Section 501(c)(3) purposes. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provision of the Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code (or corresponding section of any future Federal tax code).

3. Upon dissolution of this corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future Federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose.

These statements must appear as worded above. The IRS must be contacted if different wording is desired. If these statements do not currently appear in the church’s Articles of Incorporation, an amendment should be submitted.

If the church is not incorporated, the conditional deeding can appear in the dissolution clause of the bylaws or governing document.

SAMPLE OF CONDITIONAL DEEDING
AS ESTABLISHED BY OHIO MINISTRIES

Conditional deeding is not a difficult process however, it is essential that each step is taken in order.

1. If the church is not incorporated or if the church has allowed its incorporation status to lapse, proper documentation must be submitted to the Ohio Secretary of State to establish or re-establish active nonprofit incorporation status. The church’s current status can be checked at:

http://www.sos.state.oh.us
click on “nonprofit organizations”
click on “search filings”
scroll down, click on “search database”
type in name of church
click on “submit”
2. If the church is incorporated, the Articles of Incorporation should be checked to see if it contains a dissolution clause.
   a. If the Articles of Incorporation does contain a dissolution clause, who is named? If it is not Ohio Ministries, the Articles of Incorporation need to be amended to list Ohio Ministries as the receiver of the property and assets if the church no longer exists.
   b. If the Articles of Incorporation do not have a dissolution clause, then the Articles of Incorporation must be amended to include a dissolution clause.

3. If the church has changed its name but has not done so with the Ohio Secretary of State, the church must submit an amended Articles of Incorporation changing its name.

4. A certified copy of the Articles of Incorporation and any amended Articles of Incorporation must be filed with Ohio Ministries.

5. It is recommended that the dissolution clause also appear in the church’s bylaws. A certified copy of the church’s most recent bylaws must be filed with Ohio Ministries.

6. If the church does not already have a copy of the most recent deed registered with the court house, one should be obtained.

7. Obtain a title examination of the church’s real estate.

8. Check the most current deed for any statements of liens or conditions that must be addressed before the property can be sold. Examples to look for:
   a. Property is conditionally deeded to Church Extension of the Church of God.
   b. Donor of property stipulates conditions; ex. Property must be used for church only, etc.

   If either situation exists, contact Ohio Ministries for additional assistance.

9. If the church is currently paying on a mortgage, the church must obtain consent from the lender before it can proceed filing conditional deeding documents. The language of the mortgage itself will determine what is necessary from the lender in order to proceed with the conditional deeding process.

10. Complete the Resolution of the Governing Body. This document authorizes the transfer of the church’s real estate and assets to Ohio Ministries than transfers the church’s real estate and assets back to the church.
11. Complete the Quit Claim deed which deeds the church’s property and assets to Ohio Ministries. Attach a full description of the property. Title the property description as “Exhibit A.”

12. Have the Quit Claim deed notarized, send a copy to Ohio Ministries, keep a copy for the church, and file the original copy with the courthouse.

13. Obtain a Quit Claim deed from Ohio Ministries which gives the property and assets back to the church. This deed should also have:
   a. A description of the property attached as “Exhibit A.”
   b. A notary’s signature.

14. Ohio Ministries should retain a copy of this second Quit Claim deed. The church keeps a copy and files the original copy with the courthouse.

It is essential that the Quit Claim deed that states Ohio Ministries is giving the property back to the church is filed after the Quit Claim deed which gives the property to Ohio Ministries.

15. The church should retain copies of all of the above mentioned documents in a safe, fire-proof container (safety deposit box, fire-proof safe or fire-proof lockable file cabinet).
QUIT CLAIM DEED
[Ohio Statutory Form]
(§5302.11 O.R.C.)

KNOW ALL MEN BY THESE PRESENTS:

That ______________________, an Ohio not for profit corporation,

hereby grants unto Ohio Ministries of the Church of God, an Ohio not for profit
corporation, whose tax mailing address is 3438 Township Road 221, P. O. Box 276,
Marengo, Ohio 43334, the real estate described in Exhibit “A” hereto.

Prior Deed Reference: Book ____, Page ____ of the Deed Records of
____________ County, Ohio or Microfiche No. _________ of the Deed Records of
____________ County, Ohio.

IN WITNESS WHEREOF, ________________, the President and ____________,
the Secretary of [Affiliated Church] have hereunto set their hands on behalf of the
Grantor.

_________________________________  
President

_________________________________  
Secretary

STATE OF OHIO   )
COUNTY OF MONTGOMERY)

On this ____ day of __________, 20__, the foregoing instrument was
acknowledged before me by __________________________, the
_________________ of ______________________, an Ohio not for profit corporation,
on behalf of said corporation.

_________________________________  
Notary Public

This Instrument Prepared By:

_________________________________  

330 Block B5 – Conditional Deeding
QUIT CLAIM DEED
[Ohio Statutory Form]
(§5302.11 O.R.C.)

KNOW ALL MEN BY THESE PRESENTS:

That the Ohio Ministries of the Church of God, an Ohio not for profit corporation, hereby grants unto _______________________, an Ohio not for profit corporation, whose tax mailing address is _______________________________, the real estate described in Exhibit “A” hereto.

This conveyance is subject to the right of Grantor to enter upon the real estate described in Exhibit “A” hereto and to terminate the Grantee’s estate therein upon the occurrence of any one of the following events:

1. Grantee ceases to exist as a not for profit corporation authorized to transact business in the State of Ohio;

2. Grantee ceases to operate a church upon the real estate described in Exhibit “A” as an affiliate of Grantor;

3. A foreclosure action is filed by the holder of any mortgage upon the real estate described in Exhibit “A”;

4. Grantee files a voluntary petition in bankruptcy or an involuntary petition in bankruptcy is filed against Grantee and is not dismissed within sixty (60) days of the date of filing.


IN WITNESS WHEREOF, _________________, the President and _________________, the Secretary of the Ohio Ministries of the Church of God have hereunto set their hands on behalf of the Grantor.

_________________________________ President

_________________________________ Secretary
STATE OF OHIO            
COUNTY OF MONTGOMERY)   

On this ____ day of ________, 20__, the foregoing instrument was acknowledged before me by ______________________________, the __________________ of the Ohio Ministries of the Church of God, an Ohio not for profit corporation, on behalf of said corporation.

________________________________
Notary Public

This Instrument Prepared By:

________________________________
________________________________
________________________________
RESOLUTION OF THE GOVERNING BODY
OF ____________________________________
Affiliated Church

________________________________________
Date

The undersigned, being all of the Members of the Board of Trustees of the ____________________________________, an Ohio not for profit corporation,
acting pursuant to Section 1702.25 of the Ohio Revised Code, hereby adopt the following resolutions:

WHEREAS, it is right and fitting that this Corporation insure that the real estate owned by this Corporation remain dedicated and available for the uses and purposes of the Ohio Ministries of the Church of God (“Church”) should this Corporation cease operations or cease to exist.

NOW, THEREFORE, the Corporation is hereby authorized, empowered and directed to convey the Corporation’s real estate identified on Exhibit “A” hereto to the Church by means of a Quit Claim Deed to be executed and delivered in conjunction with the Church’s execution and delivery of a Quit Claim Deed back to this Corporation for the subject real estate which Quit Claim Deed will contain a condition such that the Church may reenter and terminate the estate of this Corporation should the real estate cease to be used as a place of worship for this Corporation or should this Corporation cease operations or cease to exist; and

RESOLVED FURTHER, that ____________, the President of this Corporation and _____________, the Secretary of this Corporation be, and hereby are, authorized, empowered and directed to execute such documents and pay such fees as may be reasonably necessary or required to carry out the intent of the foregoing resolution.

IN WITNESS WHEREOF, the undersigned have hereunto set their hand as of the ____ day of _____________, 20__. 
In the event that the ________________________________ is unable to obtain all the signatures of its then current Governing Body on the foregoing, the Governing Body, in accordance with its By-Laws, can adopt a resolution authorizing the transaction to go forward. The specific By-Laws would have to be reviewed to be sure that the required affirmative votes were obtained at a meeting for which adequate and proper notice had been given. If this method of obtaining the ________________________________ corporate authorization is required, the following Secretary Certificate would be used.

SECRETARY’S CERTIFICATE

The undersigned, being the duly elected and qualified Secretary of _________________, an Ohio not for profit corporation, hereby certifies that the following is a true and exact copy of resolutions adopted by the Governing Body of _________________ at a meeting held on the ___ day of ______________, 20__ pursuant to notice and which resolutions were moved, seconded and affirmatively voted for by the requisite number of the Members of the Board of Trustees of the Corporation:

WHEREAS, it is right and fitting that this Corporation insure that the real estate owned by this Corporation remain dedicated and available for the uses and purposes of the Ohio Ministries of the Church of God (“Church”) should this Corporation cease operations or cease to exist.

NOW, THEREFORE, the Corporation is hereby authorized, empowered and directed to convey the Corporation’s real estate identified on Exhibit “A” hereto to the Church by means of a Quit Claim Deed to be executed and delivered in conjunction with the Church’s execution and delivery of a Quit Claim Deed back to this Corporation for the subject real estate which Quit Claim Deed will
contain a condition such that the Church may reenter and terminate the estate of this Corporation should the real estate cease to be used as a place of worship for this Corporation or should this Corporation cease operations or cease to exist; and

RESOLVED FURTHER, that ____________, the President of this Corporation and ____________, the Secretary of this Corporation be, and hereby are, authorized, empowered and directed to execute such documents and pay such fees as may be reasonably necessary or required to carry out the intent of the foregoing resolution.

IN WITNESS WHEREOF, I have hereunto set my hand as of this ___ day of ____________, 20__.

___________________________________
Secretary
How to Safeguard the Title
to Local Church Property

Preface

This document has been prepared to assist congregations, state, district, provincial, and national organizations of the Church of God in providing safeguarding for their properties. This concern arises from our mutual interest in making sure that none of the church’s properties are lost to the Church of God. When a congregation falters and ceases to meet, who gets the property? If a group emerges in a congregation with contrary beliefs, can it be kept from taking the property?

You will find practical step-by-step guidance for assuring that our church properties are safeguarded. There are resolution forms and a model-Safeguarding Clause. For specific assistance you may contact Florida Church of God Ministries, Inc.

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• Permanent Policy Statement
• How To Safeguard
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• Certification Statement
• When Property Is To Be Mortgaged Or Sold
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• Controversy In The Local Church
• Cooperation
• Church Property Fallen Into Disuse
• Forfeiture Through Loss Of Fellowship
• General Assembly Resolution On Conditional Deeding

Introduction

It is a policy firmly fixed in the belief and practice of the Church of God, with general offices in Anderson, Indiana, that congregations hold title to their own properties. In a few cases the title to the property of a new congregation is temporarily held by state, district, provincial or national organization. Title to properties used for mission purposes may be held by Church of God Ministries, Inc.

The Church of God, however, is more than an aggregation of local congregations. It is a fellowship of believers with necessary organizations and agencies for administering local, district, state, province and general church programs. In addressing the procedures to safeguard the title to local church property, this document recognizes the organizational relationship between the local congregation and the state, district, provincial and national organizations and agencies of the church.

For many years congregations have been buying and building new properties for the purpose of expanding their mission and program. A congregation, along with its governing body, must be concerned that the title to its property is in good order and that the property remains in the use of the Church of God for the purpose originally intended. The question is, “How is the title to church properties to be safely held?”

Loss Possibilities

1. Some congregations have encountered difficulties, which result in the loss of their properties. Some losses may result from inadequate organization of the local church for business purposes, or from imperfect or faulty titles. Each congregation should employ good legal counsel in establishing or reviewing the charter and by-laws of the church business organizations and the title to its property. These important documents should conform to state and local laws and protect the congregation in the continuous administration of its stated objectives and mission, and its rights to property.

2. Property is sometimes lost when title is held solely by the congregation without any provision for safeguards. There are instances in which a dissenting group has mustered enough voting power to wrest the property away from the members who have maintained fellowship and unity with the Church of God. This kind of loss was enough evidence when F.G. Smith, then editor of Gospel Trumpet, in 1923 sought the counsel of an attorney, who was acquainted with the Church of God and its organization, for a legal method to safeguard property for the use of Church of God. The attorney advised that by-laws are insufficient to protect the congregation and that property could be safeguarded only by inserting a condition in the deed to the property. He suggested that each congregation put in its deed a clause naming a
general agency of the church as having a conditional interest in its property. From this suggestion came the use of the safeguarding clause that is now in use by many congregations of the Church of God.

The safeguard clause is an effective measure. It has discouraged division and dissension in the local churches. That a property cannot be seized by a group that does not represent the faith and doctrine of the general body is a strong deterrent to divisive efforts. And, disputes over rights to the property usually can be settled short of court action if the title is safeguarded.

3. Sometimes a congregation ceases to exist and leaves the property in the name of a governing body who, for one reason or another, cannot act as trustees. The safeguarding clause in the deed protects the property that has fallen into disuse, assuring that it can be disposed of properly and its value preserved for the Church of God.

**Protection from Loss**

The Safeguarding Clause is designed to safeguard the congregation from loss of its property by the above and other means. Also, there are limitations and restraints placed by the General Assembly of the Church of God upon the agency named in the Safeguarding Clause – Florida Church of God Ministries, Inc. In approving and recommending Conditional Deeding, the General Assembly also protects the church from invasion of congregational rights or restriction of normal use of the church’s property.

To assure that the Safeguarding Clause will never work to the benefit of Church Extension the following resolution was adopted by the Board in regular session, June 14, 1924:

**Permanent Policy Resolution**

“In view of the proposal, in order to prevent possible property loss, local churches should be encouraged to deed their church property conditionally, so that whenever the General Ministerial Assembly decides that a particular church ‘is no longer in fellowship and doctrinal unity with the Church of God, as represented by its General Ministerial Assembly, the property involved shall go to, vest in, and become the property, in fee simple of the Board of Church Extension and Home Missions of the Church of God, Anderson, Indiana: therefore be it”:

“Resolved, that the Board of Church Extension and Home Missions of the Church of God make the following declaration of permanent policy:

1. That it will claim no jurisdiction or authority over either the business or the Ecclesiastical phases of the work of any local congregation whose property is so deeded.
2. That when there is no question raised as to a congregation being in ‘fellowship and doctrinal unity with the Church of God, as represented by its General Ministerial Assembly,’ the Board of Church Extension and Home Missions will cooperate with that congregation whenever the transfer of property or other local business arrangements require the signature of this Board. The Board of Church Extension and Home Missions of the Church of God, Inc. will under no circumstances assume any personal liability in the acquiring, encumbering, or disposition of any such property.

3. That this Board will make not claim ownership of any local church property so deeded until after the General Ministerial Assembly of the Church of God, of Anderson, Indiana, shall have declared the property forfeited to the Board and shall have instructed the Board to take the necessary steps to secure possession of it.

4. That whenever the General Ministerial Assembly has declared a local church property forfeited to the Board of Church Extension and Home Missions, this Board shall, before deciding to sell the property, make investigation with the view of re-establishing it, if possible and practical, a congregation that is representative of the general body of the Church of God. If it becomes necessary to sell the property, this Board in Church Extension work will use the proceeds from the sale.

5. If any local Board of Trustees of any Church of God, of any place, desired to encumber the property it holds, it may do so, if there are not any questions raised as to its congregation maintaining fellowship and doctrinal unity with the General Ministerial Assembly of the Church of God, which meets in Anderson, Indiana. In this case, the Board of Church Extension and Home Missions will grant its consent to such encumbrance, and it will stipulate that it assumes no personal liability. In all such cases the Board of Church Extension and Home Missions will endorse on any deed, or mortgage, or other instrument, ‘its consent to the execution of the within instrument and that it assume no personal liability,’ and duly execute and acknowledge the same.’

Church Extension has acted during its tenure as a safeguarding agent of the Church of God according to the letter and spirit of the above resolution.

*Note: In assembly on June 17, 1965, by its own action, the General Ministerial Assembly officially changed its name to General Assembly of the Church of God. It has, also, empowered its legal body, the Executive Council of the Church of God, to act for it between assemblies.

A “Conditional Deeding Resolution” was approved by the General Assembly of the Church of God in a duly called session on June 25, 1980; and, this resolution was affirmed in the June 1999 session of the General Assembly.
The event involving Church Extension in 2000-2003 has required state and regional assemblies to undertake the role of safeguarding agents on behalf of the Church of God.

**How to Safeguard**

To protect church property by conditional deeding, follow these steps:

1. Secure the necessary information about conditional deeding. Free copies of this document are available from the Florida Church of God Ministries State Office. Write the state office for answers to any specific question. Every effort will be made to furnish the information needed.

2. Plan a meeting of the congregation’s official governing board in which all information is shared and facets of the plan are discussed. If it is their desire to safeguard the church’s property with a conditional deed, a resolution to recommend such action to the congregation should be voted on.

3. A resolution should be prepared by the official board to be presented to the congregation for its consideration and vote. The following is a model resolution which may be used as is or modified to meet particular needs.

**Resolution Authorizing Conditional Deeding (for the local congregation)**

WHEREAS, The Church of God, with general offices in Anderson, Indiana, does not provide through one general organization of the church, nor in conferences, for the holding title to all local church property, but each congregation is autonomous so far as its business and the holding of church property is concerned; and

WHEREAS, it has been found that in the holding of local church property solely in the names of trustees, in the name of the business corporation of the local church there is always the danger of the loss of such property by the Church of God; and

WHEREAS, There have been in recent years numerous examples of such loss or difficulty; and

WHEREAS, The General Assembly of the Church of God recommends a plan of Conditional Deeding, whereby local church property may be safeguarded to the original purpose for which it was obtained, namely, use by and for the Church of God, with general offices in Anderson, Indiana; therefore be it

RESOLVED, That we the members of ______ (Name of local church) of ______ (City) ______, ______ (State) ______ do hereby approve the plan of Conditional Deeding recommended by the General Assembly which meets annually in Anderson, Indiana; and be it further
RESOLVED, That our pastor, ________________ , the officers of the business organization of this congregation, and/or the governing body of our congregation be and is hereby authorized to put into effect the safeguarding of our church property located _____ (Street address) _____ legally described as:

(Full legal description as it appears in the deed(s) to the property)

and be it further

RESOLVED, That authorization be, and is hereby given to the officers of the business organization of this congregation, and/or the governing body, and our pastor to order or execute such documents as are necessary to include in the deed(s) to the property describe above the following safeguarding clause:

“To have and to hold, so long as the local Church of God known as ____________________________
(Name of Congregation)
at ____________________________
(Street Address)
at ____________________________
(City), ____________________________
(State)
maintains fellowship and doctrinal unity with the General Assembly of the Church of God which meets annually in Anderson, Indiana and the property remains in use by said church. If this property falls into disuse, or if in the opinion of said General Assembly the local church at ____________ (City) 
________ , (State) is no longer in fellowship and doctrinal unity with the Church of God, as presented by the General Assembly, this property shall go to, vest in, and become the property in fee simple of Florida Church of God Ministries, Lake Wales, Florida, or its successors or assigns, and be it further

RESOLVED, That a copy of this resolution, certified by the secretary and pastor of the congregation, be sent to Florida Church of God Ministries, Lake Wales, Florida.

Certification Statement

This is to certify that the above is a true and correct copy of the Resolution passed at a duly called meeting of ________________ (Name of Congregation) held on ____________ (Date) at ____________ (Place), a quorum being present; and there having been announcement of said meeting posted, and make in ____________ (Number) regular meetings of the congregation, as required in the bylaws of this congregation, prior to the time of the meetings, and that there were ____________ (Number) voting members present with ____________ (Number) ______ voting in favor of the Resolution and ____________ (Number) ______ voting against it.

Date ______________________________________

(Signed) ___________________________________ Pastor
4. Employ a good attorney, whose practice includes real estate counseling, to examine the Resolution for any legal inconsistencies with local and state laws, and to recommend any needed modifications and correct procedure under your state’s laws.

(CAUTION: DO NOT ALTER THE SAFEGUARDING CLAUSE without first contacting Florida Assembly office about any such needed modification before presenting the congregation for a consideration and a vote.

5. A business meeting of the congregation should be called in accordance with the requirements of its bylaws. The prepared Resolution should be read in a public meeting prior to the business meeting. In the business meeting all the information known to the Official Governing Board regarding the Conditional Deeding plan should be shared with the congregation and the Resolution presented for discussion and vote.

6. If the Resolution is approved by the congregation in its business meeting, an attorney should be engaged to insert the Safeguarding Clause into the deed(s) to the church property by means available under the laws of the state or province. If new property is being purchased, the Safeguarding Clause may be included in the deed by the seller, at the request of the congregation.

7. The new deed(s) or other legal instruments should be filed immediately with the Recording Office in the local Court House or Government Building.

8. A certified copy of the Resolution certified by the secretary and pastor, and a copy of the deed(s) containing the Safeguarding Clause should be sent to Florida Church of God Ministries, Lake Wales, Florida.

**When the Property is to be Mortgaged or Sold**

The Safeguarding Clause in a deed places a condition in the title to the property, which must be removed if the property is to be mortgaged or sold. Upon request by the congregation, Florida Church of God Ministries will subordinate or release its interest in the title.

**If it is to be Mortgaged**

If the congregation decides to mortgage its property to secure a loan from a local financial institution, Florida Church of God Ministries will enter into a subordination agreement with the lending institution to assure it is a first mortgage position.

Contact the Florida Church of God Ministries office to secure the appropriate resolution, which the congregation should approve in a duly called business meeting.
If it is to be Sold

If the property is to be sold, contact the Florida Church of God Ministries office to secure the appropriate resolution for release of Florida Church of God Ministries Conditional interest in the deed.

In a duly called business meeting the congregation should vote upon a resolution to sell the property. If such resolution is approved, then present the resolution obtained from Florida Assembly, which requests the release of the Florida Church of God Ministries’ Conditional Interest.

Controversy in the Local Church

When controversy arises in a congregation resulting in opposing factions claiming the right to the church property, members of the congregation should seek the counsel of the state, district, provincial, or national organization. Florida Assembly will work with the state, district, provincial, or national organization and/or the congregation to preserve the property for the constituency maintaining harmony and fellowship with the Church of God as represented by the General Assembly of God.

Cooperation

It is stated policy of Florida Church of God Ministries to cooperate with the local congregation in every way consistent with the welfare of the congregation and the church in general. It is not intended that Florida Church of God Ministries should benefit from conditional deeding, but serve the church in retaining its property for its original intended use.

Church Property Fallen into Disuse

If a congregation dissolves, it is highly desirable that the officers and governing board work with Florida Assembly of the Church of God in disposing of the assets.

When it becomes known to Florida Church of God Ministries that one of its congregations has ceased to exist and the property is no longer in use by the Church of God, steps should be taken to dispose of the property. This should be done in cooperation with the congregation’s officers and governing board as it still exists, and with Florida Church of God representatives.

Forfeiture through Loss of Fellowship

In the event that a congregation loses fellowship and doctrinal unity with the Church of God in the state in which it is located, steps should be taken to preserve the property for the Church of God. When, in the judgment of Florida Church of God Ministries, the property should be claimed, the organization should declare this in a formal statement.
Florida Church of God Ministries, through its representatives will implement procedures necessary to claim the property and gain possession.

**REAFFIRMATION BY GENERAL ASSEMBLY**

(Reprinted here is the text of the Resolution approved by the General Assembly of the Church of God in a duly called session on July 25, 1980)

General Assembly of the Church of God
Conditional Deeding Resolution
June 1999

“WHEREAS the General Assembly of the Church of God has traditionally upheld the concept of Conditional Deeding as an effective means of safeguarding Church of God property, and

WHEREAS the General Assembly in session on the ________ day of June, 1999, wishes to re-emphasize the propriety, wisdom, and usefulness of safeguarding church property, and

WHEREAS Conditional Deeding has been administered by Church Extension of the Church of God, Inc., successfully for many years at the request of the General Assembly, and

WHEREAS the Church Extension of the Church of God, Inc. has made a public statement of permanent policy which stated in part that Church Extension will claim no jurisdiction nor authority over the business or Ecclesiastical phases of the local congregation; that Church Extension will work with the local congregation and it’s governing board in the transfer or encumbrancing of their property; and that Church Extension will not claim ownership of any Conditionally Deeded property until after appropriate action is taken by the General Assembly or its assigns; and should Church Extension take title to any such property, it shall work with the appropriate governing board of the congregation and/or state, district, area, province organization to re-establish the property shall not inure to the benefit of Church Extension; be it therefore

RESOLVED that Church Extension of the Church of God, Inc. is requested and encouraged by the General Assembly of the Church of God to continue the program of Conditional Deeding to insure the safeguarding of church property within the Church of God.”

A “Conditional Deeding Resolution” was approved by the General Assembly of the Church of God in a duly called session on June 25, 1980; and, this Resolution was affirmed in the June 1999 session of the General Assembly.
The following is the Safeguarding Clause to be inserted in the deed to local church property for Conditional Deeding purposes.

**SAFEGUARDING CLAUSE**

“To have and to hold, so long as the local Church of God known as

________________________________ at _____________________________

(Name of Congregation)                         (Street Address)

_________________________  ________________________  ____________

(City)                                               (State)                     (Zip)

maintains fellowship and doctrinal unity with the General Assembly of the Church of God which meets annually in Anderson, Indiana and the property remains in use by said church. If this property falls into disuse, or if in the opinion of said General Assembly the local church at

______________________________________, ________________________

(City)                                        (State)

is no longer in fellowship and doctrinal unity with the church of God, as represented by the General Assembly, this property shall go to, vest in, and become the property in fee simple of Florida Church of God Ministries of the Church of God, Inc., Lake Wales, Florida, or its successors or assigns.”
For the State of Michigan

CONDITIONAL DEED AGREEMENT

This Conditional Deed Agreement is made this _________ day of __________________, 20___, by and between __________________________________

( Name )       ( Address )

(herein “Local Church”) and The General Assembly of the Church of God in Michigan, a Michigan Church, of 4212 Alpha Street, Lansing, Michigan 48910 (herein “Church of God in Michigan”).

WHEREAS, the Church of God in Michigan does not provide through one general organization of the church, nor in conferences, for the holding of title to all local church property, but each congregation is autonomous so far as its business and the holding of church property is concerned; and

WHEREAS, it has been found that in the holding of local church property solely in the name of trustees, or in the name of the business corporation of the local church, there is always the danger of the loss of such property by the Church of God in Michigan, and

WHEREAS, there have been in recent years numerous examples of such loss or difficulty; and

WHEREAS, the General Assembly of the Church of God in Michigan recommends a Plan of Conditional Deeding, whereby local church property may be safeguarded to the original purpose for which it was obtained; namely, use by and for the Church of God in Michigan, with general offices in Lansing, Michigan; and

WHEREAS, Local Church desires to participate in the Church of God in Michigan’s Plan of Conditional Deeding,

NOW, THEREFORE, in consideration of one dollar ($1.00) paid to each other, receipt of which is hereby acknowledged, the parties agree as follows:

1. LOCAL CHURCH QUIT CLAIM DEED

Local Church agrees to execute and record a Quit Claim Deed conveying its fee simple title to its real property located in _____________________________ of _____________________________.

State of Michigan and legally described as follows:

(“Real Property”) Free and clear of any liens to the Church of God in Michigan. A sample Quit Claim Deed is attached under Tab 1.
2. **CHURCH OF GOD IN MICHIGAN CONDITIONAL DEED**

The Church of God in Michigan agrees to execute and record a Quit Claim Deed conveying its interest in the real property subject to the following stated conditions:

A. **Church Related Activities**

Local Church agrees to perform and maintain throughout the time it is the fee simple owner of the real property the following Church of God in Michigan’s activities:

1) Complying with The Church of God, Anderson, Indiana, National Credential Manual as maybe or hereafter amended,

2) Following biblical doctrine as commonly accepted by The Church of God, Anderson, Indiana, and

3) Remaining in existence, e.g. no dissolving and/or ceasing to operate as local Church of God.

B. **Liens**

Local Church agrees to keep the real property free and clear of all liens, including mortgages, except liens, and/or mortgages, consent to, in advance, by the Church of God in Michigan.

C. **Real Property Taxes**

In the event the real property is not exempt, or should lose its exemption, from real property taxes, then Local Church agrees to timely pay all real property tax due on the real property.

D. **Property Insurance**

Local Church agrees to keep all buildings, improvements and personal property on the real property adequately insured against loss on damage by fire, windstorm, vandalism and any other casualties.

3. **ESCROW DEED**

Local Church agrees to execute Quit Claim Deed conveying its fee simple title to the Church of God in Michigan, which will only become effective when the Local Church violates one or more of the stated conditions and fails to cure the
violation(s) within thirty (30) days from receipt of notice of the violation(s) from the Church of God in Michigan. Local Church further agrees to surrender possession of the real property to the Church of God in Michigan on the effective date of the Escrow Deed. The Escrow Deed shall be held in escrow by the Church of God in Michigan’s corporate attorney, currently Thomas A. Klug.

Further, upon effective date of the Escrow Deed, the parties agree that the Church of God in Michigan shall have the exclusive right to:

A. Terminate the Local Church’s fee simple interest in the real property by recording the Escrow Deed,
B. Reenter and take possession of the real property; and
C. Remove the Local Church from possession of the real property.

4. SURVEY

Local Church agrees to provide the Church of God in Michigan a copy of a stake survey and/or mortgage report, if any, that it may have in its possession.

5. RISK OF LOSS

Local Church agrees to be solely responsible for all risk of loss relating to the real property during the time it owns the real property under the Conditional Deed.

6. POSSESSION

During the time the Escrow Deed is held, in escrow, and is not operative, Local Church shall have possession of the real property. On the effective date of the Escrow Deed, Local Church agrees to deliver possession of the real property to the Church of God in Michigan.

7. ARBITRATION

In the event a dispute arises which cannot be resolved amicably between the parties, the Local Church and the Church of God in Michigan agree to resolve the dispute through arbitration. The parties further agree that the dispute shall be settled in accordance with the rules, then in effect, adopted by the American Arbitration Association. A judgment of any court having jurisdiction over the subject matter shall be rendered upon the award or determination made pursuant to this Agreement. This Agreement is specifically made subject to and incorporates the provisions of Michigan law governing arbitrations, MCL 600.5001; MSA 27A.5001, as amended, and the applicable court rules, MCR 3.602, as amended. This Agreement is enforceable as to all parties and initials below. It is requested that the American Arbitration Association attempt to appoint, whenever possible, arbitrators from within the county where the property in dispute is located. The terms of this Agreement shall survive the closing.
8. **RECORDING**

The parties agree that this Agreement may be recorded.

9. **PROPERTY TRANSFER AFFIDAVIT**

Purchaser acknowledges that within forty-five (45) days from date of execution of the deeds, a property transfer affidavit is required to be filed with the assessor for the city or township where the property is located. 1994 P.A. 415.

10. **ASSIGNMENT**

A party shall not assign this Agreement without consent of the other party.

11. **NOTICE**

Any notice required or permitted hereunder shall be in writing and mailed, by certified mail, return receipt requested, with proper postage or delivered to the respective parties at their addresses set forth above.

12. **GOVERNING LAW**

This Agreement shall be governed by the law of the State of Michigan. Venue shall lie in the county where the real property is located.

13. **ENTIRE AGREEMENT**

Upon acceptance, this Agreement shall supersede any and all understandings and agreements and constitutes the entire agreement between the parties hereto and no oral representations or statement shall be considered a part hereof.

14. **BINDING EFFECT**

Upon acceptance, this Agreement shall bind, and inure to the benefit of the successors, and assigns of the respective parties hereto.

15. **RESOLUTION**

Both parties represent that this Agreement has been approved by resolution of their respective governing boards (e.g., General Assembly, Board of Trustees), and the individuals signing this Agreement are authorized to sign on the respective party’s behalf.
STATE OF MICHIGAN  )
COUNTY OF _________ )SS.

The foregoing instrument was acknowledged before me this _____day of _____
200__, by ___________________________ and ___________________________
(Name(s) of Officer(s)) (Name(s) of Officer(s))
the ___________________________ and ___________________________
(Title(s) of Officer(s)) (Title(s) of Officer(s))
of ___________________________, a Michigan Corporation, on behalf of the
Corporation.

(Name of Local Church)

Notary Public
____________County, Michigan
My commission expires:____________

THE CHURCH OF GOD IN MICHIGAN

Dated: __________________________ By: _______________________________

*Executive Secretary/Treasurer
STATE OF MICHIGAN )
COUNTY OF _________ )$S.

The foregoing instrument was acknowledged before me this _____ day of ______ 20___, by __________________________, the Executive Secretary of The Church of God in Michigan, a Michigan Corporation on behalf of the Corporation.

______________________________________________
Notary Public
___________County, Michigan
My commission expires:

* Type name and title where applicable

Drafted By:
THOMAS A. KLUG (P27462)
Attorney at Law
3626 Dunckel Road, PO Box 24127
Lansing, MI 48909
Voice: 517-332-3555
Fax: 517-332-0083
CONDITIONAL DEED

THE GRANTOR, The General Assembly of the Church of God in Michigan, a Michigan Non-Profit Corporation, of 4212 Alpha Street, Lansing, Michigan 48911 Quit Claims to GRANTEE, 

(Name of Local Church) (Address) 

of Corporation, the following described parcel of land situated in the 

(City/Township) of 

(City/Township) (County) (County) of, and State of 

Michigan and legally described as: 

and more commonly known as: (Address) 

For the sum of ONE AND NO/100 ($1.00) United States dollars and subject to the conditions that:

A. Grantee performs and maintains throughout the time it is the fee simple owner under this Conditional Deed of the above described real property the following Church of God in Michigan’s activities:

1) Complying with The Church of God, Anderson, Indiana, National Credential Manual as maybe or hereafter amended, 

2) Following biblical doctrine as commonly accepted by The Church of God, Anderson, Indiana, and 

3) Remaining in existence, e.g. no dissolving and/or ceasing to operate as local Church of God.
B. In the event the Grantee shall fail to perform and/or maintain one or more of the above described Church of God in Michigan activities, or if the real property falls into disuse, or, if in the opinion of Grantor’s General Assembly, Grantee is no longer in fellowship and doctrinal unity with The Church of God, Anderson, Indiana, as represented by the General Assembly and fails to cure within thirty (30) days from the date of Grantee’s receipt of written notice from Grantor, then this real property shall go to, vest in, and become the property in fee simple of The General Assembly of the Church of God in Michigan, Lansing, Michigan and Grantor shall have the exclusive right to:

1. Terminate the Local Church’s fee simple interest in the real property by recording the Escrow Deed,
2. Reenter and take possession of the real property; and
3. Remove the Local Church from possession of the real property.

TRANSFER OF RIGHT TO DIVIDE

This conveyance does not make a division of the transferred parcel and no divisions have been made since March 31, 1997. This conveyance is exempt from the provisions of Sections 108 and 109 of the Land Division Act (MCLA 560.101 et seq, as amended) see Atty. General Opinion No. 7005 (12/30/98).

MICHIGAN RIGHT TO FARM

This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan right to farm act.

TRANSFER TAX EXEMPTION

This conveyance is exempt from the County and State Transfer Tax pursuant to MCLA 207.505(a) and MCLA 207.526(a).

Dated this ___ day of ______________, 20___.

GRANTOR:

THE GENERAL ASSEMBLY OF THE CHURCH OF GOD IN MICHIGAN

BY: ____________________________
* Executive Secretary/Treasurer

STATE OF MICHIGAN )
COUNTY OF ________ )ss.
The foregoing instrument was acknowledged before me this ___________ day of ___________ 20___, by _______________ the Executive Secretary/Treasurer of The General Assembly of the Church of God in Michigan, a Michigan Corporation, who is authorized to sign on behalf of the Corporation.

Notary Public
__________ County, Michigan
My commission expires:______________

Drafted by Thomas A. Klug (P27462) Attorney at Law., 3626 Dunckel Road, P.O. Box 24127, Lansing, Michigan 48909 using information provided by Grantor, including but not limited to the legal description. Preparer disclaims the accuracy, adequacy, or completeness of such information, and does not make any express or implied warranties regarding same.

City Treasurer’s Certificate: ______________
County Treasurer's Certificate: ______________

When Recorded Return to: Send Subsequent Tax Bills to:

Thomas A. Klug The Church of God in Michigan
Attorney at Law 4212 Alpha Street
3626 Dunckel Road Lansing, MI 48911
P.O. Box 24127
Lansing, MI 48909

Tax Parcel #__________Recording Fee___________ Transfer Tax$

- Type name and title where applicable.
CHURCH OF GOD IN MICHIGAN
CONDITIONAL DEED RESOLUTION

“WHEREAS the General Assembly of The Church of God in Michigan has traditionally upheld the concept of conditional deeding as an effective means of safeguarding local Church of God real property in the State of Michigan, and

WHEREAS the Board of Directors of the Church of God in Michigan wishes to re-emphasizes the propriety, wisdom, and usefulness of safeguarding church property; and

WHEREAS conditional deeding has been administered by The Church of God in Michigan successfully for many years; and

WHEREAS The Church of God in Michigan have made a public statement of permanent policy which states in part that The Church of God in Michigan will claim no jurisdiction nor authority over the business or ecclesiastical phases of the local congregation; that The Church of God in Michigan will work with the congregation and it’s governing board in the transfer or encumbrancing of their property; and that The Church of God in Michigan will not claim ownership of any conditionally deeded property until after appropriate action is taken by the Board of Directors; and that should The Church of God in Michigan take title to any such property, it shall work with the appropriate governing board of the congregation and/or state, district, area, province organization to re-establish the property in the work of The Church of God in Michigan and said property shall not inure to the benefit of the Church of God in Michigan; be it therefore

RESOLVED that The Church of God in Michigan shall continue the program of conditional deeding to insure the safeguarding of church property within The Church of God in Michigan.

A “Conditional Deeding Resolution” was approved by the Board of Directors of The Church of God in Michigan in a duly called session on January, 2004.

Chair ____________________  Vice Chair ____________________  Secretary ____________________

For additional information write or call

THE CHURCH OF GOD IN MICHIGAN
4212 Alpha Street
Lansing, Michigan 48910
Phone: (517) 393-7020
CHURCH OF GOD IN MICHIGAN
CONDITIONAL DEED RESOLUTION
RE: ______________________________

(WHHEREAS), The Church of God in Michigan, with general offices in Lansing, Michigan, does not provide through one general organization of the church, nor in conferences, for the holding of title to all local church property, but each congregation is autonomous so far as its business and the holding of church property is concerned; and

(WHHEREAS), it has been found that in the holding of local church property solely in the name of trustees, or in the name of the business corporation of the local church, there is always the danger of the loss of such property by The Church of God in Michigan, and

(WHHEREAS), there have been in recent years numerous examples of such loss or difficulty; and

(WHHEREAS), the General Assembly of The Church of God in Michigan recommends a program of conditional deeding, whereby local church property may be safeguarded to the original purpose for which it was obtained; namely, use by and for The Church of God in Michigan, with general offices in Lansing, Michigan, and

(WHHEREAS), the members of ______________________________ of ___.

(Name of local church)

Michigan __________, desires to participate in The Church of God in Michigan’s Program of Conditional Deeding,

NOW, THEREFORE, BE IT:

RESOLVED that The Church of God in Michigan is hereby authorized to enter into a Program of Conditional Deeding with ______________________________ of ___.

(Name of local church)

Michigan __________, Michigan.

FURTHER RESOLVED, that the Executive Secretary/Treasurer of The Church of God in Michigan are authorized to execute such documents (e.g. Conditional Deed Agreement, Conditional Deed) as are necessary to safeguard the local church’s real property located at

____________________________

(Street Address)

Michigan __________ and to comply with the Program of Conditional Deeding.

FURTHER RESOLVED, that a copy of this resolution, certified by The Church of God in Michigan’s Secretary, be sent to the Board of Church Extension and Home Missions of The Church of God in Michigan, Lansing, Michigan.
(Signed)________________________________________,
Executive Secretary/Treasurer

* * * * *

This is to certify that the above is a true and correct copy of the above Conditional Deed Resolution.

Date:___________  (Signed)___________________________
Secretary

ASSIGNMENT OF VENDEE’S LAND CONTRACT INTEREST

FOR A VALUABLE CONSIDERATION, receipt of which is acknowledged, the undersigned

___________________________________________________, a Michigan Non-Profit
Corporation, of ________________________________

(“Assignor”) hereby sells, assigns and sets over to The General Assembly of the Church of God in Michigan, a Michigan Non-Profit Corporation, of 4212 Alpha Street, Lansing, Michigan 48911 (“Assignee”), its interest in a certain land contract, dated ____________ ____, 20___, executed between

___________________________________________________ and ________________________,
(Name of Seller) (Name of Seller)

___________________________________________________, of ________________________, as
(Marital Status or Entity Description) (Address of Seller)

Sellers, and ________________________________________, as Purchaser for the sale and purchase
(Name of Local Church)

of real property located in the ______________________ of ______________________
(City/Township) (City/Township)

___________________________________________ of _________________, and State of Michigan and legally
(County) (County)
described as:

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________
and more commonly known as: __________________________ (Address)

together with sums due and to become due thereon and covenants that there is now owing thereon

__________________________________ ($_________________) United States Dollars, with interest from __________________________. This Assignment is made without recourse by the Seller against the Assignee on the land contract. Assignor understands and agrees that it will remain liable for all of the terms of the land contract, even after the consent by the seller to this Assignment.

Dated this __________ day of __________________________, 20___.

ASSIGNOR:

*                              __________________________________
   ________________________________ (Name of Local Church)

BY:    ________________________________

*                              __________________________________

BY:    ________________________________

*                              __________________________________
The foregoing Acceptance was acknowledged before me this ___ day of ___
20___, by ____________________________________________________________
and ________________________________________________________________
the ________________________________________________________________
and ________________________________________________________________
of _________________________________________________________________, a Michigan Corporation on behalf of
Corporation.

__________________________________________
Notary Public
________ County, Michigan
My commission expires: __________

ACCEPTANCE

Assignee hereby accepts said Assignment without recourse to it on the land
contract. Assignee understands and agrees, however, that the seller(s) shall retain title to
the real property until the land contract is paid in full.

Dated this _______ day of _____________________________, 20__.

ASSIGNEE:

THE GENERAL ASSEMBLY OF THE
CHURCH OF GOD IN MICHIGAN

BY: ________________________________
* Executive Secretary/Treasurer
CONSENT

Seller(s) hereby consent to the above Assignment of Vendee’s Land Contract Interest without recourse by Assignor, ____________________________ (Name of Local Church) Assignee, The General Assembly of the Church of God in Michigan.

Seller(s), however, do not release the Assignor, ____________________________ (Name of Local Church) from its contractual obligations on the land contract and shall retain title to the real property until the land contract is paid in full.

Dated this __________ day of ____________________________, 20 __.

SELLER:

BY: ____________________________
* ____________________________

BY: ____________________________
* ____________________________
STATE OF MICHIGAN  )
COUNTY OF _________ )SS.

The foregoing Consent was acknowledged before me this ___ day of _______, 20___, by ___________________________ and ___________________________ as Seller(s).

___________________________________________
Notary Public
_________County, Michigan
My commission expires:

OR

* ___________________________  
(Name of Seller)

BY: ___________________________

* ___________________________  
(Name of Seller)

BY: ___________________________

* ___________________________  
(Name of Seller)

___________________________________________
Notary Public
_________County, Michigan
My commission expires:

STATE OF MICHIGAN  )
COUNTY OF _________ )SS.

The foregoing Consent was acknowledged before me this ___ day of _____________
20___, by ___________________________ and ___________________________.

the ___________________________ and ___________________________ of

_____________________________ and ___________________________, a Michigan ** ___________________________.

on behalf of the Corporation.

___________________________________________
Notary Public
_________County, Michigan
My commission expires:

*Type name and title where applicable.

** Type corporation, limited liability company or partnership where applicable.
THE GRANTOR, Church Extension of the Church of God Inc. of 1812 University Blvd., an Indiana Non-Profit Corporation, Quit Claims to GRANTEE, The General Assembly of the Church of God in Michigan, a Michigan Non-Profit Corporation, of 4212 Alpha Street, Lansing, Michigan 48911, the following described parcel of land situated in the County of ____________, of the City/Township of ____________, of the City/Township of ____________, and State of Michigan and legally described as:

________________________
________________________
________________________

and more commonly known as: ____________________________

(Address)

For the sum of ONE AND NO/100 ($1.00) United States dollars.

TRANSFER OF RIGHT TO DIVIDE

This conveyance does not make a division of the transferred parcel and no divisions have been made since March 31, 1997. This conveyance is exempt from the provisions of Sections 108 and 109 of the Land Division Act (MCLA 560.101 et seq, as amended) see Atty. General Opinion No. 7005 (12/30/98).
MICHIGAN RIGHT TO FARM

This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan right to farm act.

TRANSFER TAX EXEMPTION

This conveyance is exempt from the County and State Transfer Tax pursuant to MCLA 207.505(a) and MCLA 207.526(a).

Dated this ___ day of ________________, 20__.

GRANTOR:

* 

(Name of Local Church)

BY: 

* 

(Name(s) of Officer(s))

STATE OF INDIANA )
COUNTY OF __________ )ss.

The foregoing instrument was acknowledged before me this __________ day of ________________, 20__, by __________ and __________

(Name(s) of Officer(s)) (Name(s) of Officer(s))

the __________ and __________

(Title(s) of Officer(s)) (Title(s) of Officer(s))

of Church Extension of the Church of God inc., An Indiana Corporation on behalf of the Corporation.

Notary Public

_________ County, Indiana

My commission expires: __________

Drafted by Thomas A. Klug (P27462) Attorney at Law., 3626 Dunckel Road, P.O. Box 24127, Lansing, Michigan 48909 using information provided by Grantor, including but not limited to the legal description. Preparer disclaims the accuracy, adequacy, or
completeness of such information, and does not make any express or implied warranties regarding same.

City Treasurer’s Certificate: ______________
County Treasurer's Certificate: ________________

When Recorded Return to: Send Subsequent Tax Bills to:

Dr. William H. Jones The Church of God in Michigan
Executive Secretary Treasurer 4212 Alpha Street
4212 Alpha Street Lansing, MI 48910
Lansing, MI 48910

Tax Parcel #_________ Recording Fee__________ Transfer Tax$_$

* Type name and title where applicable.

QUIT CLAIM DEED

THE GRANTOR, ____________________________, of

(Name of Local Church)

(Address)

 ____________________________, a Michigan Non-Profit Corporation, Quit Claims to GRANTEE, The General Assembly of the Church of God in Michigan, a Michigan Non-Profit Corporation, of 4212 Alpha Street, Lansing, Michigan 48911, the following described parcel of land situated in the

(City/Township) (City/Township) (County)

(City/Township) (City/Township) (County)

and more commonly known as: ____________________________

(Address)

For the sum of ONE AND NO/100 ($1.00) United States dollars.
**TRANSFER OF RIGHT TO DIVIDE**

This conveyance does not make a division of the transferred parcel and no divisions have been made since March 31, 1997. This conveyance is exempt from the provisions of Sections 108 and 109 of the Land Division Act (MCLA 560.101 et seq, as amended) see Atty. General Opinion No. 7005 (12/30/98).

**MICHIGAN RIGHT TO FARM**

This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan right to farm act.

**TRANSFER TAX EXEMPTION**

This conveyance is exempt from the County and State Transfer Tax pursuant to MCLA 207.505(a) and MCLA 207.526(a).

Dated this ___ day of ________________, 20__.

GRANTOR:

* 

(Name of Local Church)

BY: ________________________________

* 

BY: ________________________________

* 

______________________________
STATE OF MICHIGAN  )
COUNTY OF _________ )SS.

The foregoing instrument was acknowledged before me this ____________ day of ________________

20___, by ___________________________ and ___________________________
(Name(s) of Officer(s)) (Name(s) of Officer(s))

the ______________________________________ and ______________________________________
(Title(s) of Officer(s)) (Title(s) of Officer(s))

of ____________________________________, a Michigan Corporation on behalf of the _________________
(Name of Local Church)

Corporation.

______________________________
Notary Public

___________County, Michigan

My commission expires: ____________________

Drafted by Thomas A. Klug (P27462) Attorney at Law, 3626 Dunckel Road, P.O. Box 24127, Lansing, Michigan
48909 using information provided by Grantor, including but not limited to the legal description. Preparer disclaims the accuracy, adequacy, or completeness of such information, and does not make any express or implied warranties regarding same.

City Treasurer’s Certificate: ______________
County Treasurer’s Certificate: ______________

When Recorded Return to: Send Subsequent Tax Bills to:

Thomas A. Klug The Church of God in Michigan
Attorney at Law 4212 Alpha Street
3626 Dunckel Road Lansing, MI 48911
P.O. Box 24127
Lansing, MI 48909

Tax Parcel #__________Recording Fee___________ Transfer Tax$

* Type name and title where applicable.
ESCROW DEED

THE GRANTOR, ___________________________ of
(local Church)
______________________________________, a Michigan Non-Profit
(Address)

Corporation, Quit Claims to GRANTEE, The General Assembly of the Church of
God in Michigan, a Michigan Non-Profit Corporation, of 4212 Alpha Street, Lansing,
Michigan 48911, the following described parcel of land situated in the
(City/Township) of (City/Township) of
(County) of (County)
(County)

and more commonly known as: ___________________________.
(Address)

For the sum of ONE AND NO/100 ($1.00) United States dollars.

TRANSFER OF RIGHT TO DIVIDE

This conveyance does not make a division of the transferred parcel and no divisions have
been made since March 31, 1997. This conveyance is exempt from the provisions of
Sections 108 and 109 of the Land Division Act (MCLA 560.101 et seq, as amended) see
Atty. General Opinion No. 7005 (12/30/98).

MICHIGAN RIGHT TO FARM

This property may be located within the vicinity of farmland or a farm operation.
Generally accepted agricultural and management practices which may generate
noise, dust, odors, and other associated conditions may be used and are protected
by the Michigan right to farm act.

TRANSFER TAX EXEMPTION

This conveyance is exempt from the County and State Transfer Tax pursuant to MCLA
207.505(a) and MCLA 207.526(a).

Dated this ___ day of ____________________, 20____.
GRANTOR:

* 
(Name of Local Church)

BY: 

* 

BY: 

STATE OF MICHIGAN )
COUNTY OF _________ )SS.

The foregoing instrument was acknowledged before me this __________day of _
__________

20__, by (Name(s) of Officer(s)) and (Name(s) of Officer(s))

the (Title(s) of Officer(s)) and (Title(s) of Officer(s))

of (Name of Local Church), a Michigan Corporation on behalf of

the Corporation.

Notary Public

__________ County, Michigan

My commission expires:

Drafted by Thomas A. Klug (P27462) Attorney at Law., 3626 Dunckel Road, P.O. Box 24127, Lansing, Michigan 48909 using information provided by Grantor, including but not limited to the legal description. Preparer disclaims the accuracy, adequacy, or completeness of such information, and does not make any express or implied warranties regarding same.

City Treasurer’s Certificate: ______________
County Treasurer’s Certificate: ______________
When Recorded Return to: Send Subsequent Tax Bills to:

Thomas A. Klug The Church of God in Michigan
Attorney at Law 4212 Alpha Street
3626 Dunckel Road Lansing, MI 48911
P.O. Box 24127
Lansing, MI 48909

Tax Parcel # Recording Fee Transfer Tax$

*Type name and title where applicable.

Revised June 2008
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Clergy and the Law

In a perfect world, pastors would only need to concern themselves with sermon topics and visitation. However, this is not a perfect world. Today clergy must be concerned about various legal issues that affect them directly.

Pastors need to be knowledgeable about issues that should appear in their contracts. What recourse they can take if removed by a church. They especially need to know the limits of their authority, rights, and privileges. The pastor’s position may also bring with it situations that can be considered liabilities. Pastor’s should be aware of these and recourse for dealing with them. In the pages that follow these issues will be dealt with in detail.

Contracts

The relationship between a pastor and a church is contractual in nature. This contract can be written, verbal, or assumed. One court observed that “one becomes pastor of a church pursuant to a contract, made with the person or body having the authority to employ.” Another court noted that “just as a church can contract with persons outside the church membership, it can contract with its own pastor.”

It is important to determine when the contract is enforced. There are legal rights available to both parties once the contract is enforced. For a contract to be enforceable, it must be detailed in mainly three sections. These sections include:

1. The nature of the services to be performed.
2. Compensation to be paid.
3. The term of employment (which may be indefinite).

An enforceable contract ordinarily will be created on the day the minister signs the agreement or mails an acceptance to the church. Just because a contract contains information referring to a weekly, monthly, or yearly salary does not guarantee the pastor a full year’s employment. Such language does not guarantee a “contract for life” situation. The courts will usually not support a “contract for life” claim by the pastor.

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191 ibid.: p. 52.
192 ibid.: p. 52.
193 ibid.: p. 52.
194 ibid.: p. 52.
When a church and a pastor sign a valid contract, the door is open for either party to breach it. The courts will resolve such cases if it does not involve inquiry into religious discipline and laws.

As one court has observed, the civil courts will involve themselves in a contractual dispute between a church and its pastor only if “the determination of the parties” rights can be accomplished by the application of neutral principles of law without the necessity of adjudicating matters of church doctrine or determining matters of church government in a hierarchical church.”

There are two additional factors that courts will review in determining whether or not to deal with church/pastor contract suits.

1. Lawsuits brought by ministers who were dismissed prior to the end of the term of employment specified in an employment contract must be filed within the time period specified in the applicable statute of limitations – which begins to run upon the expiration of the contract term.

2. Wages not paid under the terminated contract will not necessarily be the measure of damages. The minister has a legal duty to mitigate the church’s damages by accepting available alternative employment of the same or similar character. If the minister diligently seeks alternative employment of the same or similar character, but none is available, he or she is entitled to sue for the full salary corresponding to the terminated portion of the employment term. If the dismissed minister does not seek other employment, then the church’s liability will be reduced by the amount which the minister, with reasonable diligence, might have earned from other employment during the remaining contract term. If the minister finds work of the same or similar character during the remaining term of employment, then the church’s liability will be reduced by the value of the compensation received by the minister from the new employer.

There are two theories under which a church can dismiss a pastor before the expiration of a contract term.

1. A minister can be dismissed for committing a specific ground for dismissal specified in an employment contract or in the church’s governing instrument. A church should not discharge a minister for misconduct without credible and convincing evidence. Churches should avoid the use of vague terminology in reciting the grounds for termination of employment in employment contracts or in the church’s governing instrument. Terms such as dishonesty, immorality, incompetence, inefficiency, and unbecoming conduct should be avoided. The grounds should be stated with sufficient clarity that neither the minister nor the church will be in doubt as to their meaning. Some churches include a provision in

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195 ibid.: p. 53.
196 ibid.: p. 53.
197 ibid.: pp. 53-54.
their governing instrument specifying that the church’s governing board will have sole discretion to determine whether grounds for dismissal have occurred. This is a good practice, and it is likely one that civil courts will honor.  

2. A church ordinarily may dismiss a minister prior to the expiration of a specified term of employment if the minister violates an implied condition of employment. Implied conditions of employment are not stated in the contract, but are reasonable inferences of the parties’ unexpressed intentions and assumptions.

There are two other cases in which courts will support early dismissal of a pastor: incapacitating illness of a long duration or an intervening mental incapacity.

There are eight elements of a contract that a pastor and a church should be aware of when creating a written contract of employment.

1. **Names.** Legal names of each party.

2. **Signatures of each party.** If the church is incorporated, then its president and secretary ordinarily are authorized to sign contracts on behalf of the church (they should be sure to sign in a representative capacity, indicating that they are signing on behalf of the church). If the church is unincorporated, state law will determine who should sign on behalf of the church. In some states, duly elected or appointed trustees may sign contracts on behalf of the church.

3. **Characterize the minister as an employee or self-employed.** If self-employed, it would be helpful to cite the basis for this conclusion. The pastor is an employee for IRS purposes and self-employed for Social Security purposes.

4. **Job description.** Clergy are entitled to know what is expected of them and what is not. Many conflicts between ministers and church boards or congregations are based on differing assumptions as to the minister’s responsibilities. These conflicts can be eliminated by a properly drafted job description.

5. **Term.** State the term of employment and conditions for renewal. In some cases the term will be indefinite.

6. **Discipline or dismissal.** Grounds for discipline or dismissal should be specified, as should any procedure that must be followed. This often is addressed in the bylaws of either the local church or a denominational agency. If so, it need not be

198 ibid.: p. 54.
199 ibid.: p. 54.
200 ibid.: p. 55.
201 ibid.: p. 55.
202 ibid.: p. 55.
203 ibid.: p. 56.
204 ibid.: p. 56.
205 ibid.: p. 56.
mentioned in an employment contract. It is advisable for the contract to state that it incorporates the provisions of the church’s bylaws or other governing documents.206

7. **Arbitration.** Churches and ministers should consider an arbitration clause committing them to use arbitration rather than the civil courts to resolve disputes.\(^{207}\)

8. **Compensation.** Define the compensation of the minister. This is an important feature in any employment contract.\(^{208}\)

**Clergy Removal**

A pastor may be terminated in one of two ways.

1. Their employment with a local church may be terminated.\(^{209}\)

2. Their ministerial credentials may be terminated by the church or denomination that issued them.\(^{210}\)

There are seven grounds under which pastors have tried to sue churches for their termination.

1. no act specified as a ground for dismissal in the employment contract or in church or denominational bylaws occurred \(^{211}\)

2. the church or denomination failed to follow the procedure prescribed in its bylaws \(^{212}\)

3. violation of a civil or property right \(^{213}\)

4. breach of the employment contract \(^{214}\)

5. emotional distress \(^{215}\)

6. defamation \(^{216}\)

\(^{206}\) ibid.: p. 56.
\(^{207}\) ibid.: p. 56.
\(^{208}\) ibid.: p. 56.
\(^{209}\) ibid.: p. 59.
\(^{210}\) ibid.: p. 59.
\(^{211}\) ibid.: p. 59.
\(^{212}\) ibid.: p. 59.
\(^{213}\) ibid.: p. 59.
\(^{214}\) ibid.: p. 59.
\(^{215}\) ibid.: p. 59.
\(^{216}\) ibid.: p. 59.
7. fraud or collusion\textsuperscript{217}

The courts consistently have held that ministers who fail to “exhaust” their appeals within an ecclesiastical hierarchy are forbidden to seek redress in the civil courts.\textsuperscript{218}

\textbf{Authority, Rights & Privileges}

To help minimize some problems between a minister and a church, the scope of the minister’s authority must be established.

In general, they have the authority to do those things specifically authorized in their employment contract, in the church’s constitution or bylaws, or by specific delegation of authority from the church board or congregation.\textsuperscript{219}

If a minister exceeds the boundaries of his or her authority, his/her actions may be void. It may be assumed by some churches and ministers that because the minister has spiritual authority, he/she automatically has legal authority regarding church matters. This is a false assumption.

\textbf{Officer of the Church Corporation}

Some ministers assume that they automatically become the president of the church corporation. This is not necessarily true.

\textit{A minister has no legal right to serve as president of the church corporation unless authorized to do so in the church’s governing documents.}\textsuperscript{220}

\textbf{Property Matters}

If the minister carries the proper authority by the church, he or she can engage in property transactions.

\textit{If no authority over the business and property affairs of a church has been delegated to a minister, he or she may not lawfully act for the church in such matters.}\textsuperscript{221}

\textit{A church may of course ratify the unauthorized actions of its pastor. Ratification may be by express action of the congregation or church board, or it may be implied if the church has knowledge of unauthorized action but does nothing to repeal it.}\textsuperscript{222}

\begin{footnotesize}
\textsuperscript{217} ibid.: p. 59.
\textsuperscript{218} ibid.: p. 80.
\textsuperscript{219} ibid.: p. 88.
\textsuperscript{220} ibid.: p. 88.
\textsuperscript{221} ibid.: p. 89.
\textsuperscript{222} ibid.: p. 89.
\end{footnotesize}
Performance of Marriage Ceremonies

In all states, ministers have the authority to perform marriages. The definitions of clergy, who are authorized to perform marriages, vary broadly from state to state.

Some states require that the minister be ordained; others require that the minister be either licensed or ordained; and others omit any specific reference to either licensure or ordination.\textsuperscript{223}

If a person performs a marriage without proper authority, he or she could face criminal charges.

If a state law authorizes only ordained ministers to perform marriage ceremonies, an unordained minister will be criminally liable for performing a marriage. Criminal penalties for the unauthorized performance of a marriage ceremony generally include a small fine or short prison sentence.\textsuperscript{224}

Many times ministers are asked to perform marriages in other states. It is essential that the minister investigate the state laws of the state where the marriage will be performed regarding authority to perform marriages.

In some states, it does not matter as to the state of residence of the minister. Some other states give authorization to the minister if he or she holds authorization in his/her state of residence.

There are states that enforce limitations as to authority to out-of-state ministers. One state law specifies that:

the state secretary may authorize, subject to such conditions as he may determine, the solemnization of any specified marriage anywhere within the commonwealth by [a nonresident] minister of the gospel in good and regular standing with his church or denomination.\textsuperscript{225}

There are some states that require ministers:

to register with a government agency before they are authorized to perform marriage ceremonies.\textsuperscript{226}

Each state has legal regulations regarding who can and can not marry. Some of these regulations include:

\begin{thebibliography}{9}
\bibitem{223} ibid.: p. 90.
\bibitem{224} ibid.: p. 90.
\bibitem{225} ibid.: p. 90.
\bibitem{226} ibid.: p. 91.
\end{thebibliography}
1. Persons who are related too closely are prohibited from marrying in all states, although the prohibited degree of relationship varies widely.\textsuperscript{227}

2. Persons below a specified age are prohibited from marrying without the consent of one or both parents, or a court.\textsuperscript{228}

3. Many states prohibit marriages between persons of the same gender; persons with mental disability; and imprisoned felons.\textsuperscript{229}

4. Persons with a living spouse are also barred from marrying.\textsuperscript{230}

It is essential that ministers are familiar with the state regulations in which they reside or in which they are asked to perform marriages. The majority of states require couples wishing to be married to acquire a marriage license before the ceremony can legally take place. These licenses can generally be obtained at the county recorder’s office.

To obtain a license, the couple must complete an application and pay a fee. Blood tests are required by some states before the license can be issued. Once the license is issued, it is only valid for a set point of time. The marriage must be legalized in this period of time or the license will be void. Ministers should check for the validity of the marriage license.

\textit{Ministers may be criminally liable for marrying couples with expired licenses. Well in advance of a marriage, the minister should request a copy of the marriage license, and ensure that it does not expire prior to the wedding date.}\textsuperscript{231}

Basically there are no state laws that regulate the actual wedding ceremony. If statutes do exist, they generally claim marriage ceremonies only be:

\textit{in accordance with their religious tradition and tenets.}\textsuperscript{232}

In the majority of states, the minister is required to:

\textit{complete a marriage certificate after the solemnization of a marriage, and return it to the same government office that issues marriage licenses.}\textsuperscript{233}

Sometimes mistakes appear on a marriage certificate. The following mistakes will not invalidate the marriage:

\textit{misspelling a name, inserting the wrong date, or having less than the required number of witness signatures.}\textsuperscript{234}

\textsuperscript{227} ibid.: p. 91.
\textsuperscript{228} ibid.: p. 91.
\textsuperscript{229} ibid.: p. 91.
\textsuperscript{230} ibid.: p. 91.
\textsuperscript{231} ibid.: p. 92.
\textsuperscript{232} ibid.: p. 92.
\textsuperscript{233} ibid.: p. 92.
\textsuperscript{234} ibid.: p. 92.
There are several acts, in relationship to marriages, for which ministers can face criminal penalties. These include:

1. failure to maintain a record of marriage ceremonies performed

2. failure to return promptly to the proper authorities a properly completed certificate of marriage and the license to marry

3. marrying persons without a marriage license, or with an expired license

4. marrying persons not legally capable of marrying (because of age, relationship, or some other disability specified by state law)

There are several items that ministers need to review before agreeing to perform or performing a marriage ceremony. These include:

1. Am I legally qualified to perform a marriage according to the law of my state? If in doubt, contact your local recorder’s office or the office of the attorney general for an interpretation.

2. Am I legally qualified to perform a marriage according to the law of another state? Ministers occasionally are asked to perform a marriage in another state. If in doubt, contact the recorder’s office in the county where the marriage will occur, or the office of the attorney general in the other state.

3. Is the engaged couple legally capable of marrying? You will need to check your state law for the legal qualifications for marriage. Every state lists certain conditions that will limit a person’s legal right to marry or even prohibit it. Common examples include persons who are below a specified age, or persons who are too closely related. During premarital counseling be sure to verify that the couple meets all of the eligibility requirements specified by your state’s law.

4. Be sure you explain to the couple the marriage license requirements prescribed by state law. Again, you need to be familiar with these. They can be obtained from your county recorder’s office or the office of your state attorney general.

234 ibid.: p. 92.
235 ibid.: p. 92.
236 ibid.: p. 92.
237 ibid.: p. 92.
238 ibid.: p. 92.
239 ibid.: p. 94.
240 ibid.: p. 94.
241 ibid.: p. 94.
242 ibid.: p. 94.
5. Be sure that the couple has a valid marriage license with an expiration date later than the date of the marriage. Check the license several days or weeks prior to the wedding.\textsuperscript{243}

6. Be sure that the marriage license is valid for the county in which the marriage will occur. Generally, a marriage license is valid only if the marriage occurs in the county in which the license was issued.\textsuperscript{244}

7. Be sure you make a record of each marriage that you perform, in the manner prescribed by your state law.\textsuperscript{245}

8. Be sure to complete a certificate of marriage (if required by state law), and return it to the appropriate government office.\textsuperscript{246}

9. You may want to suggest that the couple be tested for any sexually transmitted diseases.\textsuperscript{247}

\textbf{Exemption from Military Duty}

Under the Selective Service Act, ordained ministers are exempt from military service.

\textbf{Exemption from Jury Duty}

Some states exempt ministers from jury duty, however, many do not. If a minister lives in a state that does not exempt ministers from jury duty, he or she may still be excused from jury duty on the grounds including:

\begin{quote}
hardship, prejudice, familiarity with the facts or one of the parties, and prior jury service in a similar case.\textsuperscript{248}
\end{quote}

\textbf{The Clergy-Penitent Privilege}

In all states, laws exist regarding communication between clergy and penitents. These laws dictate which communications are protected from being forced to be revealed in court. The history of the clergy-penitent privilege has been summarized as:

\begin{quote}
The priest-penitent privilege originated with the seal of confession. Under the Code of Canon Law of the Roman Catholic Church for a “confession in any way to betray a penitent” was a crime. A confessor who directly violates the seal of confession incurs an automatic excommunication reserved to the Apostolic See. Traditionally,\end{quote}

\textsuperscript{243} ibid.: p. 94.
\textsuperscript{244} ibid.: p. 94.
\textsuperscript{245} ibid.: p. 94.
\textsuperscript{246} ibid.: p.94.
\textsuperscript{247} ibid.: p. 94.
\textsuperscript{248} ibid.: p. 101.
breaking the seal of confession “has been one of the most severely penalized offenses within the Code.” The sanctity of the confession was recognized in English law from the Norman Conquest in 1066 until the English Reformation in the Sixteenth Century. After the Reformation, hostility towards the Catholic Church in England resulted in a refusal to recognize the privilege. When this country was founded, therefore, the privilege did not exist as common law. Accordingly, American courts required that the privilege be conferred by statute. Where no privilege existed, clergypersons were often compelled to testify despite personal, moral, and religious objections. Although the Roman Catholic Church has the longest tradition of the sanctity of the confessional, for many other Christian denominations their “sincere dedication to secrecy is equally apparent.” In the Episcopal Church, for example, the new Book of Common Prayer’s rite, “The Reconciliation of a Penitent,” warns that the secrecy of a confession is morally absolute for the confessor, and must under no circumstances be broken. Violators are subject to church discipline. The governing body of the American Lutheran Church also has adopted a resolution that the pastor hold inviolate and disclose to no one the confessions and communications made to him as a pastor without the specific consent of the person making the communication. Similarly, the Presbyterian Church in the U.S., the United Presbyterian Church, and the American Baptist Convention have adopted policy statements strongly affirming the inviolability of religious confidentiality. The prospect of clergy going to jail to comply with their religious beliefs rather than disclosing a penitent’s confession resulted in various religious groups bringing pressure on state legislatures to enact a clergyperson privilege. Thus, the origin of the priest-penitent privilege as well as the moving force behind the enactment of the statutory privilege was to protect the clergyperson from being forced against his or her will to reveal confidences. Now almost all states have clergyperson-penitent privileges.²⁴⁹

The United States Supreme Court has supported the clergy-penitent privilege by observing that:

\[ \text{the priest-penitent privilege recognizes the human need to disclose to a spiritual counselor, in total and absolute confidence, what are believed to be flawed acts or thoughts and to receive priestly consolation and guidance in return.} \]

²⁴⁹ ibid.: pp. 102-103.
²⁵⁰ ibid.: p. 103.
and the spiritual rehabilitation of a penitent. The rules of evidence have always been concerned not only with truth but with the manner of its ascertainment. Communicant-clergyman confidentiality benefits the individual communicant, the clergy, and society. The individual benefits from unfettered freedom of religion in his use of the confessional; his perceived ability to communicate with God through an emissary; the therapeutic value in obtaining psychological and physical relief from fear, tension, and anxiety; and in his exercise of a fundamental right to privacy. The clergy benefits in being able to safely draw out a communicant’s innermost thoughts and feelings with the assurance that confidences are protected by public policy. The church as an institution benefits in enjoying recognition of its prestigious place in society. The judiciary benefits by avoiding direct confrontations with the clergy. There is the realization that requiring the clergy to testify will not necessarily produce testimony. The concept of jailing a clergyman for adhering to the absolute duty imposed upon him by deep religious beliefs is offensive.

It can not be assumed that every communication between clergy and penitent is privileged. The general statute applies only to:

1. communications
2. confidentiality made
3. to a minister
4. acting in his or her professional capacity as a spiritual adviser.

Several states have incorporated a ruling referred to as Rule 505 of the Uniform Rules of Evidence. This rule provides:

(a) Definitions. As used in this rule:
   (1) A “clergyman” is a minister, priest, rabbi, accredited Christian Science Practitioner, or other similar functionary of a religious organization, or an individual reasonably believed so to be by the person consulting him.
   (2) A communication is “confidential” if made privately and not intended for further disclosure except to other persons present in furtherance of the purpose of the communication.

(b) General Rule of Privilege. A person has a privilege to refuse to disclose and to prevent another from disclosing a confidential communication by the person to the clergyman in his professional character as a spiritual adviser.

251 ibid.: p. 103.
252 ibid.: pp. 103-104.
253 ibid.: p. 104.
254 ibid.: p.104.
(c) **Who May Claim the Privilege.** The privilege may be claimed by the person, by his guardian or conservator, or by his personal representative if he is deceased. The person who was the clergyman at the time of the communication is presumed to have authority to claim the privilege but only on behalf of the communicant.

**Communication**

There are many forms of communications. These can be verbal, nonverbal, acts or implied. Some of these forms are protected by the clergy-penitent privilege. It can be basically assumed that the clergy-penitent privilege extends:

> only to actual communications between an individual and a clergyman.\(^{255}\)

These communications include verbal, nonverbal, and written forms. Acts can either transmit ideas or not. Acts that do not transmit ideas are not considered privileged.

Letters written to clergy may or may not be considered privileged. The courts have suggested that letters can be considered privileged if it:

1. *seeks religious counsel*\(^{256}\)
2. *indicates on its face that its contents are to be kept secret*\(^{257}\)

**Made in Confidence**

In order for communication to be considered privileged it must be made in confidence. This generally means:

> that there are no other persons present besides the minister and counselee who can overhear the communication, and that there is an expectation that the conversation will be kept secret.\(^{258}\)

If the communication is made in the presence of others along with the clergy, it is generally not considered privileged. However,

> if the presence of a third person is legally required (e.g., a prisoner who cannot communicate with a minister unless a guard is present), the privilege may apply. A few courts have concluded that communications made to a minister in the presence of elders, deacons, or other church officers are privileged if the communication involved a confession of sin made in the course of a disciplinary proceeding.\(^{259}\)

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\(^{255}\) ibid.: p. 104.

\(^{256}\) ibid.: p. 105.

\(^{257}\) ibid.: p. 105.

\(^{258}\) ibid.: p. 107.

\(^{259}\) ibid.: p. 108.
In summary:

privileged communications to a minister must not only be made in private, but they also must be made with an express or implied understanding that they will never be disclosed. The substance of the communication, the place where it is made, and the relationship, if any, between the minister and the one making the communication, are all factors to be considered.\(^{260}\)

Under the Rule 505 of the Uniform Rules of Evidence, confidential communication is defined as:

one that is made “privately and not intended for further disclosure except to other persons present in furtherance of the purpose of the communication.”\(^{261}\)

To a Minister

For the clergy-penitent privilege to be in effect, the confidential communication must be given to:

clergymen, priests, or ministers of the gospel.\(^{262}\)

Confidential communications to the following:

nuns, an elder and deacon in the Christian church, lay religious counselors, lay ministers, unordained, self-proclaimed ministers\(^{263}\)

are not protected by the clergy-penitent privilege because the communication was not made to a minister.

Acting in a Professional Capacity as a Spiritual Adviser

Ministers are involved in a variety of forms of communication throughout a day. In many of these situations, he or she is not working in the capacity as a spiritual adviser. Therefore, the communications would not be protected by the clergy-penitent privilege. Only communications made to a “minister acting in a professional capacity as a spiritual adviser”\(^{264}\) are protected by the clergy-penitent privilege.

Ministers should keep the following in mind.

The applicability of the clergy-penitent privilege can be enhanced if a minister simply asks a person during a counseling session whether he or she intends for the

\(^{260}\) ibid.: p. 109.
\(^{261}\) ibid.: p. 111.
\(^{262}\) ibid.: p. 112.
\(^{263}\) ibid.: p. 112.
\(^{264}\) ibid.: p. 113.
conversation to be privileged and confidential. If the counselee responds affirmatively, then there is little doubt that the courts will conclude that the privilege applies. Clergy should bear this point in mind in the course of their counseling. If, during a conversation with a member (wherever it may occur), it appears to a minister that the other person may intend for the conversation to be confidential and privileged, the minister should confirm this understanding verbally. If the minister is ever called to testify in court concerning the conversation, this verbal confirmation should resolve most questions regarding the applicability of the clergy-penitent privilege.265

In the Course of Discipline

In order for the clergy-penitent privilege to protect a confidential communication, the communication must be made to a minister “in the course of discipline enjoined by the rules or practice of his or her church.”266 The courts vary on their interpretation of the definition of discipline. Some courts apply the privilege only to communications:

made in the understood pursuance of that church discipline which gives rise to the confessional relation, and, therefore, in particular to confessions of sin only, not to communications of other tenor.267

The course of discipline has been defined as:

The word “discipline”...has no technical legal meaning...The “discipline enjoined” includes the “practice” of all clergymen to be trained so as to...concern themselves in the moral training of others, and to be as willing to give spiritual aid, advice, or comfort as others are to receive it....So it is in the course of “discipline enjoined” by the “practice” of their respective churches that the clergyman is to show the transgressor the error of his way; to teach him the right way; to point the way to faith, hope, and consolation; perchance, to lead him to seek atonement...It is important that the communication be made in such spirit and within the course of “discipline,” and it is sufficient whether such “discipline” enjoins the clergyman to receive the communication or whether it enjoins the other party...to deliver the communication. Such practice makes the communication privileged, when accompanied by the essential characteristics...The fundamental thought is that one may safely consult his spiritual adviser....When any person enters that secret chamber, this statute closes the door upon him, and civil authority turns away its ear.268

Some courts have narrowly ruled that the issue of course of discipline only pertains to the Roman Catholic Church. The United States Supreme Court has not supported this view. In 1982, the Supreme Court ruled:  

265 ibid.: p. 116.  
266 ibid.: p. 119.  
267 ibid.: p. 119.  
268 ibid.: p. 120.
that when we are presented with a state law granting a denominational preference, our precedents demand that we treat such a law as suspect and that it be invalidated unless it (1) is justified by a compelling governmental interest, and (2) is closely fitted to further that interest.269

Ministers need help in knowing what qualifies as confidential communication in the course of discipline. The court has suggested that ministers consider the following:

> Whether the location of the communication indicates an intent that the communication be confidential, whether the conversation was casual in nature or undertaken by the cleric and the parishioner with a sense that the parishioner’s moral conduct was at issue, and whether persons not concerned with the subject matter were present. A communication that does not take place in private or that is made in the presence of others not intimately and directly concerned with the issue may indicate that the parties involved did not intend the conversation to be confidential….Likewise, statements made to a cleric in a social context are not privileged because the statements are not made to the cleric in the course of his or her professional responsibilities or in a religious context.270

The Clergy-Penitent Privilege – Miscellaneous Issues

In determining whether or not the protection of the clergy-penitent privilege applies to a communication, ministers should consider the following:

Step 1: Is there a “communication?” If so, go to step 2. If not, stop here. The clergy-penitent privilege does not apply. Usually, a “communication” refers to an oral conversation. But it can include correspondence and even gestures or other physical acts if intended to transmit ideas.271

Step 2: Was the communication made in confidence? If so, go to step 3. If not, stop here. The clergy-penitent privilege does not apply. A communication is confidential if there is an expectation that it will not be revealed. In some states the presence of a third person prevents a communication from being confidential.272

Step 3: Was the communication made to a minister? If so, go to step 4. If not, stop here. The clergy-penitent privilege does not apply.273

Step 4: Was the communication made to a minister acting in a professional capacity as a spiritual adviser? If so, go to step 5. If not, stop here. The clergy-penitent

269 ibid.: p. 120.
270 ibid.: pp. 121-122.
271 ibid.: p. 123.
272 ibid.: p. 123.
273 ibid.: p. 123.
privilege does not apply. Generally, this requirement is met if a person seeks out a minister for spiritual counsel or confession.\textsuperscript{274}

Step 5: Are you legally authorized to assert the privilege? If so, go to step 6. If not, stop here. The clergy-penitent privilege does not apply. In most states both the minister and counselee may assert the privilege, but in some states the privilege may be claimed only by the counselee.\textsuperscript{275}

Step 6: Have all additional legal requirements been met? If so, go to step 7. If not, stop here. The clergy-penitent privilege does not apply. You will need to review your state clergy-penitent privilege statute to identify any additional legal requirements that may apply. Some states require that the communication be made in the course of spiritual “discipline.” While this is defined broadly to include spiritual counsel by most courts, this is not always true. Some courts have applied this language exclusively to confessions to Catholic priests.\textsuperscript{276}

Step 7: Has the privilege been waived by the counselee? If not, go to step 8. If so, stop here. The clergy-penitent privilege does not apply. A privilege may be waived if a counselee discloses to others the same information shared in confidence with a minister.\textsuperscript{277}

Step 8: Did the counselee confess to or disclose one or more incidents of child abuse? If not, and if all of the conditions summarized in the preceding steps have been satisfied, then the clergy-penitent privilege probably applies. To be certain, check with an attorney licensed to practice law in your state. If the counselee did confess to or disclose one or more incidents of child abuse, then you may be legally required to report this information to the civil authorities. Check with your state child abuse reporting law, and a local attorney, to be sure. Some states do not abrogate the privilege if child abuse is disclosed.\textsuperscript{278}

**Clergy-Parishioner Relationship**

It is not a requirement for a counselee to be a member of the church of the minister in order for the communication to be protected by the clergy-penitent privilege. However, courts can review church membership when determining if certain types of communication are privileged.

**Marriage Counseling**

In marriage counseling situations, usually three people are present. As mentioned earlier, the third person present could keep the communication from being privileged. However,

\textsuperscript{274} ibid.: p. 123.
\textsuperscript{275} ibid.: p. 123.
\textsuperscript{276} ibid.: p. 123.
\textsuperscript{277} ibid.: p. 123.
\textsuperscript{278} ibid.: p. 123.
in marriage counseling scenarios, courts have not held that to be true. The courts have held that such communications are privileged even with the third person present. Most courts:

> have assumed that statements made to a minister in the course of marriage counseling are made to the minister in his or her professional capacity as a spiritual adviser, and in the course of discipline.\(^{279}\)

**Who May Assert the Privilege?**

In regards to the clergy-penitent privilege, the question arises as to who has the right to assert the privilege. Many states provide that both the penitent and the clergy have the right to claim privilege. Under Rule 505 of the Uniform Rules of Evidence:

> the privilege may be claimed by the person, by his guardian or conservator, or by his personal representative if he is deceased. The person who was the clergyman at the time of the communication is presumed to have authority to claim the privilege but only on behalf of the communicant.\(^{280}\)

Many state laws:

> give the minister the right to claim the privilege only on behalf of the penitent, meaning that if the penitent waives the privilege and agrees to testify, the minister cannot assert the privilege independently.\(^{281}\)

**When to Assert the Privilege**

It may be confusing to ministers as to when to assert the clergy-penitent privilege. Ministers must understand that they are required to appear in court if so ordered. However, they are not required to disclose privileged information once in court. Therefore, the time to assert clergy-penitent privilege is once the minister is in court or in the process of giving a deposition.

**Waiver of the Privilege**

The clergy-penitent privilege can be waived by the penitent disclosing the privileged information to a third person. A minister may be the one to waive privilege in some states.

> If the privilege is waived it no longer protects communications against compelled disclosure in a court of law or judicial proceeding.\(^{282}\)

\(^{279}\) ibid.: p. 124.

\(^{280}\) ibid.: p. 125.

\(^{281}\) ibid.: p. 125.

\(^{282}\) ibid.; p. 126.
The Privilege in Federal Courts

The state clergy-penitent privilege statutes are generally recognized by the federal courts. In 1975, Congress formulated a single principle regarding privileged communications:

*The privilege of a witness...shall be governed by the principles of the common law as they may be interpreted by the courts of the United States in the light of reason and experience. However, in civil actions and proceedings, with respect to an element of a claim or defense as to which state law supplies the rule of decision, the privilege of a witness...shall be determined in accordance with state law.*

Constitutionality of the Privilege

The first amendment may guarantee religious freedom but it does not require that there should be clergy-penitent privilege.

Child Abuse Reporting

Many states require ministers to report possible cases of child abuse. This leaves a minister in an ethical dilemma if this information is acquired during a clergy-penitent communication. Some states have excused ministers from mandatory reporting in such situations.

The following can help a minister decide if he or she is excused from reporting child abuse if the information occurs during privileged communication.

1. Are you a mandatory reporter under your state’s child abuse reporting law? A mandatory reporter has a legal obligation to report known or reasonably suspected incident’s of child abuse to designated civil authorities. Ministers are mandatory reporters in many states. Be sure to check you state’s child abuse reporting law.

2. Does the clergy-penitent privilege apply? In many states, clergy who are mandatory reporters of child abuse are excused from the duty to report if they learn of the abuse in the course of a conversation that is protected by the clergy-penitent privilege. Did you learn of child abuse in the course of a privileged conversation? If so, you may be excused from the duty to report. Be sure to check your state’s child abuse reporting law to see if such an exception exists.

3. If you are not a mandatory reporter. If you are not a mandatory reporter you cannot be criminally liable for failing to report child abuse. However, this does not necessarily relieve you of civil liability. As a result, you still may want to report the abuse.

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283 ibid.: p. 127.
284 ibid.: p. 129.
285 ibid.: p. 129.
286 ibid.: p. 129.
4. Moral obligation. Be sure to consider the moral as well as the legal issues. What are the consequences if you elect not to report the child abuse? Is it possible that the victim will continue to be abused? If so, do you have a moral obligation to intervene?\textsuperscript{287}

**Confidentiality**

The term confidentiality is defined as:

\textit{a duty not to disclose to anyone the substance of communication shared in confidence.}\textsuperscript{288}

Ministers should keep the following in mind:

\textit{Be sure to distinguish between the concepts of privilege and confidentiality. The clergy-penitent privilege provides that clergy cannot be compelled to disclose in court the content of communication shared with them in confidence while acting as a spiritual adviser. The related concept of confidentiality imposes upon clergy a duty not to disclose to others any communications shared with them in confidence.}\textsuperscript{289}

It is essential that ministers understand that they can be found legally accountable if they disclose privileged information without the consent of the penitent. Ministers should keep the following in mind:

\textit{Clergy who disclose confidential information shared with them in counseling sessions may be exposing themselves, as well as their church, to legal liability on the basis of malpractice, invasion of privacy, breach of fiduciary duty, and infliction of emotional distress. This conclusion may apply even when clergy share confidential information in order to discipline a member for violating church standards. The point is this – would members disclose confidential information if they suspected that their minister would report it to the church board or congregation in order to discipline them? Clearly, the answer is “no.” Therefore, it is essential for clergy to refrain from disclosing information obtained during confidential counseling sessions – even if it relates to a person’s qualifications or eligibility for membership. Of course, the church board can still discipline the individual, but not on the basis of any information shared with the minister in the course of a confidential counseling session. Another alternative is for a minister to obtain the permission of the counselee to share confidential information with the board or with some other person. If this permission is obtained (in writing), this will serve as a defense in the event that the minister is later sued for disclosing the information.}\textsuperscript{290}

\textsuperscript{287} ibid.: p. 129.
\textsuperscript{288} ibid.: p. 131.
\textsuperscript{289} ibid.: p. 131.
\textsuperscript{290} ibid.: p. 132.
Disclosure of Criminal Activity to Civil Authorities

Ministers may at times receive information about criminal activity in the course of a clergy-penitent communication. This creates an ethical dilemma for the minister as to whether he/she should disclose the information to the police.

The clergy-penitent privilege does not prevent clergy from disclosing confidential communications to the police. Rather, it prevents clergy from disclosing the content of privileged communications in court. Clergy who choose to inform the police about information shared with them in confidence are providing no more than a “tip.” The police will need to confirm the information through their own investigation, since the minister will be prevented by the privilege from disclosing the information in court.291

Church Records

Many churches and ministers assume that all church records are protected from public exposure in a court case. This is not necessarily true. In many cases, the courts have ruled that such papers are not covered by privilege.

Death of the Counselee

In 1998, the United States Supreme Court stated that clergy-penitent privilege may continue after the death of the counselee.

Visiting Privileges at Penal Institutions

Ministers are allowed to visit prisoners in many state correctional facilities to counsel with them.

The first amendment does not forbid outsiders from entering prisons in order to conduct religious services and to “witness” to prisoners, at least if prisoners are not forced to participate. The practice of many prisons in employing chaplains has also been upheld against the claim that it constitutes a violation of the first amendment’s “nonestablishment of religion” clause.292

Immigration of Alien Ministers

Ministers from outside the United States can receive special immigrant status to visit in the United States, if they can establish that:

1. for at least two years immediately preceding the time of application for admission to the United States, he or she was engaged continuously in carrying on the vocation of a minister;

291 ibid.: p. 133.
292 ibid.: p. 137.
2. he or she seeks to enter the United States solely for the purposes of carrying on
the vocation of a minister;

3. his or her services are needed by a religious denomination having a bona fide
organization in the United States.\(^{293}\)

The Immigration and Naturalization Act defines the term “minister” as:

\[
\text{a person duly authorized by a recognized religious denomination having a bona fide organization in the United States to conduct religious worship and to perform other duties usually performed by a regularly ordained clergyman of that denomination.}\(^{294}\)
\]

\section*{Miscellaneous Benefits}

Ministers can receive a variety of benefits from state and federal tax laws. Most important, they are permitted to exclude from their gross income the cost of owning or maintaining a residence; they can elect (if certain conditions are met) to be exempt from social security; they are not subject to federal income tax withholding (even if they report their federal income taxes as employees); and they are not considered to be “employees” subject to federal unemployment taxes.\(^{295}\)

The Interstate Commerce Act permits common carriers to provide transportation without charge or at discounted rates to “a minister of religion.” Various states likewise permit common carriers to provide free or discounted transportation to ministers.\(^{296}\)

\section*{Liabilities, Limitations & Restrictions}

Litigation against clergy is on the increase. This section will cover the most common legal liabilities.

\section*{Negligence}

The issue that surrounds the majority of lawsuits against clergy is negligence. Negligence is defined as:

\[
\text{conduct which creates an unreasonable and foreseeable risk of harm to another person, and which does in fact result in injury.}\(^{297}\)
\]

It must be understood that negligence does not have to be intentional and in most cases is not intentional. Negligence:

\(^{293}\) ibid.: pp. 137-138.
\(^{294}\) ibid.: p. 138.
\(^{295}\) ibid.: p. 138.
\(^{296}\) ibid.: p. 138.
\(^{297}\) ibid.: p. 144.
Negligence is usually associated with the operation of an automobile. However, clergy can create negligent situations such as:

- entrusting a dangerous article to one who, because of inexperience or immaturity cannot safely handle it;
- authorizing a children’s activity or retreat without adequate adult supervision;
- knowing of a dangerous condition on the church property but failing to warn members and visitors;
- failing to take reasonable action to have ice and snow removed from the church’s sidewalks and parking lot;
- or failing to have an excessively slippery floor made safe.

Clergy are not without a variety of defenses that can be employed when sued for negligence. Contributory negligence is one such defense. Contributory negligence is:

- simply negligence on the part of the injured party that contributes to the injury.

Many courts have held that contributory negligence was a complete release from liability. This meant that injured parties could not receive any compensation from the party directly responsible for the negligence. Some courts have corrected this situation by creating comparative negligence laws.

These laws seek to apportion damages and liability on the basis of the relative fault of the parties involved. Under the doctrine of comparative negligence, negligence victims who were themselves contributorily negligent will not necessarily be denied recovery. Instead, their recovery will be reduced in proportion to their fault.

Other states have created pure comparative negligence laws. These laws:

- allow a proportionate recovery to all negligence victims, including those whose own contributory negligence was equal to or greater than the negligence of the person directly causing the injury.

Yet other states have created fifty percent negligence laws. These laws state that:

- victims may recover proportionate damages only if their contributory negligence was less than fifty percent of the combined negligence resulting in their injuries.

Another defense used by clergy is assumption of risk. Under assumption of risk:
persons who voluntarily expose themselves to a known and appreciated danger created by the negligence of another will not be allowed to recover damages for injuries that occur.\textsuperscript{304}

Imputed negligence is another defense employed by clergy. In this situation, the clergy can impute the church as the responsible party if the clergy is working as an employee of the church. The church becomes the respondent superior. Respondent superior generally means that the employer (superior) responds for the employee. The reason for this rule has been stated as follows:

\begin{quote}
The losses caused by the negligence of employees, which as a practical matter are sure to occur in the conduct of the employer’s enterprise, are placed upon the enterprise itself, as a required cost of doing business. They are placed upon the employer because, having engaged in an enterprise which will, on the basis of past experience, involve harm to others through the [negligence] of employees, and sought to profit by it, it is just that he, rather than the injured plaintiff, should bear them; and because he is better able to absorb them and to distribute them, through prices, rates or liability insurance, to society, to the community at large.\textsuperscript{305}
\end{quote}

Churches may be held responsible for the actions of their pastors. Therefore, they need to consider the following:

1. A church may be legally responsible for the negligence of its minister committed within the scope of employment.\textsuperscript{306}

2. The church will be liable only if the minister is an employee rather than self-employed.\textsuperscript{307}

3. A minister’s reporting status for federal income tax reporting purposes is of limited significance. The courts often ignore this status completely when deciding if a worker is an employee or self-employed for purposes of imputing liability to an employer under the respondent superior doctrine. Further, many ministers who report their income taxes as self-employed would probably be reclassified as employees by the IRS if audited.\textsuperscript{308}

4. The justification for imputing an employee’s negligence to an employer does not apply as forcefully to a church, which, unlike many business corporations, is not necessarily “better able to absorb [legal judgments] and to distribute them, through prices, rates or liability insurance, to society, to the community at large.” It is perhaps reasonable to require business to “pass along” the cost of their

\textsuperscript{304} ibid.: p. 144.
\textsuperscript{305} ibid.: p. 145.
\textsuperscript{306} ibid.: p. 145.
\textsuperscript{307} ibid.: p. 145.
\textsuperscript{308} ibid.: p. 145.
employees’ negligence to consumers through price adjustments. But how does a church “pass along” such costs to the public?\textsuperscript{309}

5. The fact that a minister’s negligence may be imputed to his or her employing church does not necessarily shield the minister from personal liability. Negligent ministers ordinarily are personally liable for their negligence and can be sued directly by their “victims.” It is common for the victim of a minister’s negligence to sue both the minister individually and the minister’s employing church. The fact that the church may be liable in no way shields the minister from personal liability. And, if for any reason the suit against the church is dismissed, the minister may be solely liable. While unlikely, in some states a church could require a minister to indemnify or reimburse it for damages paid as a result of imputed negligence.\textsuperscript{310}

Defamation

Defamation contains the following elements:

1. oral or written statements about another person
2. that are false
3. that are “published” (that is, communicated to other persons), and
4. that injure the other person’s reputation\textsuperscript{311}

Defamation contains two subsections. First, slander is the use of oral words in damaging a person’s reputation. Libel results from written words. Both are generally referred to only as defamation. It must be understood that defamation is the injury to a person’s reputation not their feelings.

Clergy filing suit for defamation is often in relation to their dismissal from a church. Clergy need to understand that many courts will refuse to hear their cases because the courts have determined that they:

\textit{are barred by the first amendment guarantees of religious freedom and nonestablishment of religion from resolving challenges by dismissed clergy to the legal validity of their dismissals.}\textsuperscript{312}

\textsuperscript{309} ibid.: p. 145.
\textsuperscript{310} ibid.: p. 145.
\textsuperscript{311} ibid.: p. 146.
Pastors Who are Sued for Making Defamatory Statements

Ministers are not immune from being sued for defamation. Ministers should keep from making:

*public remarks that might diminish the reputation, respect, goodwill, or esteem of other persons.* \(^{313}\)

Pastors Who Are Victims of Defamation

Whether ministers like to accept the position or not, they are public figures and because they are classified as such, they are subject to having objectionable comments made about them. Therefore, the courts have ruled that ministers, like other public figures, must prove that objectionable comments are made in malice. Malice is defined as:

*either actual knowledge that the remark was false or a reckless disregard as to its truth or falsity.* \(^{314}\)

The courts have found that it is defamatory to publicly accuse a minister of willful deceit, a greatly confused mind, and the grossest type of moral misconduct; heresy and disturbing the peace of the church; low moral character and scandalous and evil conduct that was so bad that it could not be described publicly; lying, hatred, “tyrancy,” failure to pay debts, and satanic motives; adultery or fornication; improper handling of church finances; ineptness in administrative ability; and being unable to keep his word for 24 hours. \(^{315}\)

Ministers must keep in mind that they must be able to prove that the statements were made with malice. They must also remember that a court will not hear their case unless they can prove that the case can be reviewed without inquiry into church doctrine. In essence, it is difficult for a minister to sue for defamation.

Defenses for Defamation

As with negligence, there are a number of defenses for a person that is sued in a defamation case.

1. Truth

   If the person can prove beyond the shadow of a doubt that the statement was truth, this is absolute defense. This defense is based on:

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\(^{313}\) Hammar, Pastor, Church & Law, p. 149.
\(^{314}\) ibid.: p. 149.
\(^{315}\) ibid.: pp. 149-150.
the principle that the dissemination of truth should not be restricted by the fear of defamation lawsuits.\textsuperscript{316}

The courts development of invasion of privacy law has created situations in which dissemination of the truth can still be classified as defamation. Under invasion of privacy law, a person can be punished for making statements which:

\textit{though true, disclose private facts about another person in a way that would be highly offensive to a reasonable person.}\textsuperscript{317}

2. Judicial Proceedings

If a person is testifying in a courtroom or deposition, the statements made about another person generally are not considered to be defamatory.

3. Consent

If a person consents to defamatory communications, they can not turn around later and sue for defamation. For consent to be effective it:

\textit{must of course be voluntary and knowing.}\textsuperscript{318}

4. Self-defense

Many courts have allowed victims of defamation to respond to the defamation in a manner which, if viewed independently, might constitute defamation. The victim must be careful to confine his or her remarks to the defamatory statements.\textsuperscript{319}

5. Matters of “Common Interest”

Many courts have concluded that the law should encourage members of churches and other organizations to share with each other about matters of mutual concern without undue concerns about being sued for defamation. As a result, these courts have ruled that church members are protected by a qualified privilege when sharing with other church members about matters of mutual concern or common interest. This means that such communications cannot be defamatory unless made with malice. Malice in this context means that the person who made the allegedly defamatory remark knew that it was false, or made it with a reckless disregard as to its truth or falsity.\textsuperscript{320}

\textsuperscript{316} ibid.: p. 152,
\textsuperscript{317} ibid.: p. 152.
\textsuperscript{318} ibid.: p. 153.
\textsuperscript{319} ibid.: p. 153.
\textsuperscript{320} ibid.: p. 153.
Church leaders occasionally communicate potentially defamatory statements to their congregations. Examples include statements concerning suspected embezzlement by a church employee, allegations of sexual misconduct by a staff member or volunteer, or explanations of why a church employee was dismissed. Before making any statements to the congregation in such cases, church leaders should consider the following points:

- Such statements may be defamatory.
- Such statements will not be protected by the qualified privilege if nonmembers are present when they are made.
- Such statements may be protected by a qualified privilege if they are made to members only. This means that church leaders take steps to ensure that only members are present when the statements are made. This can be accomplished in a number of ways. For example, a special meeting of members is called and only persons whose names are on the church’s current list of active voting members are admitted. As an additional precaution, members present at such a meeting should be asked to adopt a resolution of confidentiality, agreeing not to discuss the information with any non-member under any circumstances. Persons dissenting from this vote should be excused from the meeting. Alternatively, the statements are set forth in a letter that is sent to active voting members (with the notation “privileged and confidential” on both the letter and envelope).
- Consult with an attorney before making any potentially defamatory statement to the congregation (in a meeting or through correspondence).

Statements made under the following circumstances have been held not to be defamatory: a communication made between officers of a church or denomination on any subject in which they both have an interest; communications between members of a religious organization concerning the conduct of other members or officers; charges made against a church member during a church investigation into his character; reading a sentence of excommunication of a church member in the presence of a church congregation; an article in a publication produced by a religious denomination describing difficulties in missions work in an area under the control of a particular minister; charges made by an officer of a church against the church’s minister; and disparaging statements made by several church members concerning their minister during a church disciplinary proceeding.

In many states the “qualified privilege” is an “affirmative defense” that may be lost if it is not asserted in an answer to a lawsuit. If your church is sued for defamation as a result of statements shared with members, be sure your attorney is aware of this rule and raises the qualified privilege as an affirmative defense in the answer to the lawsuit.

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321 ibid.: p. 154.
322 ibid.: p. 154.
323 ibid.: p. 155.
6. Mitigating Factors

Although technically not defenses to a charge of defamation, public retraction of a defamatory statement or proof that the allegedly defamed individual provoked a defamatory statement will be admissible for the purpose of mitigating or minimizing damages.\textsuperscript{324}

Undue Influence

Frequently churches and even pastors receive gifts that are willed to them. These gifts can be brought into question by the person who willed the gift or by the person’s family. The question that is usually raised concerning these gifts is undue influence by the pastor or members of the church. Undue influence has been defined by the courts to mean:

\textit{the exercise of an improper influence over the mind and will of another to such an extent that his professed act is not that of a free agent, but in reality is the act of the third person who procured the result.}\textsuperscript{325}

The general factors reviewed by a court in determining if undue influence has occurred includes:

\begin{itemize}
\item (1) old age and mental weakness of a party executing the instrument;
\item (2) the instrument is different from and revokes a prior instrument;
\item (3) the instrument favors one or no blood relation;
\item (4) the beneficiary has procured its execution;
\item (5) it disinherits the natural objects of the grantor’s bounty;
\item (6) the person signing the paper is in the home of the beneficiary and subject to his constant association and supervision;
\item (7) others have little or no opportunity to see the grantor.\textsuperscript{326}
\end{itemize}

In regards to gifts to churches or pastors the following factors are reviewed:

\begin{itemize}
\item whether the gift was the product of hasty action
\item whether the gift was concealed from others
\item whether the person or organization benefited by the gift was active in securing it
\end{itemize}

\textsuperscript{324} ibid.: p. 157.
\textsuperscript{326} ibid.: pp. 28-29.
• whether the gift was consistent or inconsistent with prior declarations and planning of the donor

• whether the gift was reasonable rather than unnatural in view of the donor’s circumstances, attitudes, and family

• the donor’s age, physical condition, and mental health

• whether a confidential relationship existed between the donor and the recipient of the gift

• whether the donor had independent advice

There is another issue that can be attached to undue influence. The issue is constructive fraud. Constructive fraud is based on two elements. These elements are:

1. the existence of a “special confidential or fiduciary relationship,” and

2. the parties to this relationship entered into a transaction in which the dominant party takes advantage of a position of trust to the weaker party’s detriment.

Ministers must be aware of the problems surrounding the soliciting of gifts for themselves or their church, especially from elderly or mentally ill members. Ministers can merely suggest that gifts can be made but should not pursue the issue personally. Ministers should suggest that members who are considering willing gifts to them or their church meet with an independent attorney, who does not attend the church. This practice can protect the minister and the church from being accused of undue influence.

Ministers should also be aware that they can be held personally liable for punitive damages. Members of the church can also be held personally liable for punitive damages, if they are involved in helping a person executing a will or deed that is later proved to have been done under undue influence.

Not only does proof of undue influence result in the cancellation of the deed or will leaving the gift to charity, but it also exposes the individuals who participated in the undue influence to personal liability…Well-intentioned church members who assist elderly and infirm church members in executing deeds or wills that make gifts to the church may be exposing themselves to personal liability.

If your church receives a gift under a will that is challenged on the basis of undue influence, be sure to bear in mind a couple of considerations. First, undue influence usually is very difficult to prove, particularly when the decedent was in reasonably good

327 Hammar, Pastor, Church & Law, pp. 157-158.
328 Hammar, “Wills, trusts, and estates”, p. 29.
329 ibid.: p. 29.
mental and physical health at the time the will was executed. Second, in many states, undue influence must be proven by “clear and convincing evidence” – a more difficult burden of proof than the ordinary “preponderance of the evidence” standard. A church that becomes aware that an elderly or infirm person is considering leaving a portion of his or her estate to the church can reduce the possibility of undue influence even further by ensuring that the person obtains the independent counsel of an attorney in drafting the will or trust. Ideally, the attorney should not be a member of the same church. Finally, church leaders should recognize that they have a moral obligation to assist in implementing the estate plans of deceased members so long as they are satisfied that no improper influence was exercised.

**Invasion of Privacy**

Ministers can be sued for invasion of privacy if they revealed personal facts of others. There are four forms of conduct that can be classified as invasion of privacy.

1. **Public Disclosure of Private Facts**

   Those who give publicity to the private life of another are subject to liability for invasion of privacy if the matter publicized is of a kind that would be highly offensive to a reasonable person and is not of legitimate concern to the public. The key elements of this form of invasion of privacy are (1) publicity, (2) of a highly objectionable kind, (3) given to private facts about another.

   Publicity is defined as a communication to the public at large, or to so many persons that the matter is substantially certain to become one of public knowledge. It is not an invasion of privacy to communicate a fact concerning another’s private life to a single person or even to a small group of persons. But a statement made to a large audience, such as a church congregation, does constitute “publicity.”

   Many times, ministers will reveal private facts about members of their congregations in sermons. Though these may be revealed with a positive motive and to encourage the member or the congregation, it may still be considered to be invasion of privacy.

   For a statement to be considered to be invasion of privacy it must:

   > be such that a reasonable person would feel justified in feeling seriously aggrieved by its dissemination.

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330 Hammar, Pastor, Church & Law, p. 163.
331 ibid.: p. 164.
332 ibid.: p. 164.
333 ibid.: p. 164.
Ministers should be cautious as to what they may reveal in sermons and discussions about members of their congregation. It would be wise for them to consider if the same statement was made about them in public how they would take it.

2. Use of Another’s Name or Likeness

Many churches produced pamphlets and other documents that they distribute to the public. Churches must be cautious to make sure that they have people’s permission to use their names and/or pictures in such material. If not, they can be sued for invasion of privacy.

This type of invasion of privacy is defined as:

*the unauthorized use of another’s name or likeness for personal or commercial advantage.*

3. False Light in the Public Eye

One who gives publicity to a matter that places another before the public in a “false light” is subject to liability for invasion of that person’s privacy….The false light in which the person was placed must be highly offensive to a reasonable person, and it must have been publicized either with a knowledge that it was false or with a reckless disregard concerning its truth or falsity.

*A minister who ascribes beliefs or positions to others that they do not in fact hold may have invaded their privacy.*

4. Intruding Upon Another’s Seclusion

This type of invasion of privacy by ministers or church members can occur when they enter another’s home without invitation, enter hospital rooms without permission, or are persistent with unwanted phones calls, just to name a few. This type of invasion of privacy is committed by:

*one who intentionally intrudes upon either the solitude or private affairs of another is subject to liability for invasion of privacy if the intrusion would be highly offensive to a reasonable person. This is committed if one without consent enters another’s home, inspects another’s private records, eavesdrops upon another’s private conversation, or makes persistent and unwanted telephone calls to another….it can be committed by unauthorized entry into a hospital room.*

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334 ibid.: p. 165.
335 ibid.: p. 165.
336 ibid.: p. 165.
337 ibid.: p. 166.
5. Defenses

As with negligence, ministers have a variety of defenses that may be employed if they are accused of invasion of privacy. These defenses can include:

\[\text{consent by the alleged victim; statements made in judicial proceedings; statements that are required by law; statements that are exchanged between husband and wife or attorney and client.}\]

6. The Privacy Act of 1974

The Privacy Act was enacted to permit persons (1) to know of any records about them the government is collecting, maintaining, and distributing; (2) to prevent government records about them from being used without consent and for purposes other than those for which the records were first acquired; and (3) to correct and amend such records if necessary. The Privacy Act applies only to records maintained by the federal government and some federal contractors. It has no relevance to church records.

The Freedom of Information Act requires that federal agencies promptly make available to any person upon request any identifiable record, subject to various exceptions. The Act also mandates the publication of certain categories of agency information in the Federal Register, and requires that various other kinds of records be made available for public inspection and copying. The purpose of the Act is to promote public access to the information in the possession of federal agencies.

7. “Sunshine” Laws

“Sunshine” laws provide that meetings of all governmental bodies will be open to the public unless specifically exempted.

Clergy Malpractice

\[\text{Malpractice generally is defined as a failure to exercise an accepted degree of skill in the performance of professional duties that results in injury to another.}\]

Malpractice suits are usually filed against doctors and lawyers. However, in recent years the number of cases brought against ministers is on the rise. The Nally case is the landmark case that brought the suing of clergy for malpractice to light.

\[\text{ibid.: p. 166.} \]
\[\text{ibid.: p. 167.} \]
\[\text{ibid.: p. 167.} \]
\[\text{ibid.: p. 167.} \]
\[\text{ibid.: p. 168.} \]
In this case, the Nally family sued several clergy of Grace Community Church for malpractice, which resulted in the suicide of their son. The courts ruled that the clergy were not guilty of malpractice. This decision, however, should not lead clergy to believe that they are immune to malpractice rulings.

Despite the result of the Nally case, churches should purchase “clergy malpractice” or counseling liability insurance for their pastor staff. There are two reasons for doing so. First, this type of insurance is inexpensive, and in light of the Nally decision should become even less costly. Second, while it is very unlikely that a minister will be successfully sued for malpractice in counseling, it is entirely possible that a minister may be sued. Counseling liability insurance will cover the costs of defending the lawsuit, and will pay any settlements or judgments up to the policy limits.343

Clergy must also be aware that court decisions have been inconsistent regarding clergy malpractice. Some courts have refused to even review such cases. While other courts have ruled in favor of the plaintiff. The cases of clergy malpractice that the courts have reviewed include:

1. sexual misconduct with an adult or minor
2. “non-religious” counseling344

Contract Liability

Throughout the course of ministry, clergy become involved in various contract situations. These can include building remodeling, building expansion, purchase of church vehicles, etc. Clergy, however, must be aware as to whether they have the authority to sign contracts for the church and that they identify themselves as representatives of the church on the contract. Knowing these two facts can prevent the clergy from being held personally liable for the cost of the contract.

Whether clergy will be personally liable on contracts they sign depends upon two factors: (1) whether their employing church is disclosed in the contract, and (2) whether they sign as a representative.345

Clergy who sign a contract on behalf of a church without disclosing their title or office will not be personally liable if the church is identified in the contract and the circumstances clearly reveal that they signed in an official capacity.346

Ministers should be careful to disclose their representative capacity when signing a contract on behalf of a church, and clearly identify the church in the body of the contract as the party to the agreement.347

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343 ibid.: pp. 172-173.
344 ibid.: p. 179.
345 ibid.: p. 181.
346 ibid.: p. 181.
347 ibid.: pp. 172-173.
If a minister signs a contract that has not been so authorized, the general rule is that he or she will be personally liable on the contract. The church, of course, can “ratify” an unauthorized contract, in which case the church becomes liable for it.  

_Clergy should refrain from signing contracts unless they are certain that (1) the contract has been properly authorized; (2) they are authorized to sign on behalf of the church; (3) the church is clearly identified in the contract as the party to the agreement; and (4) the minister signs in a ”representative capacity.”_  

_A minister of an unincorporated church who signs a contract on behalf of the church may be personally liable on the contract even if the church is identified in the contract and the minister signs in a representative capacity. Several courts have concluded that ministers and trustees of unincorporated churches who sign contracts on behalf of their churches will be personally liable on them._

### Securities Law Violations

All churches at some point raise money for some special program. This could be for remodeling a present building, building a new building, or starting a new ministry. Many times, this money is raised through investment adventures by the members of the congregation or even the outside community. These investments fall under the category of securities.

Various laws and acts have been created to protect an investor’s money. Such an act is the Uniform Securities Act. In this act, the term security is defined as:

- any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement; collateral trust certificates; pre-organization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease; or in general any interest or instrument commonly known as a “security”....

Clergy and churches need to understand that there are securities laws that must be observed before, during, and after the sale of securities. If these laws are not followed, the person or people involved in the sale of the securities could face criminal charges. Most securities laws impose the following conditions on the sale of securities:

1. registration of proposed securities with the federal or state government in advance of sale

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347 ibid.: p. 181.
348 ibid.: p. 182.
349 ibid.: p. 182.
350 ibid.: p. 182.
351 ibid.: p. 183.
2. filing of sales and advertising literature with the federal or state government
3. registration of agents and broker-dealers who will be selling the securities
4. prohibition of fraudulent practices

Ministers may be directly impacted by their state’s securities law in at least two ways. First, if they are engaged in selling their church’s securities (or offering them for sale), they may be required to register as an “agent” or “salesperson.” Second, they are prohibited from engaging in any form of fraudulent practice in connection with the offer or sale of securities.

1. Agent Registration

_The Uniform Securities Act, which has been adopted by a majority of states, provides that “it is unlawful for any person to transact business in this state as a broker-dealer or agent unless he is registered under this act.”_  

Registration is a fairly simple procedure. Registration involves:

- the filing of a detailed application with the state securities commission,
- payment of the prescribed fee, and in many states, the successful completion of a securities law examination.

The “Church Bond Guidelines” prepared by the North American Securities Administrators Association (NASAA) and adopted by several states, specify that the Uniform Securities Act requires that any person, including an officer or director of the issuer, who wishes to offer or sell church bonds must either be a registered representative of a licensed securities broker-dealer, or alternatively must file for registration as an agent with the administrators of the states in which he intends to sell securities pursuant to section 201 of the Act. This is true even if the church bonds themselves are exempt from registration under…the Act. Any person who sells church bonds without compliance with the agent registration provisions of the Act could also be liable under both the civil and criminal sections of the Act.

Ministers who contemplate making offers or sales of securities should assume that they must register as an agent until they receive adequate assurance that they are exempt. Even those ministers who do not plan on offering or selling securities

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352 ibid.: p. 183.
353 ibid.: p. 183.
354 ibid.: pp. 183-184.
355 ibid.: p. 184.
356 ibid.: p. 184.
directly should note that virtually any promotion of church securities, no matter how indirect, may trigger the agent registration requirements.\(^{357}\)

Section 410 of the Uniform Securities Act provides that any person who offers or sells a security in violation of the agent registration requirement is liable to the person buying the security from him, who may sue either at law or in equity to recover the consideration paid for the security, together with interest at the rate of six percent per year from the date of payment, costs, and reasonable attorneys’ fees, less the amount of any income received on the security, upon the tender of the security, or for damages if he no longer owns the security. Section 410 further provides that the employer of an unregistered agent is also liable.\(^{358}\)

2. The Prohibition of Fraudulent Activities

The securities laws were created to protect investors from their funds being misused. Occasionally, receivers of the funds have used them for their personal use instead of the project for which the funds were raised. A person can be criminally charged for such actions. If the person, who has misused the funds, is considered to be of high trust, his/her prison time can be increased by the court.

Under federal sentencing guidelines a court may increase a prison sentence for “breach of a position of trust.” In order for a court to increase a prison term on this basis, it must find that (1) the defendant occupied a position of trust, and (2) the defendant abused his position in a manner that significantly facilitated the commission or concealment of the offense. The sentencing guidelines state that “the position of trust must have contributed in some substantial way to facilitating the crime and not merely have provided an opportunity that could as easily have been afforded to other persons.”\(^{359}\)

Failure to Report Child Abuse

Child abuse continues to be on the rise in the United States. In many states ministers are mandated to report any cases of child abuse that they are made aware of or suspect. This can leave a minister in an ethical dilemma when that information is obtained in a clergy-penitent situation.

Failure to report child abuse can lead to serious legal problems for the minister.

1. Ministers who are mandatory reporters under state law face possible criminal prosecution for failing to comply with their state child abuse reporting law;

2. some state legislatures have enacted laws permitting child abuse victims to sue ministers for failing to report child abuse; and

\(^{357}\) ibid.: p. 184.

\(^{358}\) ibid.: p. 184.

\(^{359}\) ibid.: p. 186.
3. *some courts have permitted child abuse victims to sue ministers for failing to report child abuse.*

1. **Criminal Liability**

Throughout the fifty states, there are child abuse reporting statutes. There are a few terms that must be defined before we can proceed. First, child abuse is defined to include:

*physical abuse, emotional abuse, neglect, and sexual molestation.*

A child is defined as:

*any person under the age of 18 years.*

Some states specifically limit the definition of “child abuse” to abuse that is inflicted by a parent or other person legally responsible for the minor’s care. Such a statute, if interpreted narrowly, might not require clergy to report incidents of abuse inflicted by teachers, child care workers, custodians, associate ministers, adolescents, or volunteer youth workers – even if they otherwise are under a mandatory duty to report child abuse under state law.

In most states, such “mandatory reporters” must report both actual and reasonably suspected cases of child abuse. Failure to do so is a crime.

Some states define mandatory reporters to include any person having a reasonable belief that child abuse has occurred.

The remaining states define mandatory reporters by referring to a list of occupations which generally includes physicians, dentists, hospital employees, nurses, coroners, school employees, nursery school workers, law enforcement officers, and licensed psychologists.

Since not all states make ministers mandatory reporters, ministers in these states may be what are considered permissive reporters. In these situations, the minister can report a case of child abuse but he/she will not be held legally responsible if he/she does not. If the minister receives information about child abuse in a clergy-penitent situation, he/she must decide between maintaining confidence and obeying the law.

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360 ibid.: p. 187.
361 ibid.: p. 187.
362 ibid.: p. 187.
363 ibid.: 187.
364 ibid.: pp. 187-188.
365 ibid.: p. 188.
366 ibid.: p. 188.
A number of states have attempted to resolve this dilemma by specifically exempting clergy from the duty to report child abuse if the abuse is disclosed to them in the course of a communication protected by the clergy-penitent privilege. Other states, while not specifically excluding clergy from the duty to report, do provide that information protected by the clergy-penitent privilege is not admissible in any legal proceeding regarding the alleged abuse. Some state child abuse reporting statutes do not list the clergy-penitent privilege among those privileges that are abolished in the context of child abuse proceedings. The intent of such statutes may be to excuse clergy from the testifying in such cases regarding information they learned in the course of a privileged communication.\(^\text{367}\)

Even if the clergy-penitent privilege applies in the context of child abuse reporting, it is by no means clear that the privilege will be defense to a failure to report, since (1) the information causing a minister to suspect that abuse has occurred may not have been privileged (that is, it was not obtained in confidence, or it was not obtained during spiritual counseling); and (2) a privilege ordinarily applies only to courtroom testimony or deposition, and not to a statutory requirement to report to a state agency.\(^\text{368}\)

Many people are reluctant to report child abuse for fear of being sued. This includes ministers. Throughout the United States, child abuse reporters are immune to being sued. It is sad to say, though, that knowing this law exists has created a disastrous result of people filing malicious false reports. Therefore, the courts are beginning to criminally charge those that file malicious false reports.

To file a child abuse report, in many states, ministers begin by: notifying a designated state agency by telephone and confirming the telephone call with a written report within a prescribed period of time.\(^\text{369}\)

In such a report, the minister will generally be required to:

1. *identify the child, the child’s parents or guardians, and the alleged abuser by name, and provide their addresses;*
2. *give the child’s age; and*
3. *describe the nature of the abuse.*\(^\text{370}\)

2. **Civil Liability Based on Statute**

Until recently, there was little victims of child abuse could do about suing individuals that knew of their abuse and didn’t report it. Many states now have opened avenues through which victims of child abuse can sue mandatory reporters. This is an important point, only mandatory reporters can be sued.

\(^{367}\) ibid.: p. 188.
\(^{368}\) ibid.: p. 188.
\(^{369}\) ibid.: p. 189.
\(^{370}\) ibid.: p. 189.
Persons who are “mandatory” child abuse reporters in some states can be sued by victims of child abuse for failure to comply with state child abuse reporting requirements. These lawsuits may be brought in some states many years after the failure to report. It is possible that other state legislatures will enact laws giving victims of child abuse the legal right to sue mandatory reporters who failed to comply with their reporting obligations. It is also possible that the courts in some states will allow victims to sue mandatory reporters (and perhaps those who are not mandatory reporters) for failing to report child abuse even if no state laws grants them the specific right to do so. These potential risks must be considered when evaluating whether or not to report known or suspected incidents of child abuse.\textsuperscript{371}

3. Civil Liability Based on Court Rulings

There are courts in the country that will not allow victims of child abuse to sue ministers who did not report the child abuse. However, ministers should not assume that all courts will disallow such cases. There are courts that do permit suits against ministers who failed to report child abuse. As with many cases involving ministers and churches, the courts are inconsistent in their rulings.

When deciding what to do with child abuse information, a minister should consult with an attorney and discuss the following questions:

1. *Am I a mandatory or a permissive reporter under state law?*\textsuperscript{372}

2. *If the allegations are true, do they constitute child abuse as defined under state law?* Remember, in some states the definition of child abuse is limited to abuse inflicted by a parent or person responsible for a child’s care.\textsuperscript{373}

3. *Do I have reasonable cause to believe that abuse has occurred?* Be sure to interpret this broadly. An alleged offender’s denial of any wrongdoing does not preclude reasonable cause. Remember, offenders typically deny any wrongdoing.\textsuperscript{374}

4. *Did I receive the information in the course of spiritual counseling?* If so, does the clergy-penitent privilege protect me from disclosing this information? In a few states, it does.\textsuperscript{375}

5. *How severe was the abuse? Evaluate the severity of the alleged abuse and the possible existence of other victims of the same perpetrator.*\textsuperscript{376}

\textsuperscript{371} ibid.: p. 190.
\textsuperscript{372} ibid.: p. 193.
\textsuperscript{373} ibid.: p. 193.
\textsuperscript{374} ibid.: p. 193.
\textsuperscript{375} ibid.: p. 193.
\textsuperscript{376} ibid.: p. 193.
6. Did the alleged abuse involve pedophilic behavior (sexual contact with a pre-adolescent child)? If so, respond aggressively since pedophilia is considered to be incurable and many pedophiles have hundreds of victims over the course of a lifetime.\(^{377}\)

7. Do I have any risk of civil liability under state law if I choose not to report the abuse? It is possible that abuse victims will be permitted to sue clergy who fail to report (even if they are not mandatory reporters) if their injuries are aggravated and perpetuated because of the failure to report.\(^{378}\)

8. Should I candidly (but anonymously) discuss the available evidence with the state agency that receives child abuse reports to determine whether the agency believes that a report should be filed?\(^{379}\)

9. Should I try to persuade the informant to report the abuse? If the informant is unwilling, offer to accompany him or her to the police station or state agency that receives reports of abuse. If this does not work, then ask for the informant’s permission to file a report yourself.\(^{380}\)

10. Can child abuse be reported to law enforcement officials in my state? Some states permit this. If you are in such a state, and you have a law enforcement officer in your congregation, consider reporting to that person.\(^{381}\)

### Diversion of Church Funds

Church income comes from a variety of sources. These sources may include the following:

*designated and undesignated contributions, interest on bank accounts, gain on investments, and rent from church-owned properties.*\(^{382}\)

The church holds the income from these sources in trust. The designated money is allotted to accounts for that specific purpose. The undesignated money is use for basic church operations.

The principle that church funds and assets are held in trust for the religious and charitable uses of the church is codified in the Internal Revenue Code, which conditions the

\(^{376}\) ibid.: p. 193.
\(^{377}\) ibid.: p. 193.
\(^{378}\) ibid.: p. 193.
\(^{379}\) ibid.: p. 193.
\(^{380}\) ibid.: p. 183.
\(^{381}\) ibid.: p. 193.
\(^{382}\) ibid.: p. 194.
exemption of churches from federal income taxation on several factors, including the following: (1) none of a church’s net earning inures to the benefit of a private individual, except for the payment of reasonable compensation for services rendered, and (2) a church is organized and operated exclusively for religious purposes.\[383\]

Some ministers are tempted to divert church funds for their own personal use. Diverted funds exceed the amount of compensation agreed upon between the minister and the church. Diverting funds for personal use is a criminal offense. Not only is the minister criminally liable but the diverting action can cause the church to lose its tax-exempt status. The majority of time, the diverting of funds is purely inadvertent. However, many ministers have been found guilty of intentional diversion.

Churches and clergy can protect themselves from the disastrous results of a minister diverting funds if they heed the following advice:

ministers ordinarily should not permit church funds or assets to be placed in their names; bank checking and savings accounts should require the signature of two unrelated persons; ministers should not pay for their personal or business expenses out of church funds without written authorization; and they should not accept favorable loans and other financial benefits out of church funds in excess of their stated compensation without the advice of legal counsel.\[384\]

State Regulation of Psychologists and Counselors

One of the duties that a minister is called upon to perform is counseling. The statutes that surround pastoral counseling vary from those of licensed psychologists. Each state has established statutes that regulate the practice of psychology. The intent of these statutes is to keep individuals who have not received certification or licensing in psychology from practicing. This helps to protect the public from quacks and those who could cause additional emotional damage to those who seek psychological help.

Certification laws do not prevent persons from practicing psychology, but rather prohibit use of the title “psychologist” or any of its derivation by persons who are not certified psychologists.\[385\] Licensure laws prohibit the practice of psychology by anyone who is not a licensed psychologist.\[386\] A typical certification statute provides: No person shall, without a valid, existing certificate of registration as a psychologist issued by the [state] attach the title “psychologist” to his name and under such title render or offer to render services to individuals, corporations, or the public for remuneration or a fee; or render or offer to render to individuals, corporations, or the public, services if the words “psychological,” “psychologic,” “psychologist,” or “psychology” are used to describe such services by the person or organization offering to render or rendering them.\[387\]

\[383\] ibid.: p. 194.
\[384\] ibid.: p. 195.
\[385\] ibid.: p. 195.
\[386\] ibid.: p. 195.
\[387\] ibid.: p. 195.
In order to receive certification, an individual must apply to the appropriate state authorities. Applicants must demonstrate that:

they are at least 21 years of age, of good moral character, and a citizen of the United States. They must have earned a specified degree in psychology and have practiced psychology for a minimum number of years.\(^{388}\)

The term “practice of psychology” is used in many of the statutes of licensing and certification. The courts are inconsistent in their definition of this term. Some courts define it very broadly, while others define it quite narrowly. The broader definition is:

The “practice of psychology”...is defined as rendering to individuals, groups, organizations, or the public any psychological service involving the application of principles, methods, and procedures of understanding, predicting and influencing behavior, such as the principles pertaining to learning, perception, motivation, thinking, emotion, and interpersonal relationships; the methods and procedures of interviewing, counseling, behavior modifications, and psychotherapy; of constructing, administering, and interpreting tests of mental abilities, aptitudes, interests, attitudes, personality characteristics, emotion, and motivation; and of assessing public opinion.\(^{389}\)

There are activities that licensing statutes exempt from the definition of practice of psychology. These exemptions may vary from state to state, however, the following are usually common in all states:

1. professional activities of lawyers, physicians, clergymen, social workers, sociologists, and counselors;
2. activities of government employees in the ordinary course of their employment;
3. activities of a student, intern, or resident in psychology, pursuing a course of study at an accredited university;
4. educational activities of teachers in public and private schools, or the authorized duties of guidance counselors.\(^{390}\)

To receive a license to practice psychology, similar procedures must be followed as when applying for certification. However, some states have additional requirements. These may include that the applicant has a doctoral degree or masters degree based primarily in psychology. Many states require an extended number of years in professional experience. Certification and licensing in psychology have been combined in some states, thus meaning that practitioners must be licensed to practice in psychology. Unlicensed practitioners are also prohibited from using any derivatives of the term psychology.

\(^{388}\) ibid.: p. 196.
\(^{389}\) ibid.: p. 196.
\(^{390}\) ibid.: p. 196.
These statutes apply to ministers in the following manner:

Ministers who are employed full-time in a pastoral ministry by a church congregation are free to counsel with church members and others in the course of their employment with their church. The same rule ordinarily will apply to ministers who are hired by a church specifically for a counseling ministry. In neither case, however, may a minister use the term psychology or any of its derivatives in connection with such counseling ministry unless he or she is in fact a licensed psychologist. Ministers who establish a full-time or part-time counseling ministry independent of a church ordinarily should not engage in professional counseling unless (1) they are specifically exempted from the prohibition against the unlicensed practice of psychology; (2) their state board of psychologist examiners does not prosecute unlicensed counselors; (3) the term practice of psychology is not defined broadly enough (under applicable state law) to include counseling; or (4) their state has a professional counselor licensing statute under which the counselor is licensed or exempt.

**Sexual Misconduct**

Litigation involving sexual misconduct by clergy is on the rise. Four aspects of this type of litigation need to be considered.

First, clergy often will assert the “consent” defense – meaning that the “victim” consented to the relationship and accordingly should not be permitted to sue. Victims will allege that a minister’s unique position of authority and respect overcame their free will and made their conduct non-consensual. Second, any theory of liability based on intentional behavior by a minister is potentially excluded from coverage under the church’s general liability insurance policy. If a minister’s conduct is excluded from insurance coverage and the minister has little if any financial resources, then the victim will be left without a remedy unless she can sue the minister’s church or denomination. However, lawsuits brought by victims of clergy sexual misconduct against a minister’s employing church or denomination have been rejected by the courts in most cases unless the victim can prove that the church or denomination had actual knowledge of previous incidents of sexual misconduct by the same minister and did nothing to monitor or restrict the minister’s activities. Third, the first amendment guaranty of religious freedom affords some protection for clergy conduct. Fourth, the abolition by most states of any liability for “seduction” or “alienation of affections” may restrict if not eliminate lawsuits brought against clergy based upon sexual misconduct.

Clergy can be found legally liable for sexual misconduct. The principles behind these liabilities and some possible defenses are listed below.

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391 ibid.: p. 197.
392 ibid.: p. 198.
Theories of Liability

1. Malpractice

This has already been discussed in detail above.

2. Fiduciary Duty

Clergy have been found guilty of breach of fiduciary duty by some courts. This breach came when the clergy engaged in sexual misconduct. However, the majority of courts have ruled that ministers did not breach fiduciary duty. This is a result of the fact that some courts do not recognize breach of fiduciary duty to be a basis for legal liability.

3. Emotional Distress (“Outrageous Conduct”)

Victims of clergy sexual misconduct often include in their suit charges of intentional infliction of emotional distress. Outrageous conduct is another name for intentional infliction of emotional distress. Intentional infliction of emotional distress is comprised of four elements:

1. the defendant acted intentionally or recklessly;
2. the conduct was extreme and outrageous;
3. the actions of the defendant caused the victim emotional distress; and
4. the emotional distress suffered by the victim was extreme and severe.\(^{393}\)

It is difficult to prove liability in such cases. Liability is proven:

\[
\text{only when the conduct has been so outrageous in character, and so extreme in degree, as to go beyond all possible bounds of decency, and to be regarded as atrocious, and utterly intolerable in a civilized community.}\(^{394}\)
\]

4. Assault and Battery

As part of the suits for clergy sexual misconduct, the clergy may be charged with assault and battery. These charges are classified as intentional torts which means victims can seek financial damages.

5. Sexual Harassment

Equal Employment Opportunity Commission (EEOC) regulations define sexual harassment as follows:

*Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual’s employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile, or offensive working environment.*

The EEOC’s definition states that sexual harassment occurs when submission or rejection of sexually oriented conduct is used as a basis for employment decisions. These decisions could involve raises, promotions, or job assignments.

Unwelcome sexual innuendo, jokes or comments can lead to charges of sexual harassment when they create an intimidating, hostile or offensive workplace.

Clergy are not immune from sexual harassment charges. Two forms of conduct can be included in sexual harassment.

1. *quid pro quo harassment, which refers to conditioning employment opportunities on submission to a sexual or social relationship, and*

2. *hostile environment harassment, which refers to the creation of an intimidating, hostile, or offensive working environment through unwelcome verbal or physical conduct of a sexual nature.*

6. Criminal and Statutory Liability

Many states have enacted legislation making it a crime for “psychotherapists” to engage in sexual contact with a counselee, and some of these laws define the term psychotherapist to include clergy.

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395 ibid.: p. 204.
397 ibid.: p. 33.
399 ibid.: p. 205.
7. “Loss of Consortium” or Alienation of Affections

This type of liability is usually rejected by most courts.

Defenses to Liability

1. Consent

Courts are inconsistent with their rulings regarding consent in sexual misconduct cases. In determining rulings in cases of consent, the courts have turned to the Restatement of Torts. Section 892A of the Restatement of Torts provides:

1. *One who effectively consents to conduct of another intended to invade his interests cannot recover in an action of tort for the conduct or for harm resulting from it.*

2. *To be effective, consent must be*
   a. by one who has the capacity to consent or by a person empowered to consent for him, and
   b. to the particular conduct, or to substantially the same conduct.

3. *Conditional consent or consent restricted as to time, area or in other respects is effective only within the limits of the condition or restriction.*

4. *If the actor exceeds the consent, it is not effective for the excess.*

5. *Upon termination of consent its effectiveness is terminated, except as it may have become irrevocable by contract or otherwise, or except as its terms may include, expressly or by implication, a privilege to continue to act.*

Except in the case of persons whom the law protects for reasons of policy, such as those who are mentally immature or otherwise incompetent, no one suffers a legal wrong as the result of an act to which, unaffected by fraud, mistake or duress, he freely consents or to which he manifests apparent consent. This principle is expressed in the ancient legal maxim, volenti non fit injuria, meaning that no wrong is done to one who consents….To be effective, the consent must be given by one who has the capacity to give it or by a person empowered to consent for him. If the person consenting is a child or one of deficient mental capacity, the consent may still be effective if he is capable of appreciating the nature, extent and probable consequences of the conduct consented to, although the consent of a parent, guardian or other person responsible is not obtained or is expressly

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400 ibid.: p. 206.
401 ibid.: pp. 206-207.
402 ibid.: p. 207.
403 ibid.: p. 207.
404 ibid.: p. 207.
refused. If, however, the one who consents is not capable of appreciating the nature, extent or probable consequences of the conduct, the consent is not effective to bar liability unless the parent, guardian or other person empowered to consent for the incompetent has given consent, in which case the consent of the authorized person will be effective even though the incompetent does not consent; or unless there is a privilege to take emergency action... 405

2. Statute of Limitations

The amount of time that an individual has to file suit for sexual misconduct varies from state to state. Clergy often use this as a defense, claiming that the suit was filed after the deadline. Some courts will dismiss cases on this basis but there are courts that have extended the statute of limitations when the case involved sexual misconduct. Therefore, clergy can not assume that this will be an adequate defense.

3. First Amendment

The courts are inconsistent in their rulings as to whether the first amendment guaranty of religious freedom protects clergy from being sued. The majority of courts have ruled that it does not.

4. Insurance

Many church insurance policies do not cover sexual misconduct by the minister. Therefore, if found guilty, the minister may be personally responsible to pay for attorney fees and judgments.

5. Elimination of “Loss of Consortium” and “Alienation of Affection” Claims

A number of courts have concluded that a husband whose wife is seduced by a pastor cannot sue the pastor since any basis for liability was effectively abolished when “alienation of affection” was eliminated as a basis for liability by the state legislature. 406

6. Duplicate Verdicts

It is common practice for victims of clergy sexual misconduct to sue the church that employed the minister as well as the minister. If the court rules against the church and the minister, arguments can be made for duplicate verdicts.

405 ibid.: p. 207.
406 ibid.: p. 212.
HIPAA

Definition

Technology is a wonderful thing but can also be a destructive device. The country has already seen how technology is being utilized to destroy people’s lives through identity theft. Congress recognized that technology could be used to access health records. Therefore the Department of Health and Human Services (HHS) set out to develop policies to guard against this invasion of privacy. The HHS released its first version of the Privacy Rule in December of 2000 and it went into effect on April 14, 2001. Various issues were raised with this version so in August of 2002 a final version was released which became effective on April 14, 2003. The purpose of this Privacy Rule was to guard against the misuse of health information.

The Health Insurance Portability and Accountability Act (HIPAA) requires:

1. Patients must give specific authorization before entities covered by this regulation could use or disclose protected information in most non-routine circumstances, such as releasing information to an employee or for use in marketing activities.
2. Hospitals will be required to follow the rule’s standards for the use and disclosure of personal health information.
3. Hospitals will need to provide patients with written notice of their privacy practices and patients’ privacy rights. The notice will contain information that could be useful to patients choosing a health plan, doctor or other provider. Patients would generally be asked to sign or otherwise acknowledge receipt of the privacy notice from direct treatment providers.
4. Patients will be able to access their personal medical records and request changes to correct any errors. In addition, patients generally could request an accounting of non-routine uses and disclosures of their health information.

How does HIPAA affect clergy?

The HHS comments:

“Under the final rule, we also establish provisions for disclosure of directory information to clergy that are slightly different from those which apply for disclosure to the general public. Subject to the individual’s right to object or restrict the disclosure, the final rule permits a covered entity to disclose to a member of the clergy; (1) the individual’s name; (2) the individual’s general condition in terms that do not communicate specific medical information about the individual; (3) the individual’s location in the facility; and (4) the individual’s religious affiliation. A disclosure of directory information may be made to members of the clergy even if they do not inquire about an individual by name. We note that the rule in no way requires a covered health care provider to inquire about the religious affiliation of an individual, nor must individuals supply that information to the facility. Individuals are free to determine whether they want
their religious affiliation disclosed to clergy through facility directories. We believe that allowing clergy access to patient information pursuant to this section does not violate the Establishment Clause because the exemption from the final rule’s authorization requirement for disclosure to clergy of the specified protected health information is a permissible religious accommodation. The purpose and effect of this provision is to alleviate significant governmental interference with the exercise of religion, and we anticipate that the exemption would rarely, if ever, impose any significant burdens on patients or other individuals.”

**How does HIPAA affect churches?**

Many churches post prayer lists in bulletins, newsletters, websites, or announce prayer concerns from the pulpit. These postings do not violate HIPAA, however, if a church releases unauthorized information about a member, it could constitute invasion of privacy. It is better for churches to create a simple form (see example on the next page) which asks the individual or family member for specifics on what medical information they wish to have released to the congregation. This step will help the church reduce the risk from possible liability. The church should maintain a list of those individuals that object to having any information released.
Medical Information Release Form for
______________ Church of God
(Address)

___ No, I do not want my name released for prayer chains and newsletter or bulletin prayer lists.

___ Yes, I would like my name placed on the prayer chain and newsletter or bulletin prayer lists, however, I do not wish to have any specific medical information released.

___ Yes, I would like my name placed on the prayer chain and newsletter or bulletin prayer lists and I give you permission to release the following medical information:

___________________________________________________________

___________________________________________________________

___________________________________________________________

___________________________________________________________

_________________________    ________________
Signature         Date
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Clergy and the IRS

The IRS has many regulations set aside for clergy only. Many of these can be or are confusing for most clergy and their church treasurers. This block will summarize some of these issues but for more detailed information, clergy are recommended to research IRS Publication 517 in detail.

Who is a minister?

The IRS defines a minister as:

“Ministers are individuals who are duly ordained, commissioned, or licensed by a religious body constituting a church or church denomination. They are given the authority to conduct religious worship, perform sacerdotal functions, and administer ordinances or sacraments according to the prescribed tenets and practices of that church or denomination. “

(IRS Publication 517)

For clarification, sacerdotal functions include communion, baptism, foot washing, baby dedication. Another indication of a person being considered a minister is that they receive earnings for performing ministerial duties.

Is a minister an employee or self-employed?

This is the most confusing question that ministers and their treasurers try to answer. Basic understanding has a minister being an employee for income tax purposes but self-employed for social security purposes. This means that ministers are subject to SECA tax instead of FICA tax. The IRS states:

“Even though, for social security tax purposes, you are considered a self-employed individual in performing your ministerial services, you may be considered an employee for income tax or retirement plan purposes.”

(IRS Publication 517)

When a minister’s Form W-2 is prepared Boxes 3-6 should always remain blank since the minister does not pay into FICA taxes. Any SECA taxes the churches pays should be reflected in Form W-2 Boxes 1 and 14.

What is SECA tax?

SECA stands for Self-Employment Contributions Act. It is the social security and medicare tax for all those individuals who are self-employed. For social security purposes
a minister is considered self-employed. Under this status ministers are required to submit quarterly payments to the IRS covering 15.3% of their adjusted gross minus any credits or deductions. See the end of this block for the IRS worksheet used to calculate what the estimated taxes should be for the minister. At the end of the year, ministers will use Schedule SE of the Form 1040 to determine the actual SE employment tax for the year.

**Housing Allowance**

One of the greatest benefits a minister receives from the IRS is the housing allowance benefit.

**Who is entitled to a housing allowance?**

Ministers, who meet the test of qualifying services, are allowed to set aside a portion of the dollars they earn in ministry service for a housing allowance. These tests are:

- Ordained, licensed, or commissioned,
- Considered a spiritual leader,
- Performs sacerdotal functions,
- Conducts religious worship, and
- Controlling, conducting, and maintaining religious organizations (including the religious boards, societies, and other integral agencies of such organizations) that are under the authority of a religious body that is a church or denomination. You are considered to control, conduct, and maintain a religious organization if you direct, manage, or promote the organization’s activities.

(IRS Publication 517)

In the past so long as a person qualified until the first test, being ordained, licensed or commissioned, it was enough to qualify for a housing allowance. The IRS is beginning to re-address the issue of housing allowance and reviewing whether church business administrators, children’s pastors, youth pastors, etc. truly qualify for the housing allowance. If you serve the church in one of these capacities, you will want to keep a watchful eye out for any rulings the IRS may produce in the future.

**How much of the pastor’s salary can be set aside as housing allowance?**

The IRS has established the limits of the housing allowance in the Article 4.10 “Interest/Dividends/Other Types of Income: Ministers’ Compensation & Housing Allowance.” The IRS states that:

“the exclusion cannot be more than the smaller of the following:

- The amount actually used to provide a home,
- The amount officially designated (in advance of payment) as a rental or housing allowance,
- The fair market rental value of the home, including furnishings, utilities, garage, etc., or
• An amount which represents reasonable pay for your services as a minister.”

It is recommended that all pastors acquire the fair market rental value of the home completely furnished including utilities. If the pastor sets their housing allowance under this value, it should pass audit standards okay. The thing to remember is that a housing allowance cannot exceed the amount of ministry dollars earned.

**Who sets the housing allowance?**

The local congregation must designate (with input from the pastor) the amount of housing allowance in a resolution at a duly called meeting of the church governing board or church business meeting. The housing allowance needs to be set prior to January 1 but can be adjusted during the year in a new resolution at a duly called meeting of the church governing board or church business meeting. It is best to set an open-ended housing allowance so that the amount carries from year-to-year.

It is essential to understand that if a housing allowance is adjusted during the year, the amount is effective from that point forward and cannot be used retroactively. In other words, if the pastor realizes he/she is going to have to replace the air-conditioning system and their current housing allowance will not cover it, they should make the change to their housing allowance prior to the replacement of the air-conditioning system.

Richard R. Hammar’s *Church & Clergy Tax Guide 2008*, gives the following example of a housing allowance resolution:

> The following resolution was duly adopted by the board of directors of First Church at a regularly scheduled meeting held on December 15, 2007, a quorum being present:

> Whereas, ministers who own their home do not pay federal income taxes on the amount of their compensation that their employing church designates in advance as a housing allowance, to the extent that the allowance represents compensation for ministerial services, is used to pay housing expenses, and does not exceed the fair rental value of the home (furnished, plus utilities); and

> Whereas, Pastor John Smith is compensated by First Church exclusively for services as a minister of the gospel; and Whereas, First Church does not provide Pastor John Smith with a parsonage; therefore, it is hereby

> Resolved, that the total compensation paid to Pastor John Smith for calendar year 2008 shall be $50,000, of which $15,000 is hereby designated to be a housing allowance; and it is further

> Resolved, that the designation of $15,000 as a housing allowance shall apply to calendar year 2008 and all future years unless otherwise provided.
Is housing allowance taxable income?

No, a pastor’s housing allowance should not be included in Box 1 of the pastor’s Form W-2. It can appear in Box 14 of the pastor’s Form W-2 but it is optional. Pastors are required to pay SECA tax on the housing allowance.

What items can be included in calculating a housing allowance?

The following items can be included: (Church & Clergy Tax Guide 2008 – Richard R. Hammar)

- down payment on a home;
- payments (including prepayments) on a mortgage loan to purchase or improve your home (including both interest and principal);
- real estate taxes;
- property insurance;
- utilities (electricity, gas, water, trash pickup, local telephone charges, Internet access fees);
- furnishings and appliances (purchase and repair);
- structural repairs and remodeling;
- yard maintenance and improvements;
- maintenance items (household cleaners, light bulbs, pest control, etc.); and
- homeowners’ association dues.

Is a minister required to have taxes withheld?

Ministers are considered voluntary withholders. A minister can request to have federal income, state income, and local taxes withheld from their pay checks. They must submit quarterly payments to the IRS for their SECA taxes.

Can a minister be exempt from paying SECA?

Yes, however it is not recommended. The IRS states that the following can apply for exemption from SECA payments:

You can request an exemption from SE tax if you are one of the following.

- A minister.
- A member of a religious order who has not taken a vow of poverty.
- A Christian Science practitioner.
- A member of a recognized religious sect.

(IRS Publication 517)

However, if you have applied for one of the following you are no longer able to apply for exemption:
• You elected to be covered under social security by filing Form 2031, Revocation of Exemption From Self-Employment Tax for Use by Ministers, Members of Religious Orders, and Christian Science Practitioners, for your 1986, 1987, 2000, or 2001 tax year.
• You elected before 1968 to be covered under social security for your ministerial services.

(IRS Publication 517)

In order to claim the SE exemption you must meet all of the following:

• You file Form 4361, described later under Requesting exemption—Form 4361.
• You are conscientiously opposed to public insurance because of your individual religious considerations (not because of your general conscience), or you are opposed because of the principles of your religious denomination.
• You file for other than economic reasons.
• You inform the ordaining, commissioning, or licensing body of your church or order that you are opposed to public insurance if you are a minister or a member of a religious order (other than a vow-of-poverty member). This requirement does not apply to Christian Science practitioners.
• You establish that the organization that ordained, commissioned, or licensed you, or your religious order, is a tax-exempt religious organization.
• You establish that the organization is a church or a convention or association of churches.
• You sign and return the statement the IRS mails to you to certify that you are requesting an exemption based on the grounds listed on the statement.

(IRS Publication 517)

You must file for this exemption on Form 4361:

File Form 4361 by the date your income tax return is due, including extensions, for the second tax year in which you have net earnings from self-employment of at least $400. This rule applies if any part of your net earnings for each of the 2 years came from your services as a:
• Minister,
• Member of a religious order, or
• Christian Science practitioner.

The 2 years do not have to be consecutive tax years.

(IRS Publication 517)

Please note the 2 year rule. If you have been in the ministry for longer than 2 years and received at least $400 in net earning, you may not qualify for exemption from paying SE taxes.
What is the best way for ministers to receive reimbursements?

To keep reimbursements from becoming taxable income all reimbursements should be through an accountable reimbursement system. An accountable reimbursement system works as follows.

Handling reimbursements properly is essential to keep them from becoming taxable income to the person receiving the reimbursement. For an accounting system to be considered accountable it must comply with the following rules:

- Business connection. Your expenses must have a business connection – that is, you must have paid or incurred deductible expenses while performing services as an employee of your employer.
- Adequate accounting. You must adequately account to your employer for these expenses within a reasonable period of time (not more than 60 days after an expense is incurred).
- Returning excess reimbursements. You must return any excess reimbursement or allowance within a reasonable period of time (not more than 120 days after an excess reimbursement is paid). An excess reimbursement or allowance is any amount you are paid that is more than the business-related expenses you adequately accounted for to your employer.
- Reimbursements not made out of salary reductions. The income tax regulations caution that in order for an employer’s reimbursement arrangement to be accountable, it must meet a reimbursement requirement in addition to the three requirements summarized above. The reimbursement requirement means that an employer’s reimbursement of an employee’s business expenses come out of the employer’s funds and not by reducing the employee’s salary.

(Church & Clergy Tax Guide 2008 by Richard Hammar, page 320)

There are several advantages to implementing an accountable reimbursement system:

- Employees report their business expenses to the church rather than to the IRS.
- Staff members who report their income taxes are employees (or who report as self-employed and who are reclassified as employees by the IRS is an audit) avoid the limitations on the deductibility of employee business expenses. These include (1) the elimination of any deduction if the employee cannot itemize deductions on Schedule A (two-thirds of all taxpayers cannot), and (2) the deductibility of business expenses on Schedule A as an itemized expense only to the extent these expenses exceed 2 percent of the employee’s adjusted gross income.
- The Deason allocation rule is avoided. Under this rule, ministers must reduce their business expense deduction by the percentage of their total compensation that consists of a tax-exempt housing allowance.
- The 50 percent limitation that applies to the deductibility of business meals and entertainment expenses is avoided. Unless these expenses are reimbursed by an employer under an accountable arrangement, only 50 percent of them are deductible by either employees or the self-employed. See IRS Publication 463.
WARNING: When making reimbursements make sure that no personal items were purchased using the church’s tax exempt number. When individuals use the church’s tax exempt number to make personal purchase they can place the church in a possible position of losing their tax exempt status.

The main issue for ministers is keeping all their receipts and turning them in in a timely manner. Another issue regarding reimbursements is gas allowance. If the pastor receives a set amount per month with submitting documentation of actual vehicle use, those funds are to be counted as taxable income for that minister and should appear in Box 1 of the minister’s Form W-2.

The best reimbursement for use of a personal vehicle is the standard mileage rate. The federal government sets a new rate each year. To claim the standard mileage rate the minister needs to keep a log book that states the following:

- Date
- Destination
- Reason for the trip
- Beginning and ending odometer readings
- Total business miles
- Total personal miles

Keep in mind that commuting from home to the church cannot be included in the total business miles. For mileage records to be considered submitted in a timely manner, they must be submitted within 60 days of when the use was recorded.

What other business expenses can a minister claim?

Ministers have a variety of expenses that they are able to claim on Form 2106 and Schedule A when filing taxes. These can include business-related entertainment, professional books and magazines, memberships and dues in professional organizations, stationary, office supplies, continuing education, and unreimbursed business expenses.

Entertainment expenses have a 50% limit.

The 50% limit applies to business meals or entertainment expenses you have while:
- Traveling away from home (whether eating alone or with others) on business,
- Entertaining customers at your place of business, a restaurant, or other location, or
- Attending a business convention or reception, business meeting, or business luncheon at a club.

Included expenses. Expenses subject to the 50% limit include:
- Taxes and tips relating to a business meal or entertainment activity,
- Cover charges for admission to a nightclub,
• Rent paid for a room in which you hold a dinner or cocktail party, and
• Amounts paid for parking at a sports arena.

However, the cost of transportation to and from a business meal or a business-related entertainment activity is not subject to the 50% limit.

(IRS Publication 463)

Pastors spend a great deal on entertaining parishioners and peers. Pastors need to keep all receipts for these expenditures. Pastors should write the date, person(s) at the dinner, and reason for meeting on the receipt.

If business expenses are claimed on Schedule A of the Form 1040, note that there is a 2% of adjusted gross income rule. You will only be able to claim those expenses that are greater than 2% of your adjusted gross income. Ex.: If your adjusted gross income is $40,000, you will only be able to claim those expenses that are greater than $800. If you are reimbursed for all your expenses by the church, you are not able to claim them on your taxes.

For additional information regarding other business expenses subject IRS Publication 463.

**Are ministers eligible to have Health Savings Accounts?**

Yes. This can be a good way to help ministers and their families who are uninsured or underinsured. It is recommended that a minister and/or church treasurer discuss the establishment of such an account with a CPA well-schooled in HSA tax laws, a tax attorney, or insurance companies that handle HSAs. There are specific reporting rules at the year’s end for contributions and distributions of these accounts. The company handling the HSA should be able to provide all the information that is necessary.

Important point to remember, all distributions from an HSA must be used for medical expenses, such as deductibles, doctor’s visits, dentists, eyeglasses, etc., to remain tax free. If the distributions are used for non-medical expenses, the funds become taxable income.

**Are there resources that can help a minister know what he/she can and can not claim on taxes?**

There are many resources available to help ministers with tax issues. Below is a list which is by no means exhaustive.

**The Compensation Handbook for Church Staff**
Published by Your Church Resources
Christianity Today International
465 Gundersen Drive
Carol Stream, IL 60188
(630) 260-6200
Hey Lay Leader…Let’s Talk Some Hard-nosed Business
Board of Pensions of the Church of God
PO Box 2559
Anderson, IN 46018
800-844-8983
www.cogpension.org

Church of God Compensation Guidelines
Board of Pensions of the Church of God
PO Box 2559
Anderson, IN 46018
800-844-8983
www.cogpension.org

Church & Clergy Tax Guide
Published by Your Church Resources
Christianity Today International
465 Gundersen Drive
Carol Stream, IL 60188
(630) 260-6200
www.ChristianityToday.com

Board of Pensions of the Church of God Memos
The Board of Pensions has 12 memos covering a variety of issues. These are free at their website: www.cogpension.org.

Revised June 2008
## 2008 Estimated Tax Worksheet

**Keep for Your Records**

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Adjusted gross income you expect in 2008 (see instructions below)</td>
</tr>
</tbody>
</table>
| 2    | - If you plan to itemize deductions, enter the estimated total of your itemized deductions.  
  **Caution:** If line 1 above is over $150,950 ($79,975 if married filing separately), your deduction may be reduced. See Pub. 505 for details.  
  - If you do not plan to itemize deductions, enter your standard deduction from page 1. |
| 3    | Subtract line 2 from line 1 |
| 4    | Exemptions. Multiply $3,500 by the number of personal exemptions. Caution: See Pub. 505 to figure this amount to enter if line 1 above is over $239,950 if married filing jointly or qualifying widow(er); $199,950 if head of household; $159,950 if single; or $119,975 if married filing separately |
| 5    | Subtract line 4 from line 3 |
| 6    | Tax. Figure your tax on the amount on line 5 by using the 2008 Tax Rate Schedules on page 6. Caution: If you will have qualified dividends or a net capital gain, or expect to claim the foreign earned income exclusion or housing exclusion, see Pub. 505 to figure the tax |
| 7    | Alternative minimum tax from Form 6251 |
| 8    | Add lines 6 and 7. Add to this amount any other taxes you expect to include in the total on Form 1040, line 44, or Form 1040A, line 28 |
| 9    | Credits (see instructions below). Do not include any income tax withholding on this line |
| 10   | Subtract line 9 from line 8. If zero or less, enter -0- |
| 11   | Self-employment tax (see instructions below). Estimate of 2008 net earnings from self-employment $; if $102,000 or less, multiply the amount by 15.3%; if more than $102,000, multiply the amount by 2.9%, add $12,648 to the result, and enter the total. Caution: If you also have wages subject to social security tax, see Pub. 505 to figure the amount to enter |
| 12   | Other taxes (see instructions below) |
| 13a  | Add lines 10 through 12 |
| 13b  | Earned income credit, additional child tax credit, and credits from Forms 4156, 8801 (Line 27), and 8885 |
| 13c  | Multiply Total 2008 estimated tax. Subtract line 13b from line 13a. If zero or less, enter -0- |
| 14a  | Multiply line 13c by 90% (66% for farmers and fishermen) |
| 14b  | Enter the tax shown on your 2007 tax return (110% of that amount if you are not a farmer or fisherman and the adjusted gross income shown on that return is more than $150,000 or, if married filing separately for 2008, more than $75,000) |
| 14c  | Required annual payment to avoid a penalty. Enter the smaller of line 14a or 14b.  
  **Caution:** Generally, if you do not prepay (through income tax withholding and estimated tax payments) at least the amount on line 14c, you may owe a penalty for not paying enough estimated tax. To avoid a penalty, make sure your estimate on line 13c is as accurate as possible. Even if you pay the required annual payment, you may still owe tax when you file your return. If you prefer, you can pay the amount shown on line 13c. For details, see Pub. 505. |
| 15   | Income tax withheld and estimated to be withheld during 2008 (including income tax withholding on pensions, annuities, certain deferred income, etc.) |
| 16a  | Subtract line 15 from line 14c. Is the result zero or less?  
  - Yes. Stop here. You are not required to make estimated tax payments.  
  - No. Go to line 16b. |
| 16b  | Subtract line 15 from line 13c. Is the result less than $1,000?  
  - Yes. Stop here. You are not required to make estimated tax payments.  
  - No. Go to line 17 to figure your required payment. |
| 17   | If the first payment you are required to make is due April 15, 2008, enter ¼ of line 16a (minus any 2007 overpayment that you are applying to this installment) here, and on your estimated tax payment vouchers if you are paying by check or money order. (Note: Household employers, see instructions below) |
Resources Cited

IRS Article 4.10 – Interest/Dividends/Other Types of Income: Ministers’ Compensation and Housing Allowance


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Pastoral and Leadership Ethical Practices

The local congregation is a place that embodies the complexities of everyday life. Pastors and other church leaders are called to provide the kind of leadership and witness that honors God. This chapter attempts to provide practical guidance for pastors and leaders in their vocation of ministry to the church. However, ethics of leadership this chapter promotes arise out of the specific character of the Church. Pastors primarily are called by the community to whom they serve. First, it is necessary to provide a brief discussion of the basis for making ethical decisions. Then, specific focus will be given only to areas of conduct that appear to cause the greatest moral challenge for pastors, ministers, and other church leaders. Note that emphasis is given in this chapter to pastors and ministers. However, a considerable amount of this information would apply equally well to other church leaders in the congregation.

A. Ethical Action Is A Function of Character

“What should I do?” “What decision is the right one?” These are questions many Christians in general and pastors in particular repeatedly face. These questions are so important to living the Christian life. Yet, there is a question that even precedes the questions above: “What kind of person am I called to be?” This question reminds you that what you do comes from the kind of person you are. Of course, there are criteria Christians sometimes use, like justice, fairness, equity, and so forth, that are shared and understood by the society as a whole. While there are certainly similarities, how Christians think, talk, and act come from our participation in the very life of Jesus Christ through the body of Christ, the church.

Character in a Christian sense is discussed in the literature in many ways. A biblical passage that centers on character is Galatians 5:22, the fruit of the Spirit. Paul in this passage commands the Christian and the Christian community to embody the character of Jesus Christ, which is the fruit that the Holy Spirit brings to the life of the Christian community.

Decisions and actions are important, or this chapter would be of little interest to you. Yet, decisions and actions must be viewed within the context of one’s character. Character names the settled nature of our lives that provide motivations and virtues for consistent living. A Christian’s identity and ethical formation are crucial in directing one’s life in conformity with the life of Christ.

If this were not so, pastors and leaders may be ever so competent and skilled, and still exemplify an immoral lifestyle. Skilled sermon preparation, visionary...
leadership, charismatic personality, and astute business acumen, mean little in terms of honoring Christ and the church, if one’s character is suspect or judged immoral. Christian witness includes, then, the display of Christian character in all areas of your life.

In your life as a Christian, practice discipline in hearing and obeying God’s word, being with and loving the neighbor, praying with and for others, and nurturing and growing in the faith. Do not sacrifice this kind of life just to make decisions that promise to be expedient for the moment—securing your name and/or position. Let us turn now to some areas of ethical challenge that face pastors and leaders.

B. **Integrity**

Integrity is an attribute much like character. A kinship word of integrity is integer. An integer is a whole number. Anything less than a whole number is a “fraction.” A person who acts with integrity mirrors consistency of word and deed. In many decisions that pastors and leaders make, they may be accused of “saying one thing” and “doing another.” Pastors and leaders can lose credibility with the congregation when others judge their actions as less than those of integrity.

Some professions appear to place less emphasis on this way of looking at the moral life. A skillful brain surgeon, for example, can perform the most intricate brain operation by day, then go home and lie on his or her tax return. It appears this is possible since one’s performance in one area seems to bear no relevance to performance in the other. In ministry, though, the pastoral vocation to which you are called also assumes that one possesses the virtue of truthfulness. The vocation of ministry does not and should not tolerate complacency or insensitivity to truth telling or any other *Christian* virtue.

Integrity of the pastor or leader indicates that her decisions and actions model consistency with a profession of faith in Jesus Christ. The pastor’s actions or way of life must be “whole.” That is, it is to be a life lived by faith in all situations in which pastors and leaders find themselves. When you live your life in this way, your public witness cannot be labeled as “fraction,” or less than whole. You may model an exemplary life on Sunday morning, but less than a commendable one on Monday at the council meeting or on Tuesday at the local restaurant. This is clearly a lifestyle that promises to disrupt the authority of a leader and breed distrust throughout the congregation.

Integrity penetrates therefore many areas of the pastor’s life: sermon preparation and delivery, writing letters of reference for others, counseling, financial dealings, relationship with members of the congregation, and even owning up to a difference between what you really believe theologically and what you preach and teach to your congregation. In sermon preparation, for example, do you give
proper credit for the use of others’ works—an illustration, a poem, or a borrowed outline? In writing letters of reference, do you weigh carefully what your moral obligations are to the person requesting you to provide a reference letter and the person who will rely on your comments? This is not a casual or matter-of-fact activity. Circumstances naturally will dictate specific concerns you must consider, but always remember that as a disciple of Jesus you are called to be a truth-teller.

As a pastor and leader, then, you should be prepared to know when and what to speak. It is not only that you speak, but also that you speak in love. Love need not be destroyed by truth. But hypocrisy and deception can weave entanglements that snare you way into the future. A helpful question may be, “Am I being true to the gospel?” Are you truthful about your yearbook statistics? Do you give in to the fear of having your so-called failures made public by making your church attendance figures reflect more than you know they are? Let these questions serve as specific examples to get you thinking about the central role integrity plays in displaying one’s character and one’s ethical decision making. Further discussions below will address integrity in more indirect ways.

C. Misconduct

Misconduct is a broad word in that it covers many areas of ethical action. The words “sexual” or “financial” often qualify it. You, of course, do not need to limit your focus only to these. This section, however, will provide basic guidelines to the areas of sexual and financial misconduct.

1. Sexual Misconduct

This is a very serious matter among pastors and ministers. While our church and congregations hold pastors and ministers to higher moral expectations, sexual misconduct is an offense against the Christian community. William Willimon reminds us that “because pastors are placed in positions of power over people, including many people in great need, it is more onerous when they use such positions to prey upon others for their own sexual gratification, and the community is correct in taking grave offense.”\(^{407}\) There are specific steps that congregations should take. However, the steps outlined in this section provide the pastor and leaders with guidelines to orient their ethical behavior in the area of sexual immorality. The pastoral vocation must be taken with utmost seriousness, which should lead the church to question the suitability for ministry any pastor or

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minister whose faithfulness to marriage vows and trespassing of boundaries are commonplace. Rebekah Miles offers these helpful ground rules:

a. It is never appropriate to have sexual contact with parishioners.

b. It is always the pastor’s responsibility to keep the appropriate boundaries.

c. Pastors and other leaders are also responsible for setting up and following procedures to hold pastors accountable.

d. No pastor or church is free from the risks of misconduct. The only responsible path is to be aware of the problem, vigilant about prevention, and tenacious in accountability.

In the area of sexual misconduct it is crucial that you know warning signs and that you be watchful for problems. The following are warning signs or potential problems that pastors and ministers must be on guard about:

1. Establish procedures of accountability for yourself:

   a. Make rules about interactions with others.
   b. Watch for warning signs.
   c. Find responsible ways to be intimate with others.

2. Be aware of your own tendencies when forming close friendships with parishioners.

   a. Identify those who appear healthy and spiritually mature.
   b. Know the risks involved in forming close relationships with parishioners and respond accordingly. These relationships are not evil, but require the exercise of wisdom when differences in authority and power exist.
   c. Locate an accountability partner with whom you can talk openly about your attraction to someone or when facing other problems. Be sure the partner shares your moral assumptions about faithfulness and sexual boundaries.
   d. [Counseling concerns will be addressed later.]

2. Financial Misconduct

How one deals with money is an aspect of Christian discipleship. Stewardship includes your use of money, but is not limited to this. Money is not evil in itself. It is necessary to life in these times. Rather, it is the spirit or love attached to

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money that embodies enormous ethical challenges for all Christians. Pastors and leaders are not exempt from these challenges.

a. Financial dealings with the congregation

Pastors and ministers must operate in ways that do not give the impression that they are preoccupied with finances. Finances are important for pastors and their families. Congregations are to be ethical in their compensation packages for their ministers, so that pastors and leaders do not feel the necessity to push for equitable compensation. Pastors however must deal in good faith with their congregations in this area.

Apart from salary questions, pastors and ministers need not directly handle the church’s finances. Seek out knowledgeable persons in your congregation who are mature Christians who can take this on as a ministry. There are serious dangers for pastors to have check signing authority, especially if only one signature is required. One signatory is not recommended in any case. Pastors may be tempted in such cases, or, at least, may experience increased probability that questions of impropriety might be raised against them among certain constituencies in the congregation. The pastor, rather, should be free to focus on preaching, teaching, visioning, and so on. This recommendation is not intended to prevent necessary pastoral input or pastoral knowledge about the budgeting process and general knowledge of income and expenditures.

b. Financial dealings outside the congregation

How ministers’ handle their finances say much about their character and integrity. It is difficult to expect trust with church finances if one has demonstrated failure in their financial dealings outside the church—in the world. Avoid, to the extent possible, borrowing money from parishioners or from the congregation. This is not to say that parishioners may not really want to help a financially strapped minister. Rather, the consequences of doing so may be a price too high to pay. Doing effective ministry in these circumstances may be compromised or, at worst, undermined. Paying bills promptly will insure credit worthiness, Christian witness, and less personal and family stress.

c. Seeking financial help, if necessary, from credible sources

Many persons have encountered life circumstances that threaten their financial security. Pastors and ministers who find themselves in serious financial troubles should not hesitate to seek out expert help from persons or organizations that can help them sift through their finances. Such gifted persons can aid you in making necessary adjustments and to maintain your sense of dignity in the process. This is much better than letting things go
and making decisions that undermine your ministry and the witness of the congregation, too.

D. Minister-to-Minister, Minister-to-Congregation, Church-to-Church Protocol

1. Minister-to-Minister

An operative principle between and among ministers on the same staff is to remember that all are members of the body of Christ. Just how relationships are structured in any given setting depends a lot on that given context. Some congregations have totally paid staff, others have all volunteer staff (except the pastor, maybe), and still others have a combination of paid and volunteer staff. Biblical justice and love should determine the nature of relationships on the staff. Here are some thoughts to guide you in this most significant dimension of a congregation’s life.

a. “Can’t we all just get along?” [Relationship within the staff ministry]

1) Realize that each of you is not separate from the people you are called to serve. Functionally, there is some separation there for purposes of leading the people in the worship of God. Yet, to think that there is a hard and fast separation between the clergy and laity is to deny the biblical concept of the whole people of God.

2) Realize that your particular ministry is not independent from the ministry of others on the staff. Interdependence is crucial to a sense of teamwork. This sense of shared mission not only contributes to the health of the staff, but also to that of the congregation.

3) Promote open and truthful communication at all times, and mutual respect for all members of the pastoral and leadership staff. Conversations can be serious and truthful, and still seasoned with salt. That is, your communication serves the purpose of ultimately honoring God.

b. “I’m the Senior Pastor. Then why don’t I feel in charge?”

1) Model and expect moral integrity among all members of the pastoral staff.

2) Instruct staff on the appropriateness of maintaining confidences. Loose talk among the staff can be dangerous, if the talk about parishioners is not for the purpose of prayer and edification. When staff members operate in different settings other than the staff meetings, they are still obligated to keep shared confidences.
3) Value “effective” ministry—personally and as a staff. Pastoral and ministerial calling is not to be distorted by insincere efforts in ministry. You are not there simply to collect a check or to build your resume for the next big move in your ministry.

4) Address promptly any staff problems that threaten the ministry to the congregation. Dispel the notion that ignoring the problem makes it go away. Relationships generally do not operate in this way. You might be a person who dislikes any confrontation. It is a strength to be honest about such matters. As a leader, however, you must seek to develop your ability to love another, even if that means confronting them with the truth, or devoting time to facilitate reconciliation.

5) Be willing to train or mentor younger and inexperienced staff persons. Senior Pastors should be persons of broad experience and wisdom. You should take the time or provide opportunities for mentoring more inexperienced members of your staff. It may be possible that another pastor, even a retired one, may treasure the privilege of pouring their life into another.

6) Be a good witness in the community. Respect is best assured when it is earned.

c. “I alone lead this ministry. What responsibility do I have as a member of the pastoral and ministerial staff?”

1) Nurture trust among each other on the staff. Do not insist on promoting your own agenda at all costs. Nothing undermines ministry any more than an atmosphere of distrust among members of the pastoral staff. Also, guard your tongue. What you say cannot be unsaid. Gossip and innuendoes, for example, quickly erode people’s confidence in pastoral leadership.

2) Assume the necessity to be mutually accountable to others. The church is not just a collection of individuals, each seeking their own individual desires, but the church is the body of Christ. Therefore, you are members one of another.

3) Promote and maintain appropriate boundaries. Each person should acknowledge his or her limits. Power should be wisely used in doing the will of God. As previously discussed, pastor and leaders must exercise appropriate limits with persons of the opposite sex. In addition, do not use language or tell jokes that are inherently offensive to another race, ethnic group, or gender.
d. “I am a new/younger inexperienced staff person. What responsibility do I have?”

1) Be willing to learn from others and to develop your gifts as an ongoing aspect of your discipleship.

2) Support the pastor in his or her overall accountability to the congregation. This does not mean a “rubber stamp” mentality, where you simply okay everything the pastor or duly recognized authority says or does. However, you should never position yourself in open opposition to authority simply because you do not agree. It is a wise thing to get an understanding. Request a face-to-face meeting to clarify or air differences in the spirit of Matthew 18:15ff.

3) Understand and apply established guidelines regarding office procedures, dress code, report deadlines, interaction with office personnel and with parishioners, and so on.

4) Keep communication channels open at all times. Many problems can be avoided with good and effective communication with the pastor and any other persons who benefit from knowing what you do and how you feel.

5) Serve within the accountability structure. You honor others when you properly acknowledge their place in the chain of communication. End runs are detested in the corporate world, and much more should they be shunned in the church. However, if you experience tenacious resistance, you may have no choice but to seek help from another.

6) Promote the overall effectiveness of the congregation’s ministry—not yours. When one feels they own a ministry, then situations arise where you must secure that ownership in less than Christian ways.

7) Be a good witness (i.e., live uprightly) in the community. The church is not a walled off stronghold, but a compelling witness for Christ in the midst of the world.

2. Minister-to-Congregation

Congregations inherit obligations to their ministers. Two crucial issues that have sometimes created ethical challenges involve ministers in search of a “Call” and ministers serving as “Interim” pastors of congregations. Consider the following:
a. **Ministers in search of a call**

1) Exercise integrity at every step in this process. Experiencing a good tenure in a congregation is often a function of how we begin. Make up your mind early on that your pursuit of a pastoral position will not compromise your personal integrity or the integrity of the process established for calling a pastor.

2) An ethical process should ensure that one leaves a state assembly or ministerial assembly in good standing. As much as possible, a pastor in search of another pastoral position also should not keep his or her present congregation ignorant about his or her ultimate intentions.

3) An ethical process also should require that the new state ministerial assembly be fully informed of the congregation’s interest and a potential pastor’s interest. Licensing and ordination remind us that we are connected to others in ministry. Do not give in to the independent spirit of going it alone. A Lone Ranger approach is sure to backfire in the long run. Informing others who really need to know demonstrates respect and fosters trust that will serve you well in the end.

4) Encourage truthful communication between you and the congregation’s pastoral search committee. Honest communication in all phases of mutual interest creates the possibility that any decision reached will honor God.

b. **Ministers serving as Interim Pastors**

1) Keep in mind: You are not the fulltime, permanent pastor. There may be times you are tempted to act as though you are. You may even be tempted to pursue the pastorate for yourself. If you believe, however, that you have any interest in serving as fulltime pastor or leader, it probably is more ethical not to accept the interim pastor’s or minister’s position. Doing so may create ill will and an unequal opportunity for you to the detriment of the congregation and of other legitimate prospects. Also, you must be on guard for parishioners who really appreciate your ministry and gifts, and would seek, without your approval, to initiate a movement within the congregation to secure your services as their next pastor. It seems appropriate, once you discover this, to make it clear to all that you will entertain no designs to pursue the position fulltime. Any move to the contrary, while flattering, is not ethical or in accord with the best interests of the congregation or yourself.
2) Agree before hand on mutual expectations: duties, compensation, expectations and boundaries for counseling, weddings, funerals, and so on.

3) Insist on periodic feedback sessions, in order to hear from the congregation and/or their leadership, and to be heard by them.

3. Church-to-Church Relations

In your relationships outside the congregational setting, you should be aware of and respect the authority structures of other church groups and congregations. Consider the following general guidelines:

a. Be sensitive in overt efforts to evangelize members of other congregations or in areas directly served by those congregations. By all means, do what God leads you to do. Yet, nothing is gained by unnecessarily offending other brothers and sisters in Christ through well meaning efforts that undermine what they are attempting to do.

b. In accepting invitations to other congregations, keep in mind that you are there at their invitation. So act in ways that honor, to the extent possible, their theological commitments about dress or other areas, as long as it really does not matter to the work of the kingdom of God.

c. It is always ethical to practice hospitality to other churches and congregations, as this makes visible the unity of the body of Christ. This is an ongoing challenge for all Christians.

E. Counseling

Comments in this section will be brief. The sections addressing “Clergy and the Law” and “The Church and the Law” include significant dimensions of pastor’s legal and moral responsibilities in this area. However, consider the following:

1. If you counsel parishioners, take advantage of regular supervision with a licensed supervisor. In our highly litigious society, this is just a wise move. The church can pay for this.
2. Establish your office and counseling procedures to protect yourself from misconduct or even the appearance of misconduct. Leave the door unlocked. Counsel when others are in the building. Can you think of other safeguards?

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409 Willimon, 79-80. Willimon draws extensively here from Miles, *Pastor As Moral Guide*, pp. 112-113. As you can tell, Miles’ work can be a valuable resource for pastors and congregations.
3. If you must counsel outside your office, select a public space. If a parishioner comes to your home (and this should be rare), make sure your spouse or a trusted church member is in the next room.

4. If you need to visit individuals at their homes and have reason to be uncomfortable, take another parishioner with you.

5. If a situation feels wrong or strange, trust your gut instincts and keep very strict boundaries. Be willing to refer to another counselor. Remember that you may not be qualified to handle all counseling situations.

6. Refrain from touch, if you are uncomfortable doing so or sense that the other person is uncomfortable.

7. Be cautious about some discussions of sex.

8. Know and follow the procedures of your denomination or church.

9. Know that you cannot avoid all risks in a fallen world. Use wisdom. Yet avoid insulating yourself so much that you are not open to your members.

F. Concluding Strategies for Nurturing Moral Formation and Ethical Practices

1. Participate faithfully in worship and practice diligently the spiritual disciplines (prayer, bible study, Sabbath rest, relax and relieve stress).

2. Live your life in the fullness of the Holy Spirit.

3. Forgive each other. Forgiveness is a lifestyle.

4. Develop godly friendships with others—especially with staff members.

5. Establish and maintain appropriate boundaries (e.g., sex, finances, and relationships).

6. Nurture intimacy with your spouse, your family, or other appropriate kinds of intimacy.

7. Be attentive to the particulars around you—in your world.

Living a Christian life involves living an ethical life in your calling as a pastor or ministerial leader in congregational life. The information provided in this section is not intended to be exhaustive, for that would require a book in itself. Please use the resources suggested below. The hope is that the guidelines offered here will stimulate you to think more seriously and live more faithfully in your vocation of ministry and leadership.
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Risk Management and the Church

Introduction

The last event that a church wants to be involved in is a lawsuit. Lawsuits can spring from falls, injuries, lack of providing a safe environment, not screening workers/employees/volunteers, and much more. The intent of this block is to help provide ideas that can possibly reduce the risk of liability.

Intentionality is the key to reducing the risk of liability. Church leaders need to be intentional in:

- Forming a committee dedicated to checking the interior and exterior of the church’s facilities for situations that could lead to injury.
- Correcting any problems as quickly as possible and provide warnings of a dangerous situation until it can be corrected.
- Screening all workers/employees/volunteers whether or not they are paid.
- Making sure insurance is sufficient to protect the church in the case of a lawsuit. Understand that punitive damages are not covered by insurance companies.
- Developing policies and procedures for inspecting facilities, playgrounds, gyms, sports fields, etc. for proper maintenance. These policies and procedures must be followed to the letter to reduce risk.
- Developing policies and procedures that cover activities and transportation. These policies and procedures must be followed to the letter to reduce risk.

Where to Start

The best place to start is in the formation of a risk management committee. This committee has the responsibilities to:

- Prepare policies, procedures and risk management strategies.
- Implement routine inspections and oversee the correction of risk management concerns.
- Audit insurance coverage.
- Educate the congregation and leaders in risk management concerns.
- Set risk management goals and provide regular updates on goal achievements.
- Solicit feedback from the congregation and leadership concerning risk management needs.

When selecting who should serve on the risk management committee, Dr. James Cobble recommends:
“…find some one who care deeply about providing safe environments for both children and adults and who is willing to champion the cause of risk management.”

(Risk Management Handbook for Churches and Schools, page 41)

Those serving on the risk management committee need to be tenacious in their duties. They need to be individuals that thrive on pursuing details. A good size for a risk management committee would be between 3 to 8 people. The size should be dictated by the size of the congregation, where the church is located, and the extent of ministry activities. Those selected to serve on the risk management committee should ideally have backgrounds in:

“…insurance, firefighting, law enforcement, transportation, building security, law, child care, and the building trades (carpenters, electricians, plumbers, roofers, heating/ac).”

(Dr. James Cobble, Risk Management Handbook for Churches and Schools, p. 41)

For a risk management program to be successful it is essential that the pastoral staff and governing body strongly support it. Support can be demonstrated through regular postings in newsletters or bulletins, risk management emphasis week or month, honoring the committee’s concerns, and stressing the core value of concern for the congregation’s safety. Without this support the congregation and/or other church leaders will not take the risk management seriously. That is tragedy waiting to happen.

**Setting policies, procedures, and risk management strategies**

When writing policies, procedures, or strategies, the main thing to remember is detail. The language must be definitive. Do not use words like “should,” “may,” or “can” because they leave gray areas. The language should be definitive with words like “shall,” “must,” or “will.”

Areas that the risk management should consider for their policies and procedures manual (please note that this list is by no means exhaustive) include:

- Inspections
- Methods for reporting
- Handling accidents
- Nursery safety
- Playground safety
- Recreational activities safety
- Transportation safety
- Fire safety
- Weather and natural perils safety
- Crime reduction

The remainder of this block will help address these issues and give some suggestions of what can be included in a policies and procedures manual.
Inspections

The policies and procedures manual should contain a section that details the various inspections that will take place at the church along with the timetable by which these will occur. These inspections should include but not be limited to:

- Heating and cooling systems
- Stairwells: interior and exterior
- Electrical systems
- Playground equipment (if applicable)
- Vehicles
- Carpeting
- Security Systems
- Gym equipment (if applicable)
- Parking lot
- Kitchen appliances
- Buildings: interior and exterior
- Store rooms
- Fire extinguishers
- Insurance policies

Specific checklists can be purchased at www.christianitytoday.com.

All inspections should be carried out systematically and intentionally. All findings should be well documented. This documentation should include whether things are okay or in need of repair. If repairs are necessary, specific reports should be developed which include:

- The date the problem(s) was discovered.
- The name of the inspector.
- The specific problem.
- The date the problem was corrected.
- The name of who corrected the problem.

This report should be kept with the original report.

Methods for Reporting

A risk management program needs to be monitored on an ongoing basis. That involves staying informed on what is being done, evaluating the outcomes, and providing feedback so that improvements can occur.

Staying informed: Activity reports should be provided to the leadership on a regular basis. At a minimum, the committee should provide an annual written report that
summarizes the risk management activities of the preceding year and identifies current needs. Oral reports should be given several times during the year.

Evaluation: Risk management is not always easy to evaluate. Two approaches are used to evaluate risk management. One is based on activity standards and the other is based on outcomes.

- Activity standards provide an objective, quantitative basis for evaluating the risk management practices of the church. For example, one standard may be to conduct a criminal background check on each paid employee as part of the hiring process.

- Outcome is based on losses rather than on the practice of risk management. For example, if a church is sued for negligent selection of an employee who molests a child. A jury determines the church not liable because the criminal background check had been performed.

Feedback is needed at all levels of congregational life: A structured approach to feedback is needed. Pulpit and bulletin announcements, articles in newsletters, posters, oral and written reports, and training sessions all provide opportunities to share information that can keep people up-to-date on ways and means to enhance safety throughout the church. At its best, risk management is part of the life and fabric of a congregation.

Handling Accidents

You can set up your own emergency procedure and distribute it within the church. This way, if an accident or injury should occur, everyone will know what to do. The victim will receive help as quickly as possible. In serious accidents, gaining even a few extra minutes can save a life.

1. First, make the victim as comfortable as possible. DO NOT ATTEMPT TO MOVE THE VICTIM. Keep him/her warm. Administer first aid only if you have the proper training.
2. Next, call an ambulance and police or fire departments as necessary. It’s best to call directly, rather than dialing the operator. Don’t forget to give the address clearly and distinctly.
3. Get the names and telephone numbers of any witnesses.
4. Notify the victim’s family. Avoid undue panic – explain the situation calmly. Tell the family that you have called an ambulance and that help is on the way. If the ambulance has already arrived, tell the family which hospital the victim is being taken to.
5. Cooperate with police and fire department investigators. If you are a witness, you can answer questions about the accident. Provide investigators with your list of witnesses.
6. As soon as possible after the victim has been provided for, and preliminary investigation has been made, inform your insurance agent of the accident. Tell what happened simply and factually. Provide the names of any witnesses. This will facilitate fast, equitable settlement of claims for those injured.

For additional safety information, contact: Church Mutual’s Loss Control Department, the National Safety Council, the U.S. Department of Labor, your local chapter of the American Red Cross, or your local police and fire departments. In most cases, information is free.

**Nursery Safety**

The Consumer Product Safety Commission targeted eight product areas with potential safety hazards. The areas under study included cribs, soft bedding, playground surfacing maintenance, child safety gates, window blind cords, drawstrings in children’s clothing, and recalled children’s products. The finding revealed the following:

- 38% of children wearing clothing with drawstrings
- 27% playground surfaces were not maintained adequately
- 24% did not have safe playground surfacing.
- 26% had loops on window blind cords
- 19% had cribs containing soft bedding
- 13% did not use child safety gates where needed
- 8% had cribs that did not meet safety standards
- 5% had unsafe products that had been recalled

*(Dr. James F. Cobble, Risk Management Handbook for Churches and Schools, p. 72)*

**Cribs**

Many church nurseries have cribs that have been donated from families who no longer have a use for them. To keep infants safe while in a crib, consider the following safety guidelines:

- Remove bumper pads, toys, pillows, and stuffed animals from the crib by the time the baby can pull up to stand.
- Remove all crib gyms, hanging toys, and decorations from the crib by the time the baby can get up on his hands and knees.
- Make sure the crib has no elevated corner posts or decorative cutouts in the end panels.
- Fit the crib mattress snugly, without any gaps, so the baby can’t slip in between the crack and the crib side.
- Make sure slots on the crib are no more than 2 3/8 inches apart.
- Make sure that all screws, bolts, and hardware – including mattress supports – are in tight to prevent the crib from collapsing.
- Make sure there are not plastic bags or other plastic material in or around the crib.
• Check the crib for small parts and pieces that the baby could choke on.
• To reduce the risk of SIDS (sudden infant death syndrome), put the baby to sleep on her back in a crib with a firm, flat mattress – no soft bedding underneath her. (http://www.parents.com/baby/safety/nursery/nursery-safety-tips)

Make sure cribs are not located near window blinds. All window blind cords should be loop free. It is also important to keep plug covers over electrical outlets.

Changing Tables

Churches need to make sure that wall-unit baby changing tables are secure. When using any changing tables:

• Use a safety belt on the changing table.
• Keep baby powder and other supplies out of baby’s reach when changing.

Baby Gates

If baby gates are used to keep children in the nursery, consider the following:

• Choose a gate with a straight top edge and rigid bars or mesh screen, or an accordion-style gate with small V-shapes and diamond-shaped openings. Entrances to V-shapes should be no more than 1 ½ inches (38 mm) in width to prevent head entrapment.
• Be sure the baby gate is securely anchored in the doorway or stairway it is blocking.
• Gates that are retained with an expanding pressure bar should be installed with this bar on the side away from the child. A pressure bar may be used as a toehold by a child to climb over a gate. (http://babyparenting.about.com/cs/preparinghome/a/safegate.htm)

Playpens

Most churches no longer use playpens but if your church still does, make sure of the following:

• Netting has small weave without any tears. The weave should be so small that not even the baby’s finger could slip through and become entwined.
• The drop side is up and securely locked. If not, the baby can roll into the pocket created between the mesh and the playpen pad and suffocate. Also, he could catch his fingers in the hinges or crawl or climb out of the playpen if all the sides are not locked up.
• The rails and padding are in good condition. Do not use a playpen in which the padded rails have rips or tears. Your child could remove and ingest the plastic materials.

• Never string toys from the playpen. Any dangling string or cord could encourage the child to try to climb out, resulting in a tumble.

• Never use an accordion-style fence as a play yard. A child can get his head caught in the openings and injure his fingers on hinges.

(http://www.parents.com)

Strollers

If nursery workers decide to take children out for a stroll on pretty days, the following tips about strollers should be considered:

• **Brakes.** If possible, use a stroller with some form of brakes, and use them when you stop for more than just a moment.

• **Seatbelts.** You may think that they are only for infants or when you're strolling quickly, but using seatbelts actually prevents many types of injuries. Get in the habit of always buckling up the child.

• **Stability.** Use a model that is well designed and sturdy so it's not prone to tipping over. Lightweight umbrella strollers are by their very nature less sturdy than standard strollers, but you'll still find that some models are more stable than others. One simple test: Try hanging something (such as a purse) on the back of the stroller and see which ones tip over most easily.

• **Sitting properly.** Even the best-designed stroller can be put to the test by a child who decides to face backwards or lean over the sides. Not sitting properly is an accident waiting to happen.

• **Toting extra items.** Even if your child is sitting properly in his seat, some strollers are still relatively easy to tip over backwards if you hang anything on the back. Instead, look for under-the-seat baskets to store extra items such as a purse, toys, snacks, shopping bag, or jacket.

• **Parking lots.** Never leave a child in the stroller behind a parked car. The reason is obvious if you stop to think about it.

• **Collapsible strollers.** Make sure that your stroller is fully locked or correctly snapped into the open position before putting your child in it.

• **Stopping on a hill.** Don't rest with the wheels pointing downhill and don't forget to set your brakes, even if you're just stopping for a moment!

(http://www.drspock.com/article/0,1510,5222,00.html)

Playground Safety

The Consumer Product Safety Commission stated over 200,000 children are treated annually in hospital emergency rooms from injuries sustained on a playground. The single biggest problem is falling off equipment onto the ground. Approximately one-third of playground injuries are fractures. Other problems include collisions with moving and stationary equipment, and contact with sharp edges, protrusions, pinch points, hot
surfaces, and debris left on the ground. Children also become entangled or entrapped in ropes and opening; clothing can catch on slides; and equipment can tip over.


**Playground surfaces**

Though many generations survived with playing surfaces of grass, concrete, asphalt, and dirt, they are no longer recommended. New surfaces for playground areas should be shock absorbing. The materials recommended include mulch, shredded tires, gravel, woodchips, or sand.

The depth of a playground’s surface depends on the type of equipment that is to be used. The fall heights of the most popular playground equipment are listed below:

- Climbers and Horizontal Ladders – The fall height is the maximum height of the structure.
- Elevated Platforms including Slide Platforms – The fall height is the height of the platform.
- Merry-Go-Rounds – The fall height is the height above the ground of any part at the perimeter on which a child may sit or stand.
- See-Saws – The fall height is the maximum height attainable by any part of the see-saw.
- Spring Rockers – The fall height is the maximum height about the ground of the seat or designated play surface.
- Swings – Since children may fall from a swing seat at its maximum attainable angle (assumed to be 90° from the “at rest” position), the fall height of a swing structure is the height of the pivot point where the swing’s suspending elements connect to the supporting structure.


The following chart gives the proper depths for the playground surfaces. Please note that some surface materials may require “fluffing” when the surface becomes compacted from repeated use.
Placement of Playground Equipment

When placing equipment on the playground, an understanding of use zones will help reduce the risk of injury of children colliding with one another.

- Slides – The use zone in front of the access and to the sides of the slide extend a minimum of 6 feet from the perimeter of the equipment.
- Single-Axis Swings – The use zone should extend to the front and rear of a single-axis swing a minimum distance of twice the height of the pivot point above the surfacing material measured from a point directly beneath the pivot on the supporting structure.
- Multi-Axis Swings – The use zone should extend in any direction from a point directly beneath the pivot point for a minimum distance of 6 feet and the length of the suspending members.
- Merry-Go-Rounds – The use zone should extend a minimum of 6 feet beyond the perimeter of the platform. This use zone should never overlap the use zone of any other equipment.
- Spring Rockers – The use zone should extend a minimum of 6 feet from the “at rest” perimeter of the equipment.

All equipment should be inspected for potential hazards that can be caused by corrosion, rot, insects, weathering, wear and tear, or vandalism. The ground should also be inspected for broken glass, anthills, and other debris. A more formal, detailed inspection should also be conducted on a regular basis.

It is recommended to have separate playgrounds with age appropriate equipment. This will reduce the risk of younger children being injured by older children or on equipment that is not appropriate for their age.

**Recreational Activities**

Fellowship and recreation play an important role in the life of every church. Sharing together, interacting, and having fun contribute to nurturing and sustaining community. Thus, a growing number of churches plan recreational activities for every age group from preschoolers to senior citizens. Some general guidelines exist that can reduce accidents associated with recreational programs. For example, risks can be significantly reduced by promoting the use of proper gear and equipment; by routinely inspecting equipment, facilities and grounds; by using an adequate number of trained supervisors; and by understanding the risks associated with each activity and taking the proper steps to reduce them.

**Water safety**

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Adults must closely supervise water and swimming activities. One adult should be designated to be the “watcher.” Youth leaders should learn CPR. Emergency equipment, including a telephone, should be available by the pool. Supervisors should know how to shut off the pump in an emergency.
Cobble, Risk Management Handbook for Church and Schools, p. 100
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Step 1: IDENTIFY THE HAZARDS: Let’s look at the hazards associated with swimming:

- Drinking
- Rest
- Buddy system
- Proper attire
- Know depth of water
- Weather conditions
Step 2: ASSESS THE RISK: Then assess the impact of each hazard in terms of potential loss and severity:

- Drinking could cause you to over estimate your ability
- Inadequate rest may not allow you to operate at your full potential
- Without a buddy, no one would be there if you should need help
- Long pants/shirts restrict body movement and add weight
- When you dive in you could strike the bottom of the lake/pond/pool
- Weather is unpredictable; possible thunderstorms, high winds

Step 3: ANALYZE RISK CONTROL MEASURES: Once you have identified the hazards and assessed the associated risk, you should decide on some controls that can be employed to reduce or mitigate the hazards:

- Only swim in proper attire (no long pants/shirts)
- Swim alone only in area with a lifeguard on duty
- Get out of water when bad weather is coming

Step 4: MAKE CONTROL DECISIONS: Accept the risk, avoid the risk, reduce the risk, or spread the risk. Do not make dumb decisions.

Step 5: RISK CONTROL IMPLEMENTATION: Once you select appropriate controls, use them! A plan is only good if it is followed.

Step 6: SUPERVISE AND REVIEW: As always, the situation is subject to change quickly. Monitor the situation and adjust as necessary to keep things under control. Swimming is a great way to have fun and we all deserve a break every now and then. Use risk management to make your swimming experience memorable and safe. No one wants an outing to turn into a tragedy!

**Hiking and Camping**

Many churches provide camping experiences for their school age children during the summer. These experiences include opportunities to hike. The following recommendations were made by [http://www.uscg.mil/mlclant/KDiv/Docs/kseACCRiskAssessments.doc](http://www.uscg.mil/mlclant/KDiv/Docs/kseACCRiskAssessments.doc).

Step 1: IDENTIFY THE HAZARDS: Let’s look at the hazards associated with hiking:

- Weather (thunderstorms, lightning, rain, and wind)
- Location (near water, forest, mountains)
- Wildlife (bugs, poisonous plants, snakes, and bears)
- Fire (campfires, cooking)
- Many others, situation-dependent

Step 2: ASSESS THE RISK: Then assess the impact of each hazard in terms of potential loss and severity:
• Injuries, death, loss of equipment, and damage due to severe weather
• Incidents involving water (drowning and hypothermia), falls, becoming lost
• Animal bites, insect-borne diseases, skin irritations, and bothersome pests
• Burns, out-of-control fires, explosion, and carbon monoxide poisoning

Step 3: ANALYZE RISK CONTROL MEASURES: Once you have identified the hazards and assessed the associated risk, you should decide on some controls that can be employed to reduce or mitigate the hazards:

• Check the weather and be prepared for severe conditions. Plan for cover in case of inclement weather and always carry rainwear and fire-starting material for warmth
• Have a quality topographical map of the area you will be hiking or camping in. Consider taking a compass, a Global Positioning System (GPS), and a personal locator beacon. Also, ensure you know how to use whatever device you take. Take a water filter to ensure that you have clean filtered water to drink. Have, at least some, climbing ropes in case you find yourself needing extra support because of a precarious situation while in the mountains. Take a course that covers the risks you will encounter. You can find courses on everything from packing a backpack to predicting avalanches. Tell somebody responsible:
  • Where you are going
  • When you will get there
  • When you expect to return
  • What kind of equipment you have on hand (If you become lost, knowing the color of your tent would be helpful to rescuers)
  • Take extra food in case you become lost or stranded
• Use insect repellent. Become familiar with the types of local poisonous snakes/plants that you may encounter and what you should do if exposed to them. Talk to the medical folks. Learn how to treat snakebites and bee stings/mosquito bites if they become a problem. Visit fish and wildlife experts to learn about bear safety. If you use anti-bear devices, make sure you know how to use them.
• Keep food in sealed containers and out of your tents
• Remember that bug spray, suntan lotion, and other nonfood items may smell like food to a bear
• Hang food from a tree, out of a bear's reach, if possible
• Keep fires contained to a well-constructed fire pit. Keep water on hand when any flame is present. Keep plenty of clear space around fires and lanterns to ensure that combustibles do not come in contact. Be very cautious around fuels and never allow anyone to play or put anything but wood and paper in the fire. Never take a fuel burning device inside a tent as carbon monoxide could overcome you
• Make sure children don't wander off into the water, woods, or mountains without adult supervision
Step 4: MAKE CONTROL DECISIONS: Accept the risk, avoid the risk, reduce the risk, or spread the risk. Do not make dumb decisions.

Step 5: RISK CONTROL IMPLEMENTATION: Once you select appropriate controls, use them! A plan is only good if it is followed.

Step 6: SUPERVISE AND REVIEW: As always, the situation is subject to change quickly. Monitor the situation and adjust as necessary to keep things under control. Summer is a great time to have fun and we all deserve a break every now and then. From now on, use risk management to make your summer fun, memorable, and safe. No one wants a summer outing to turn into a tragedy!

Canoeing Safety

Before the sponsoring of a canoe outing, make sure all participants under the following:

- To get into your canoe:
  - Have someone hold the canoe steady – you don’t want to tip the canoe before you even get out on the water!
  - Crouch low - keep your knees bent and
  - Grab the sides of the canoe for balance as you walk to your seat
  - Always walk along the center – keeping your feet on the centerline will help keep the canoe from rocking.
- Stay low – do not stand up or walk in your canoe when you are away from shore.
- Always wear your life jacket - you never know when you might fall out or tip over unexpectedly.
- Avoid sudden or jerky movements – rocking from side to side could cause the canoe to tip over.
- Be aware of the currents in the water – you don’t want to end up floating farther downstream than you planned. If the current starts to pull you along faster or you see lots of rocks in the water ahead of you paddle away from them or paddle towards the shore.
- Always sit on the seats or in the center of the canoe – sitting on the side of a canoe will cause it to tip over.
- Stay away from low hanging trees and branches near the shore.
- Do not canoe in bad weather.
- Avoid letting big waves hit the side of your canoe – always try to keep your canoe at a right angle to the waves otherwise the wave might push your canoe over.
- If your canoe tips over:
  - DON’T PANIC
  - Stay with your canoe
  - Paddle or push your canoe to shore – with the help of the other person in your canoe, you can get out in shallow water and flip the canoe to dump out the water and climb in. Your canoe will float even if its full of water until you can get to shore to empty it.
• Always bring along extra clothing in a waterproof container - you want to be prepared in case your canoe tips or the weather changes.
• Be sure to bring the proper equipment:
  • Sun protection – hats, sunscreen, long sleeves and pants
  • First aid kit
  • Plenty of food and water
  • Life vests
  • Map – be sure you know where you are so you do not get lost!
• Tie all your equipment to the canoe – put your equipment into a waterproof bag to keep it dry and tie it to one of the center beams in the canoe so that you don’t lose everything if your canoe tips over.
• Do not litter – carry out everything you bring in – the animals don’t like a messy home.

(http://www.dnr.state.wi.us/Org/caer/ce/EEK/nature/camp/canoeSafety.htm)

**Baseball and softball**

Three preventative measures can greatly reduce the number of injuries associated with baseball and softball. They include using helmets with a face guard, substituting softer baseballs and softballs for the standard ones, and using modified safety bases.

**Soccer**

Soccer continues to grow in popularity with children of all ages. Keep the following in mind when sponsoring soccer activities:

**Step 1: IDENTIFY THE HAZARDS:** Let’s look at the hazards associated with soccer:

  • Location (near the road, free of holes)
  • Referees
  • Ability of players
  • Protective equipment

**Step 2: ASSESS THE RISK:** Then assess the impact of each hazard in terms of potential loss and severity:

  • Could you accidentally run into a hazardous area, sprain an ankle
  • More injuries associated with pick up play
  • More injuries associated with less experienced players
  • Possible shin injuries, fractured ankles, and broken toes

**Step 3: ANALYZE RISK CONTROL MEASURES:** Once you have identified the hazards and assessed the associated risk, you should decide on some controls that can be employed to reduce or mitigate the hazards:
• Lay out of field should be away from roads and inspect field prior to play for hazards
• If possible use referees to control the play
• Play within your ability, remember you’re not Mia Hamm
• Only play if you have proper safety gear

Step 4: MAKE CONTROL DECISIONS: Accept the risk, avoid the risk, reduce the risk, or spread the risk. Do not make dumb decisions.

Step 5: RISK CONTROL IMPLEMENTATION: Once you select appropriate controls, use them! A plan is only good if it is followed.

Step 6: SUPERVISE AND REVIEW: As always, the situation is subject to change quickly. Monitor the situation and adjust as necessary to keep things under control. Soccer is a great way to have fun and we all deserve a break every now and then. Use risk management to make your soccer game fun, memorable, and safe. No one wants an outing to turn into a tragedy!


Bicycling and Mountain Biking

When hitting the roads or the trails with a biking outing, consider the following:

Road Rules:
• Always ride with your hands on the handlebars.
• Always stop and check for traffic in both directions when leaving your driveway, an alley, or a curb.
• Cross at intersections. When you pull out between parked cars, drivers can't see you coming.
• Walk your bike across busy intersections using the crosswalk and following traffic signals.
• Ride on the right-hand side of the street, so you travel in the same direction as cars do. **Never** ride against traffic.
• Use bike lanes or designated bike routes wherever you can.
• Don't ride too close to parked cars. Doors can open suddenly.
• Stop at all stop signs and obey street (red) lights just as cars do.
• Ride single file on the street with friends.
• When passing other bikers or people on the street, always pass to their left side, and call out "On your left!" so they know that you are coming.

(http://www.kidshealth.org/kid/watch/out/bike_safety.html)

Trail Rules:

Step 1: IDENTIFY THE HAZARDS: Let’s look at the hazards associated with Mountain Biking:
• Weather (black ice, rain, sleet, snow, and extreme winds)
• Location (dirt trails, gravel roads, urban roads)
• Wildlife (bears, moose, other critters)
• Activities (off-road cycling, backcountry cycling, touring, commuting)
• Mechanical (failure of bicycle part(s), flat tires, etc.)

Step 2: ASSESS THE RISK: Then assess the impact of each hazard in terms of potential loss and severity:

• Injuries and damage due to changing road and trail conditions created by the weather
• Incidents involving traveling over rough dirt or gravel roads and trails, and urban roads with potholes and other obstacles
• Potential for injury by bears, moose, or other animals
• Increased potential for mishap due to alcohol consumption, riding for long periods of time and fatiguing yourself; erratic driving by other drivers; other drivers’ failure to yield. Potential for mishap also exists when riding off-road, along trails. Catastrophic failure of bicycle components when “hot-dogging,” or because of extreme trail conditions is also possible.

Step 3: ANALYZE RISK CONTROL MEASURES: Once you have identified the hazards and assessed the associated risk, you should decide on some controls, which can be employed to reduce or mitigate the hazards:

• Check the weather and plan accordingly. Don’t take chances with summer rain, sleet, or snow. Pack extra clothing to be prepared
• Only travel on roads or trails you are capable of riding on. Do not exceed your capabilities. Try to choose routes in town that are relatively free of potholes; wear protective clothing that does not leave skin exposed; wear a helmet; continuously scan road or trail ahead and shoulders of road for signs of wildlife. Make noise by talking and use bells or whistles to alert animals of your presence
• Avoid traveling with people who are “risk takers” or are known to flaunt their abilities. Do not drink or allow others to drink and ride. Know and practice defensive driving techniques. Strive to be visible to other drivers by wearing highly visible clothing. When traveling long distances, take frequent breaks, and avoid trying to ride longer than reasonable distances per day. Carry a basic tool and first aid kit.

Step 4: MAKE CONTROL DECISIONS: Accept the risk, avoid the risk, reduce the risk, or spread the risk. Do not make dumb decisions.

Step 5: RISK CONTROL IMPLEMENTATION: Once you select appropriate controls, use them! A plan is only good if it is followed.
Step 6: SUPERVISE AND REVIEW: As always, the situation is subject to change quickly. Monitor the situation and adjust as necessary to keep things under control. Mountain biking is a great way to have fun and we all deserve a break every now and then. Use risk management to make your riding experience memorable and safe. No one wants an outing to turn into a tragedy!


**Basketball**

Step 1: IDENTIFY THE HAZARDS: Let’s look at the hazards associated with basketball:

- Location (inside/outside) court
- Rough housing (referees)
- Ability (first timer, routine player)
- Shoes (over ankle/good soles)
- Fitness

Step 2: ASSESS THE RISK: Then assess the impact of each hazard in terms of potential loss and severity:

- Is the location free of obstructions
- Does the location have proper lighting and court markings
- Possible broken bones
- More injuries associated with pickup basketball
- Over-the-ankle basketball shoes help prevent ankle injuries, tape or wear ankle support if needed
- Warm up prior to playing, ensuring stretching of the legs

Step 3: ANALYZE RISK CONTROL MEASURES: Once you have identified the hazards and assessed the associated risk, you should decide on some controls that can be employed to reduce or mitigate the hazards:

- No matter where you play, make sure court is free of hazards
- Don't play with hot heads
- Realize your ability and play to it
- Worn shoes can prevent good footing and cause slipping
- Warm up prior to play no matter what level you are at

Step 4: MAKE CONTROL DECISIONS: Accept the risk, avoid the risk, reduce the risk, or spread the risk. Do not make dumb decisions.

Step 5: RISK CONTROL IMPLEMENTATION: Once you select appropriate controls, use them! A plan is only good if it is followed.
Step 6: SUPERVISE AND REVIEW: As always, the situation is subject to change quickly. Monitor the situation and adjust as necessary to keep things under control. Basketball is a great way to have fun and we all deserve a break every now and then. Use risk management to make your experience fun, memorable, and safe. No one wants an outing to turn into a tragedy!


Skateboarding

As skateboarding continues to grow in popularity, many communities are building skating parks. Take the following into consideration when planning skateboarding events:

The U.S. Consumer Product Safety Commission offers the following suggestions for safe skate-boarding:

- Never ride in the street.
- Don't take chances:
  - Complicated tricks require careful practice and a specially designed area
  - Only one person per skateboard
  - Never hitch a ride from a car, bus, truck, bicycle, etc.
- Learning how to fall in case of an accident may help reduce your chances of being seriously injured.
  - If you are losing your balance, crouch down on the skateboard so that you will not have so far to fall.
  - In a fall, try to land on the fleshy parts of your body.
  - If you fall, try to roll rather than absorb the force with your arms.
  - Even though it may be difficult, during a fall try to relax your body, rather than stiffen.

(http://www.kidsource.com/cpsc2/skateboard.safety.html)

Always make sure participants are wearing the appropriate safety gear.

Hayrides

A popular fall time activity is a hayride. Keep the following safety tips in mind:

- Inspect tractors and hay wagons for safe and efficient operation. Check the hitch and make sure safety chains are in use.
- The tractor pulling the hayride must weigh more than the gross weight of the heaviest wagon it will tow. This is necessary for adequate traction and braking.
- Check the hay wagon and repair loose boards and railings, sharp edges and exposed screws and nails.
- Have sturdy steps with handrails for easy loading and unloading of passengers.
- Have a responsible, properly licensed person operate the tractor. Because of the presence of children, have the proper supervisor-to-child ratio on the hayride. The
appropriate adult/child ratios are as followings: children ages under 5 – 1 to 2; children ages 5 to 8 – 1 to 3; children ages 9 to 12 – 1 to 5; children ages 13 to 17 – 1 to 10.

- Choose the route carefully. Make sure it does not have steep grades or other hazards that can affect the stability of the tractor or hay wagon.
- Do not travel on or across public roads and highways.
- Drive slowly and do not tow more than one wagon.
- Never allow riders on the tractor.
- The hay wagon should have railings and seating. It is especially important to have a sturdy railing in the front of the wagon to prevent riders from falling forward and being inadvertently run over. No one should be allowed to hang their feet over the edge of the wagon.
- Do not allow standing on or crawling around the wagon. Jumping on and off the moving wagon should be forbidden. The operator of the hayride should be prepared to stop at the request of passengers.
- Clearly state safety rules to passengers and children once they are seated and ready to begin the hayride.

(\url{http://agri_child_guide.pdf})

Fireworks

Many summer events include fireworks and firework display. Keep the following safety tips in mind:

Step 1: IDENTIFY THE HAZARDS: Let’s look at the hazards associated with handling fireworks:

- Experience
- Crowd control
- Weather
- Control of the fireworks themselves
- Illegal fireworks (legal source)

Step 2: ASSESS THE RISK: Then assess the impact of each hazard in terms of potential loss and severity:

- Inexperience can be costly when handling fireworks
- Fireworks could go the wrong direction
- Possible fires due to landing fireworks
- In the wrong hands they could become deadly
- May be dangerously unstable or overly powerful

Step 3: ANALYZE RISK CONTROL MEASURES: Once you have identified the hazards and assessed the associated risk, you should decide on some controls that can be employed to reduce or mitigate the hazards:
• Make sure you know what you have
• Only use fireworks in a controlled environment
• If the weather is dry, watch out for fires
• If not in use, the fireworks must be controlled at all times
• Only buy fireworks from a "legal" source

Step 4: MAKE CONTROL DECISIONS: Accept the risk, avoid the risk, reduce the risk, or spread the risk. Do not make dumb decisions.

Step 5: RISK CONTROL IMPLEMENTATION: Once you select appropriate controls, use them! A plan is only good if it is followed.

Step 6: SUPERVISE AND REVIEW: As always, the situation is subject to change quickly. Monitor the situation and adjust as necessary to keep things under control. Fireworks are a great way to have fun and we all deserve a break every now and then. Use risk management to make fireworks fun, memorable, and safe. No one wants using fireworks to turn into a tragedy!


**Transportation Safety**

Churches that have vehicles such as vans or buses to transport the various groups of their congregation to activities should keep the following in mind:

• Regularly inspect the vehicle for:
  • Tire pressure
  • Proper fluid levels
  • Mirrors are operational
  • Whether headlights, taillights, and turn signals are operating properly
  • Trash in the vehicle
  • Whether all seat belts are operating properly
  • Any operational issues that would keep the vehicle from being deemed safe
• Only allow drivers that have valid driver’s licenses and have passed background checks to operate the vehicles. Drivers should be screened for moving violations as well as sexual misconduct.
• Keep a log of each time the vehicle was in use. The log should include: the name of the driver, a completed safety checklist before vehicle was used, the destination, the beginning and ending odometer readings, the date(s) the vehicle was use, and any problems that may have arisen on the trip.
• Provide yearly training for all drivers of all vehicles.
**Accident Safety**

The majority of accidents that occur on church property are from slips and falls. To reduce the risk of such accidents, consider the following:

- Inspect carpet for tears and rolls.
- If using rugs at entrances, make sure they stay in place and do not slide on the floor surface.
- Make sure all microphone and electronic equipment wires are covered.
- Clear stairs of any debris.
- Make sure all handrails are steady and tight.
- During winter months, clear icy areas with de-icer.
- Check parking lot for uneven pavement, chuck-holes, etc. Make repairs as quickly as possible. Place markers around hazardous area until it can be repaired.
- Post notices warning people of wet or freshly waxed floors.
- Make sure all hallway, stairway, and exterior lighting is operating properly.

**Fire Safety**

A fire to a church can be devastating to a congregation. There are proactive measures that churches can use to reduce the risk of a fire.

- Keep combustibles away from electrical boxes and heating equipment. This includes boxes, paints, fuels for lawn care equipments, oils, paper, etc.
- Keep functioning fire extinguishers located throughout the facility. Especially have extinguishers located in the kitchen area, sanctuary area, furnace room, storage area, and office areas. Extinguishers should be checked on a regular basis. Contact your local fire marshal for an appropriate schedule.
- Schedule fire inspections with your local fire marshal. Better to be safe than sorry. Remember you are a public facility and owe it to the people entering your doors to provide a safe environment.
- Inspect electrical wiring for frayed wires or shorts. Check electrical outlets for shorts. Make sure outlets are over taxed with too much being attached to them.
- Inspect extensions to make sure they are the proper type for their use.
- Check all kitchen appliances for any sign of unusual wear, dirt, grease, etc.
- Keep all flammable liquids in a safety cabinet away from any source of heat.
- If using candles, never leave them unattended. Do not burn candles in bathrooms or classrooms.

**Weather and Natural Peril Safety**

Through out the year weather plays an important part in our daily lives. It determines what we will wear, our activities, and what safety precautions we need to take. This section will address some of the major weather and natural perils that face the majority of churches.
Cold Weather

- Stay indoors during the storm.
- If you must go outside, several layers of lightweight clothing will keep you warmer than a single heavy coat. Gloves (or mittens) and a hat will prevent loss of body heat. Cover your mouth to protect your lungs.
- Understand the hazards of wind chill, which combines the cooling effect of wind and cold temperatures on exposed skin. As the wind increases, heat is carried away from a person's body at an accelerated rate, driving down the body temperature.
- Walk carefully on snowy, icy, sidewalks.
- After the storm, if you shovel snow, be extremely careful. It is physically strenuous work, so take frequent breaks. Avoid overexertion.
- Avoid traveling by car in a storm, but if you must...
  - Carry an emergency supplies kit in the trunk
  - Keep your car's gas tank full for emergency use and to keep the fuel line from freezing.
  - Let someone know your destination, your route, and when you expect to arrive. If your car gets stuck along the way, help can be sent along your predetermined route.

(Full link in the text)

Floods

2008 will be the year on records for flooding in the United States. To be prepared for the possibility of floods, consider the following:

When you receive a Flood Watch:

- A Watch is issued when flooding is possible within the watch area. When a flood watch is issued, you should be aware of potential flood hazards. Everyone in a Watch area should be ready to respond and act quickly.
- Have an evacuation plan in place BEFORE flooding occurs. Flooded roads may cut off your escape route. Head for higher ground before the water becomes too deep. Remember – just six inches of rapidly flowing water can knock you off your feet.
- Know your flood risk and the elevation above which flooding occurs. Do streams or rivers near you flood easily? If so, be prepared to move to a safe place. Know your evacuation routes.
- Find out if you are located in a high, medium, or low flood risk area. Check with your city or county government to find out if your community is participating in the National Flood Insurance Program. Start with the Building or Planning Department to review the Flood Insurance Rate Maps, published by the Federal Emergency Management Agency.
- Develop an evacuation plan. Everyone in your family should know where to go if they have to leave.
Discuss flood plans with your family. Everyone should know what to do in case all family members are not together. Discussing flood plans ahead of time helps reduce fear and anxiety and lets everyone know how to respond.

Determine if the roads you normally travel to reach your home or job will be flooded during a storm. If so, look for alternative routes to use during flooding.

Keep a NOAA Weather Radio All Hazards, a battery-powered portable radio, emergency cooking equipment, and flashlights in working order with extra batteries.

Have a professional install check-valves in plumbing to prevent flood waters from backing up into the drains of your home.

Keep your automobile fueled; if electric power is cut off, gas stations may not be able to operate pumps for days.

Store drinking water in food-grade containers. Water service may be interrupted.

Keep a stock of food requiring little cooking and no refrigeration; electric power may be interrupted.

Keep first-aid supplies and prescription medicines on hand.

(\text{http://www.weather.gov/floodsafety/resources/FloodsTheAwesomePower_NSC.pdf})

\textbf{Storms, Tornadoes, and Lightning Safety}

Storms, tornadoes, lightning and summer go hand-in-hand. Below are some safety tips from: \text{http://www.nws.noaa.gov/om/brochures/ttl.pdf}

\textbf{Storm and Lightning Rules:}

- Postpone outdoor activities if thunderstorms are imminent. This is your best way to avoid being caught in a dangerous situation.
- Move to a sturdy building or car. Do not take shelter in small sheds, under isolated trees, or in convertible automobiles. Stay way from tall objects such as towers, fences, telephone poles, and power lines.
- If lightning is occurring and a sturdy shelter is not available, get inside a hard top automobile and keep the windows up. Avoid touching any metal.
- Utility lines and metal pipes can conduct electricity. Unplug appliances not necessary for obtaining weather information. Avoid using the telephone or any electrical appliances. Use phones ONLY in an emergency.

If caught outside:

- Find a low spot away from trees, fences, and poles. Make sure the place you pick is not subject to flooding.
- If you are in the woods, take shelter under the shorter trees.
- If you feel your skin tingle or your hair stand on end, squat low to the ground on the balls of your feet. Place your hands over your ears and your head between your knees. Make yourself the smallest target possible and minimize your contact with the ground. DO NOT lie down.
• If you are boating or swimming, get to land and find shelter immediately.

Tornado Rules:

• In a home or building, move to a pre-designated shelter, such as a basement.
• If an underground shelter is not available, move to a small interior room or hallway on the lowest floor and get under a sturdy piece of furniture. Put as many walls as possible between you and the outside.
• Stay away from windows.
• Get out of automobiles.
• Do not try to outrun a tornado in your car; instead, leave it immediately for safe shelter.
• If caught outside or in a vehicle, lie flat in a nearby ditch or depression and cover your head with your hands.
• Be aware of flying debris. Flying debris from tornadoes causes most fatalities and injuries. Mobile homes, even if tied down, offer little protection from tornadoes. You should leave a mobile home and go to the lowest floor of a sturdy nearby building or a storm shelter.

Heat Safety

Slow down. Strenuous activities should be reduced, eliminated, or rescheduled to the coolest time of the day. Individuals at risk should stay in the coolest available place, not necessarily indoors.

Dress for summer. Lightweight light-colored clothing reflects heat and sunlight, and helps your body maintain normal temperatures.

Put less fuel on your inner fires. Foods (like proteins) that increase metabolic heat production also increase water loss. Drink plenty of water or other non-alcohol fluids. Your body needs water to keep cool. Drink plenty of fluids even if you don’t feel thirsty. Persons who (1) have epilepsy or heart, kidney, or liver disease, (2) are on fluid restrictive diets or (3) have a problem with fluid retention should consult a physician before increasing their consumption of fluids.

Do not drink alcoholic beverages.

Do not take salt tablets unless specified by a physician.

Spend more time in air-conditioned places. Air conditioning in homes and other buildings markedly reduces danger from the heat. If you cannot afford an air conditioner, spending some time each day (during hot weather) in an air conditioned environment affords some protection.

Don’t get too much sun. Sunburn makes the job of heat dissipation that much more difficult.
Know These Heat Disorder Symptoms

SUNBURN: Redness and pain. In severe cases swelling of skin, blisters, fever, headaches. First Aid: Ointments for mild cases if blisters appear and do not break. If breaking occurs, apply dry sterile dressing. Serious, extensive cases should be seen by physician.

HEAT CRAMPS: Painful spasms usually in muscles of legs and abdomen possible. Heavy sweating. First Aid: Firm pressure on cramping muscles, or gentle massage to relieve spasm. Give sips of water. If nausea occurs, discontinue use.


HEAT STROKE (or sunstroke): High body temperature (106°F or higher). Hot dry skin. Rapid and strong pulse. Possible unconsciousness. First Aid: HEAT STROKE IS A SEVERE MEDICAL EMERGENCY. SUMMON EMERGENCY MEDICAL ASSISTANCE OR GET THE VICTIM TO A HOSPITAL IMMEDIATELY. DELAY CAN BE FATAL. Move the victim to a cooler environment Reduce body temperature with cold bath or sponging. Use extreme caution. Remove clothing, use fans and air conditioners. If temperature rises again, repeat process. Do not give fluids. Persons on salt restrictive diets should consult a physician before increasing their salt intake.

Reducing the Risk of Crime

When an economy is facing major challenges crime rates seem to escalate. To help reduce crime at church facilities consider the following:

- Install security systems and limit the number of individuals that have the codes to operate the systems.
- Install surveillance cameras inside and out.
- During the week, especially, control the access to the facility. This can be accomplished by limiting how many doors are unlocked or using a buzzer system.
- Limit the amount of cash that is on the property.
- Mark all of the church’s equipment and moveable property with identification information. This will help police track items if stolen.
- Keep parking lots and all entrances to the facilities well lighted.
Resources Cited


Church Mutual Insurance Company. The Protection Series: Fire Safety at Your Worship Center.


http://babyparenting.about.com/cs/preparinghome/a/safegate.htm

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http://www.weather.gov/floodsafety/resources/FloodsTheAwesomePower_NSC.pdf
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Revised June 2008
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Child Protection in the Church

Those who offend

For generations children have been taught to fear the dirty, evil-looking man in the trench-coat because he will/can do unspeakable things to them. In reality, the person who is most likely to harm a child lives under the same roof as the child, is an extended family member, a close family friend, a trusted teacher, coach, pastor, or children/youth worker.

There are a variety of names and characteristics for individuals who abuse children. Kenneth Lanning, former FBI specialist in crimes against children, separates predators into two classifications with each classification containing several personality types. In his work, *Child Molesters: a Behavior Analysis*, Lanning defines these two classifications as Situational Child Molesters and Preferential Child Molesters.

The Situational Child Molester does not have a true sexual preference for children, but engages in sex with children for varied and sometimes complex reasons. The Situational Child Molester usually has fewer numbers of different child victims. Other vulnerable individuals, such as the elderly, sick, or the disabled, may also be at a risk of sexual victimization by him or her. Members of lower socioeconomic groups tend to be overrepresented among Situational Child Molesters. (p. 6)

The Preferential Child Molesters have a definite sexual preference for children. They have sex with children not because of some situational stress or insecurity but because they are sexually attracted to and prefer children. Although they may be smaller in number than the Situational Child Molester, they have the potential to molest large numbers of victims. For many of them, their problem is not only the nature of the sex drive (attraction to children) but also the quantity (need for frequent and repeated sex with children). They usually have age and gender preferences for their victims. (p. 8)

Lanning identifies 4 types of Situational Child Molesters and 3 types of Preferential Child Molesters.

Situational Child Molesters

**Regressed Child Molester:** One “whose sexual involvement with a child is a clear departure, under stress, from a primary sexual orientation towards agemates.” The Regressed Child Molester prefers agemates for sexual partners but, because of some precipitating stress in his life, he substitutes a child for the troubled adult relationship. Such an offender usually has low self-esteem and poor coping skills; he turns to children as a sexual substitute for the preferred peer sex partner. (p. 6)
**Morally Indiscriminate:** For this individual, the sexual abuse of children is simply part of a general pattern of abuse in his life. He is a user and abuser of people. He abuses his wife, friends, and coworkers. He lies, cheats, or steals whenever he thinks he can get away with it. His primary victim criteria are vulnerability and opportunity. He has the urge, a child is there, and so he acts. He typically uses force, lures, or manipulation to obtain his victim. (p. 6)

**Sexually Indiscriminate:** He is the “try-sexual” – willing to try anything sexual. While he may have clearly defined paraphilic or sexual preferences – bondage or sadomasochism, etc. – however, he has no real sexual preference for children. His basic motivation is sexual experimentation, and he appears to have sex with children out of boredom. His main criteria for such children are that they are new and different, and he involves children in previously existing sexual activity. Again, it is important to realize that these children may be his own. Although much of his sexual activity with adults may not be criminal, such an individual may also provide his children to other adults as part of group sex, spouse-swapping activity, or even as part of some bizarre ritual. Of all Situational Child Molesters, he is by far the most likely to have multiple victims, be from a higher socioeconomic background, and collect pornography and erotica. (p. 7)

**Inadequate:** In layman’s terms he is the social misfit, the withdrawn, the unusual. This offender seems to become sexually involved with children out of insecurity or curiosity. He finds children non-threatening objects with whom he can explore his sexual fantasies. Often his sexual activity with children is the result of built-up impulses. His victims, however, could be among the elderly as well as children – anyone who appears helpless at first sight. (p. 7)

**Preferential Child Molesters**

**Seduction:** This pattern characterizes the offender who engages children in sexual activity by “seducing” them – courting them with attention, affection, and gifts. The characteristic that seems to make this individual a master seducer of children is his ability to identify with them. He knows how to talk to children – but, more important, he knows how to listen to them. His adult status and authority is also an important part of the seduction process. In addition, he frequently selects as targets children who are victims of emotional or physical neglect. This child molester is most likely to use threats and physical violence to avoid identification and disclosure or to prevent a victim from leaving before he is ready to “dump” the victim. (p. 8)

**Introverted:** This pattern of behavior characterizes the offender who has a preference for children but lacks the interpersonal skills necessary to seduce them. (p. 8)

**Sadistic:** This pattern of behavior characterizes the offender who has a sexual preference for children but who, in order to be aroused or gratified, must inflict psychological or physical pain or suffering on the child victim. They are more likely than other Preferential Child Molesters to abduct and even murder their victims. (p. 9)
Dr. Leigh Baker describes four classes of male predators and three classes of female predators in her book, *Protecting Your Children from Sexual Predators*.

**Male Predators**

**Narcissistic Predator:** A narcissistic person is one who long ago in childhood received unrealistic messages about his self-importance. As he was glorified, sanctified, and idolized by his parents, he learned that his accomplishments and attributes made him lovable and beyond reproach. He learned to hide unacceptable feelings, desires, fantasies, and behaviors from the rest of the world, and at times even from himself and therefore his “true” self was never fully recognized. The narcissistic individual is more likely to cause pain and suffering to others. To narcissists, the world is theirs for the taking, and they are exempt from the everyday rules and regulations that govern the rest of society. The narcissist, who has never really experienced unconditional love and acceptance, exists only for the continued pursuit of attention, recognition, and praise from others. The narcissist will hurt and destroy others because he has an endless need for recognition that does not allow room for the give-and-take that is found in healthy relationships. (pp. 58-59)

**Inadequate Predator:** The inadequate individual has not achieved much in life. These individuals cannot find fulfillment in adult relationships and therefore turn to children as a source of companionship and sexual fulfillment. For inadequate predators, who have little belief in their self worth, perceive children as their only recourse for fulfillment. (p. 68)

**Antisocial Predator:** The individual with no conscience. Antisocial individuals display warning signs of their lack of conscience early on in their development. As children they engage in aggressive and destructive behavior, such as setting fires, cruelty to animals, bullying their peers, and even attacking their own siblings and parents. They are frequently suspended from school and often have difficulty learning. Their parents report them to be difficult to control; and despite the consequences, nothing seems to deter these children’s errant behavior. Because the antisocial individual lacks the internal mechanism to inhibit him from acting out against others, his only deterrent is his fear of getting caught. Therefore the antisocial predator, to avoid detection, is cunning and deceptive. Like a chameleon, he can change his appearance with lightning speed so that he appears to be a perfect match for his environment. Place him at a socialite’s ball, and he will be bedecked in splendid attire as he glides around the dance floor waltzing with the pretty debutantes. Ask him to attend a business lunch at a pricey restaurant downtown, and he will don his most stylish suit and skillfully negotiate international deals while casually sipping Perrier. Admire him as he effortlessly glides down the most challenging ski run, or listen to him as he shoots the breeze with the guys at the local bar while drinking shots of tequila. This is why the antisocial individual is so difficult to detect because once you think you have him pegged in that square hole, he changes shape. He is the charmer, the quintessential seducer, the man who can make you sympathize with him for his unfortunate circumstances and believe in him for his outward display of courage and
triumph. However, this is only an illusion, for he is the sorcerer of trickery. He is skilled at making others believe in him, and that is how he snares his victims. (pp. 76-77)

**Pedophile Predator:** The pedophile does have a sexual inclination toward children, and therefore his act of molestation will be a pervasive fulfillment of his deviant sexual desires. Their compulsion to act out their sexual fantasies usually began early in adolescence when experimentation with sexuality is common. They may have had a few relationships in high school, but they were not satisfied with the relationships. They felt empty and hollow with girls their own age, and these relationships rarely led to sexual fulfillment. They may have found solace and satisfaction in being with young children. As youth counselors, baby-sitters, and neighborhood “big buddies,” these adolescents began to gravitate toward children, and little by little their relationships with people their own age diminished. They may have found themselves looking at children at the swimming pool or at clothing stores. Their fascination and sexual attraction to little bodies could often be discovered in their collection of child photos cut out from magazines that they kept safely tucked away in their bottom drawer. (pp. 85-87)

**Female Predators**

**Teacher/Lover Predator:** The teacher/lover female predator usually chooses prepubescent or adolescent males as her victims. Her motives for the sexual offense are teaching her young victims about sexuality or obtaining love from them. She is likely to see her contact with her victims as positive. This type of predator is searching for power and control. These women are insecure, angry, and have many unresolved issues about dependency and abandonment. They usually have a number of failed relationships in their past and come from homes where they were sexually, physically, or emotionally abused.

**Predisposed Predator:** This type of female predator is sexually aroused by children and has a chronic pattern of using children as sexual objects. She often has a childhood history of severe sexual abuse that was perpetrated on her at a very early age. Therefore she is likely to display more severe forms of mental illness than the other two types of female predators. The predisposed predator will function poorly in most areas of her life. These women often marry in their teens, but their relationships are unstable and they eventually live on their own. They also have trouble finding and keeping jobs, have chronic financial problems, and a lower level of education than the other two types of female predators. In general, the predisposed predator has sexual contact with boys and girls equally; however, in the case of maternal incest, daughters are more likely than sons to be the victims. Predisposed predators often act alone, and their motives for the abuse may sound much like the teacher/lover predator’s justifications. However, because the predisposed predator’s prey are, on the average, younger than the teacher/lover’s victim, it is harder to rationalize the abuse in the guise of a romantic relationship. A predisposed predator’s most accessible victims are her own children, and thus she is likely to turn to them for sexual pleasure and intimacy. However, if a female predator does not have children, she will find her victims through extended family, neighbors, and friends. (pp. 118-119)
**Male-coerced Predator:** The male-coerced predator most commonly co-offends against her own children. The co-offender may be the biological father or more frequently a stepfather. It is not uncommon for a male predator to marry a woman in order to gain access to her children. Once this type of man is in the home, he can exert more influence and control over the family. In certain cases a woman may suspect that her husband is abusing the children; and when she finally catches him in the act, she may be reluctant to do anything about it because of the fears that threaten her own sense of safety. The type of woman who co-offends with her partner has certain personality characteristics that make it more probable that she will attach to a deviant man and then become dependent on him to fill her emotional and physical needs. Craig Allen describes the “typical” co-offending female as someone who comes from a troubled and neglectful childhood, has borderline intelligence, and does not work outside the home. She has strong dependency needs and may therefore appear passive. She often has a low self-esteem and is involved with drug or alcohol abuse. Suicidal ideation, antisocial tendencies, unresolved anger, and deviant sexual behaviors are more common with this type of female predator. (p. 125)

Though it is more frequent for predators to be male, Craig Allen’s study in 1991, “Women and Men Who Sexually Abuse Children: A Comparative Analysis,” showed that in 1989, 3 million children were sexually abused by women. (Baker, p. 101)

In 1998, the National Center for Juvenile Justice cited that women were responsible for over 8 percent of the total number of sexual offenses committed against children. (Baker, p. 101) A child’s life is changed forever when he or she is abused and it doesn’t matter whether the predator is male or female. We need to be aware of basic characteristics of female and male predators especially in church settings as leaders are chosen to work with children and youth.

Dr. Baker lists the following characteristics of female predators:

- Female offenders generally have lower income levels and lower occupational status.
- Female offenders are less residentially stable.
- Female offenders are on the average younger than male offenders.
- Female offenders are less likely to exhibit other aggressive forms of antisocial behavior.
- Female offenders have more traumatic childhood histories, including a higher degree of sexual abuse within their immediate family.
- Female offenders are less likely to admit that their sexual acts were abusive.
- Women use a victim stance more often than men and tend to blame their offensive behaviors on men.
• Women are more likely than men to be involved with co-offenders even if they started the abuse on their own.

• Women tend to romanticize the abusive relationship more than men. (pp. 105-106)

Lanning describes the characteristics of the Preferential Child Molester as follows (Preferential Child Molesters are considered pedophiles because of their preference for children and the large quantity of victims.):

1. Long-term and persistent pattern of behavior
   a. Sexual abuse in background
   b. Limited social contact as teenagers
   c. Premature separation from military
   d. Frequent and unexpected moves
   e. Prior arrests
   f. Multiple victims
   g. Planned, repeated, or high-risk attempts

2. Children as Preferred Sexual Objects
   a. Over 25, single, never married
   b. Live alone or with parents
   c. Limited dating relationships if not married
   d. If married, “special” relationship with spouse
   e. Excessive interest in children
   f. Associates and circle of friends are young
   g. Limited peer relationships
   h. Age and gender preference
   i. Refers to children as “clean,” “pure,” “innocent,” “impish,” etc., or as objects

3. Well-developed Techniques in obtaining Victims
   a. Skilled at identifying vulnerable victims
   b. Identifies with children (better than with adults)
   c. Access to children
   d. Activities with children, often excluding other adults
   e. Seduces with attention, affection, and gifts
   f. Skilled at manipulating children
   g. Has hobbies and interests appealing to children
   h. Shows sexually explicit material to children

4. Sexual Fantasies Focusing on Children
   a. Youth-oriented decorations in house or room
   b. Photographing of children
   c. Collecting child pornography or child erotica
**Signs of Abuse**

There are many behavioral and physical indicators one can observe in children that have experienced sexual abuse, physical abuse, emotional abuse, or neglect. Though no indicator by itself may support that abuse has taken place, if more than two or three are present, the situation should be investigated further. The following lists are by no means exhaustive.

**Behavioral Indicators of Sexual Abuse**

- Is reluctant to change clothes in front of others
- Is withdrawn
- Exhibits sexualized behavior; unusual sexual behavior and/or knowledge beyond that which is common for his or her particular developmental stage
- Has poor peer relationships
- Either avoids or seeks out adults
- Is pseudomature
- Is manipulative
- Is self conscious
- Has problems with authority and rules
- Exhibits an eating disorder
- Is self-mutilating
- Is obsessively clean
- Uses or abuses alcohol and/or other drugs
- Exhibits delinquent behavior, such as running away from home
- Exhibits extreme compliance or defiance
- Is fearful or anxious
- Exhibits suicidal gestures and/or attempts suicide
- Is promiscuous
- Engages in fantasy or infantile behavior
- Is unwilling to participate in sports activities
- Has school difficulties

**Physical Indicators of Sexual Abuse**

- Has pain and/or itching in the genital area
- Has bruises or bleeding in the genital area
- Has venereal disease
- Has swollen private parts
- Unusual odors in the genital area
- Pain in urinating or defecating
- Has difficulty walking or sitting
- Vaginal infections or discharge
- Has torn, bloody, and/or stained underclothing
- Unexplained persistent sore throat or gagging (due to oral sex)
- Is pregnant
- Wets bed
- Physical complaints with no apparent somatic base

**Behavioral Indicators of Emotional Abuse**

- Is overly eager to please
- Seeks adult contact
- Views abuse as being warranted
- Exhibits changes in behavior
- Is excessively anxious
- Is depressed
- Is unwilling to discuss problems
- Exhibits aggressive or bizarre behavior
- Is withdrawn
- Is apathetic
- Is passive
- Has unprovoked fits of yelling or screaming
- Exhibits inconsistent behavior at home and school
- Feels responsible for the abuser
- Runs away from home
- Attempts suicide
- Has low self-esteem
- Exhibits a gradual impairment of health and/or personality
- Has difficulty sustaining relationships
- Has unrealistic goals
- Is impatient
- Is unable to communicate or express his or her feelings, needs, or desires
- Sabotages his or her chances of success
- Lacks self-confidence
- Is self-deprecating and has a negative self-image

**Physical Indicators of Emotional Abuse**

- Failure-to-thrive or less extreme (but still severe) deficits in growth or development
- Habit disorders (such as head banging, sucking, biting, rocking)
- Has a sleep disorder, including nightmares or restlessness
- Wets the bed
- Is hyperactive
- Exhibits an eating disorder
Behavior Indicators of Physical Abuse

- Is wary of adults
- Is either extremely aggressive or withdrawn
- Is dependent and indiscriminate in his or her attachments
- Is uncomfortable when other children cry
- Generally controls his or her own crying
- Exhibits a drastic behavior change when not with parents or caregiver
- Is manipulative
- Has a poor self-concept
- Exhibits delinquent behavior, such as running away from home
- Uses or abuses alcohol/or other drugs
- Is self-mutilating
- Is frightened of parents or of going home
- Is overprotective of or responsible for parents
- Exhibits suicidal gestures and/or attempts suicide
- Has behavior problems at school

Physical Indicators of Physical Abuse

- Has unexplained bruises or welts, often clustered or in a pattern
- Has unexplained and/or unusual burns (cigarette, doughnut shaped, immersion-like, object-pattern)
- Has unexplained bite marks
- Has unexplained fractures or dislocations
- Has unexplained abrasions or lacerations
- Wets the bed

Behavior Indicators of Neglect

- Is truant or tardy to school often or arrives early and stays late
- Begs or steals food
- Attempts suicide
- Uses or abuses alcohol and/or other drugs
- Is extremely dependent or detached
- Engages in delinquent behavior, such as prostitution or stealing
- Appears to be exhausted
- States frequent or continual absence of parent or guardian

Physical Indicators of Neglect

- Frequently is dirty, unwashed, hungry, or inappropriately dressed
- Engages in dangerous activities (possibly because he or she generally is unsupervised)
- Is tired and listless
- Has unattended physical problems
- May appear to be overworked and/or exploited

Resources used to compile this list include:
Becca Cowan Johnson: *For Their Sake: Recognizing, Responding to, and Reporting Child Abuse*

Bill Anderson: *When Child Abuse Comes to Church: Recognizing Sexual Abuse, Know What to Do About It – and Possibly Preventing It from Happening*

**Location of Injuries**

It is normal for children to fall or run into things. There are areas of the body that are easily recognized as normal childhood injuries. These would include the following:

![Normal frontal injuries](image1.png) ![Normal rear injuries](image2.png)

**Figure a: Normal frontal injuries**  **Figure b: Normal rear injuries**

There are injuries to other locations on the body that would suggest that abuse has taken place. It needs to be kept in mind that these injuries need to be taken into consideration with other factors to ascertain whether abuse has actually taken place. Bodily injuries that may suggest abuse include:
Instruments of Abuse

There are a variety of items that may be used as instruments of abuse. These basically can be what ever is handy. Some items include:

- belt, lamp cord, cigarette, lighter, shoe, dish, boiling water, coke can, etc.

Some of the items listed above will leave distinguishing marks such as the belt, lamp cord, or cigarette. The other items can leave bruises or blisters. Below are some pictures of marking various items can leave on a child:
Figure 6: Markings from using an electric cord
Figure 7: Spiral breaks resulting from twisting of bone
Figure 8: Results of gagging and binding

- Child may be gagged as punishment or to stop persistent crying.
- Gag leaves characteristic bruises at corners of mouth.
- Wrist and/or ankles may be tied as form of punishment or to keep child "safe".
- Fresh "blister" caused by rope burn.
- Hyperpigmented, chronic, rope-burn injury.
Figure 9: Results from various burns


**Definitions**

There are a few definitions that may be helpful in understanding the various forms of abuse, neglect, and age.
**Child:** The term child is used generally to refer to a person, from birth to the legal age of maturity. In the United States, the Child Abuse Prevention and Treatment Act of 1974 defines a child as anyone under age 18.

**Emotional Abuse:** The National Center on Child Abuse and Neglect defines emotional abuse as “acts or omissions by the parents or other caregivers that have caused, or could cause, serious behavioral, cognitive emotional or mental disorders.”

**Physical Abuse:** This is an act of commission by a parent or caretaker which is not accidental and which results in physical injury, including fractures, burns, bruises, welts, cuts and/or internal injuries.

**Sexual Abuse:** Contacts or interactions between a child and an adult when the child is used for the sexual stimulation of the perpetrator or another person is sexual abuse. State definitions of sexual abuse vary but many indicate various degrees of physical contact, or there may be no contact but the child was used in a sexual way, for example, in a pornographic display for the sexual gratification of the photographer and/or other persons. Sexual abuse may also be committed by a person under the age of 18 when that person is either significantly older than the victim or when the perpetrator is in a position of power or control over another child.

**Neglect:** Repeated failure to meet the minimal standards for a child’s nutritional, clothing, medical, educational, safety and/or emotional needs constitutes neglect.

**Reporting Requirements**

Each state has its regulations regarding the reporting of child abuse. Below is a list of the requirements for each state, the penalties, and contact numbers. Not all states provided contact numbers. Penalties regarding false reporting are for cases of malice reporting.

**Alabama**
Statute: §§26-14-3(a); 26-14-10
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §§26-14-13; 13A-10-9
Failure to report: misdemeanor: imprisonment not exceeding 6 months; or a fine not exceeding $500.

False reporting: Class A misdemeanor.

Reporting number:
334-242-9500

**Alaska**
Statute: §§47.17.020(a); 47.17.023; 47.17.060
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: 47.17.068
Failure to report: Class B misdemeanor.

Reporting phone number:
800-478-4444

**Arizona**
Statute: §§13-3620(A); 8-805(B)-(C)
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §§13-3620(O); 13-3620.01
  Failure to report: Class 1 misdemeanor.
  If it involves a reportable offense, Class 6 felony.

  False reporting: Class 1 misdemeanor.

Reporting phone number: 888-767-2445

Arkansas
Statute: §§12-12-507(b)-(c); 12-12-518(b)(1)
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §§12-12-504(a),(b),(d)
  Failure to report: Class C misdemeanor.
  Civilly liable for damages proximately caused.

  False reporting: Class A misdemeanor.
  Class D felony, when there is a prior conviction.

Reporting phone number: 800-482-5964

California
Statute: Penal Code: §§11166(a),(c); 11165.7(a)
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: Penal §§11166(b); 11172(a)
  Failure to report: misdemeanor: confinement in county jail not exceeding 6 months; and/or a fine not exceeding $1,000.

  False reporting: liable for damages proximately caused.

Reporting phone number: 800-842-2288

Colorado
Statute: §§19-3-304(1),(2),(2.5); 19-3-311
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §§19-3-304(3.5)(4)
  Failure to report: Class 3 misdemeanor; liable for damages.

  False reporting: Class 3 misdemeanor; liable for damages.

Connecticut
Statute: §§17a-101(b); 17a-101a
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §§17a-101a; 17a-101e(c)
  Failure to report: A fine not exceeding $500. Required to participate in a training program.

  False reporting: A fine not exceeding $2,000 and/or imprisonment for not more than one year.

Reporting number: 800-842-2288

Delaware
Statute: tit. 16 §§903; 909
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

**Penalties:**
Statute: Tit. 16, §914
   Failure to report: A fine not exceeding $1,000 and/or imprisonment not exceeding 15 days.
   False reporting: A fine not exceeding $1,000 and/or imprisonment not exceeding 15 days.

**Reporting phone number:**
  800-292-9582

**District of Columbia**
Statute: §§4-1321.02(a),(b),(d); 4-1321.05
Statute does not specify clergy.

**Penalties:**
Statute: §4-1321.07
   Failure to report: A fine not exceeding $100 and/or imprisonment not exceeding 30 days.

**Reporting phone number:**
  877-671-7233

**Florida**
Statute: §§39.201(1); 39.204
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

**Penalties:**
Statute: §§39.205(1)-(2), (6); 39.206(1)
   Failure to report: 1st degree misdemeanor.
   False reporting: 3rd degree felony; possible fine not exceeding $10,000.

**Reporting phone number:**
  800-962-2873

**Georgia**
Statute: §§19-7-5(c)(1),(g); 16-12-100(c)
Statute does not specify clergy.

**Penalties:**
Statute: §19-7-5(h)
   Failure to report: Misdemeanor.

**Hawaii**
Statute: §§350-1.1(a); 350-5
Statute does not specify clergy.

**Penalties:**
Statute: §350-1.2
   Failure to report: Petty misdemeanor.

**Idaho**
Statute: §§16-1619(a),(c); 16-1620
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

**Penalties:**
Statute: §§16-1619(d); 16-1620A
   Failure to report: Misdemeanor
   False reporting: Liable for damages sustained or statutory damages of $500, whichever is greater, plus attorney’s fees and costs.

**Reporting number:**
  800-926-2588

**Illinois**
Statute: 325 ILCS 5/4; 720 ILCS 5/11-20.2
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

**Penalties:**
Statute: ch. 325 para. 5/4; 5/4.02
   Failure to report: Class A misdemeanor for first violation; Class 4 felony for subsequent violation.
False reporting: offense of disorderly conduct for a first violation; Class 4 felony for subsequent violation.

Reporting phone number:
800-252-2873

**Indiana**
Statute: §§31-33-5-1; 31-33-5-2; 31-32-11-1
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §§31-33-22-1; 31-33-22-3(a)-(b)
Failure to report: Class B misdemeanor.

False reporting: Class A misdemeanor; liable for actual damages and possibly punitive damages; Class D felony, if there is a prior conviction.

Reporting phone number:
800-800-5556

**Iowa**
Statute: §§232.69(1)(a)-(b); 728.14(1); 232.74
Statute does not specify clergy.

Penalties:
Statute: §232.75
Failure to report: Simple misdemeanor; civilly liable for damages proximately caused.

False reporting: Simple misdemeanor.

Reporting phone number:
800-362-2178

**Kansas**
Statute: §38-1522(a),(b)
Statute does not specify clergy.

Penalties:

Statute: §§38-1522(f),(g)
Failure to report: Class B misdemeanor.

Reporting phone number:
800-922-5330

**Kentucky**
Statute: §§620.030(1), (2); 620.050(3)
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §§620.990(1); 620.050(1)
Failure to report: Class B misdemeanor.

False reporting: Class A misdemeanor.

State reporting phone number:
800-752-6200

**Louisiana**
Statute: Ch. Code art. 603(13); 609(A)(1); 610(F)
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Failure to report: Subject to criminal prosecution.

False reporting: Subject to criminal prosecution.

Reporting phone number:
225-342-6832

**Maine**
Statute: Tit. 22, §§4011-A(1);4015
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.
Penalties:
Statute: Tit. 22, §4014(1)
False reporting: Subject to criminal or civil action.

Reporting phone number: 800-452-1999

Maryland
Statute: Family Law §§5-704(a); 5-705(a)(1)
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Reporting phone number: 800-332-6347

Massachusetts
Statute: Ch. 119, §§51A; 51B
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: Ch. 119, §51A
Failure to report: A fine not exceeding $1,000/
False reporting: A fine not exceeding $1,000.

Reporting phone number: 800-792-5200

Michigan
Statute: §§722.623; 722.623(1),(8); 722.631
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §722.633(1),(2),(5)
Failure to report: Misdemeanor: Imprisonment not exceeding 93 days and/or fine not exceeding $500; civilly liable for damages proximately caused.
False reporting: Misdemeanor, punishable by imprisonment of not more than 93 days and/or a fine of not more than $100, if the abuse reported would be a misdemeanor if true; Felony, if the abuse reported would be a felony if true, punishable by imprisonment of not more than 4 years and/or a fine of not more than $2,000

Reporting phone number: 800-942-4357

Minnesota
Statute: §626.556 Subd. 3(a), 8
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §626.556 Subd. 5, 6
Failure to report: misdemeanor. Imprisonment not exceeding 2 years and/or fine not exceeding $4,000.
False reporting: Civilly liable for actual and punitive damages; responsible for costs and reasonable attorney fees.

Reporting phone number: 651-291-0211

Mississippi
Statute: §43-21-353(1)
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §43-21-353(7)
Failure to report: Imprisonment not exceeding 1 year and/or a fine not exceeding $5,000.

Reporting phone number: 800-222-8000
**Missouri**
Statute: §§210.115; 210.115(1); 568.110; 210.140
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §210.165(1)-(3)
   Failure to report: Class A misdemeanor.
   False reporting: Class A misdemeanor; Class D felony if previously convicted.

Reporting phone number:
800-392-3738

**Montana**
Statute: Mont. Code Ann. §§41-3-201(2)(h), (4)(b); 41-3-201(1)-(2), (4)
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §§41-3-207; 41-3-203(1)
   Failure to report: Misdemeanor; civilly liable for damages proximately caused.
   False reporting: Civilly liable for damages.

Reporting phone number:
866-820-5437

**Nebraska**
Statute: §§28-711(1); 28-714
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §§28-716; 28-717
   Failure to report: Class 3 misdemeanor.
   False reporting: Subject to criminal or civil action.

Reporting phone number:
800-652-1999

**Nevada**
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §§432B.240
   Failure to report: Misdemeanor.

Reporting phone number:
800-992-5757

**New Hampshire**
Statute: §§169-C:29; 169-C:32
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §169-C:39
   Failure to report: Misdemeanor.

Reporting phone number:
800-894-5533

**New Jersey**
Statute: §9:6-8.10
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §9:6-8.14
   Failure to report: Imprisonment not exceeding 6 months.

Reporting phone number:
800-792-8610
**New Mexico**
Statute: §§32A-4-3(A); 32A-4-5(A)
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §32A-4-3(F)
   Failure to report: misdemeanor.

Reporting phone number:
800-797-3260

**New York**
Statute: Soc. Serv. Law §413(1)
Statute does not specify clergy.

Penalties:
Statute: Soc. Serv. §420
Penal: §240.50(4)
   Failure to report: Class A misdemeanor; civilly liable for damages proximately caused.

   False reporting: Class A misdemeanor.

Reporting phone number:
800-342-3720

**North Carolina**
Statute: §§7B-301; 7B-310
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties: not discussed.

**North Dakota**
Statute: N.D. Cent. Code §50-25.1-03(1); 50-25.1-03; 50-25.1-10
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §50-25.1-13
   Failure to report: Class B misdemeanor.

   False reporting: Class B misdemeanor;
   Class A misdemeanor if made to a law enforcement official; civilly liable for damages.

Reporting phone number:
701-328-2316

**Ohio**
Statute: §2151.421(A)(1),(A)(2),(G)(1)(b)

Penalties:
Statute: §§2151.421(A),(G),(H); 2921.14
   Failure to report: none specified.
   False reporting: Misdemeanor of 1st degree; reasonable attorney’s fees and costs in any civil action.

**Oklahoma**
Statute: Tit. 10, §§7103(A)(1); 7104; 7113; tit. 21, §1021.4
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: tit. 10, 7103(C),(D)
   Failure to report: Misdemeanor.
   False reporting: Misdemeanor: a fine not to exceed $5,000 if made during a child custody proceeding.

Reporting phone number:
800-522-3511

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500 Block D2 – Child Protection
**Oregon**
Statute: Or. Rev. Stat. Ann. §§419B.005(3)(h); 419B.005(3); 419B.010(1)
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §419B.010(3)
   - Failure to report: Class A violation.

Reporting phone number:
   800-742-4453

**South Carolina**
Statute: §§20-7-510(A); 20-7-550
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §§20-7-560; 20-7-567
   - Failure to report: Misdemeanor; a fine not exceeding $500 and/or imprisonment not exceeding 6 months.
   - False reporting: Misdemeanor; a fine not exceeding $5,000 and/or imprisonment not exceeding 90 days.

Reporting phone number:
   800-854-3508; Ext. 2402

**Pennsylvania**
Statute: 23 Pa. §6311(a),(b)
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: 23 PCSA §6319
   - Failure to report: Summary offense for first violation. Misdemeanor of 3rd degree for second or subsequent violation.

Reporting phone number:
   800-854-3508; Ext. 2402

**Rhode Island**
Statute: §§40-11-3(a); 40-11-6(a); 40-11-11
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §§40-11-6.1; 40-11-3.2
   - Failure to report: Misdemeanor: A fine not exceeding $500 and/or imprisonment not exceeding 1 year; civilly liable for damages proximately caused.
   - False reporting: Misdemeanor: A fine not exceeding $1,000 and/or imprisonment not exceeding one year.

Reporting phone number:
   800-742-4453

**South Dakota**
Statute: §§26-8A-3; 26-8A-15
Statute does not specify clergy.

Penalties:
Statute: §§26-8A-3; 26-8A-6; 26-8A-7
   - Failure to report: Class 1 misdemeanor.

Reporting phone number:
   605-773-3227

**Tennessee**
Statute: §§37-1-403(a); 37-1-605(a);37-1-411
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §§37-1-412(a);37-1-413
   - Failure to report: Class A misdemeanor.
   - If pleads guilty before a court, fine limited to $50.
False reporting: Class E felony (only applies to sexual abuse reporting).

Reporting phone number:
877-237-0004

**Texas**
Statute: Family Code §§261.101; 261.101(a)-(c); 261.102
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: Fam. §§261.107(a)-(b); 261.109
Failure to report: Class B misdemeanor.

False reporting: Class A misdemeanor; state jail felony, if there is a prior conviction.

Reporting phone number:
800-252-5400

**Utah**
Statute: §§62A-4a-403;62A-4a-403(1)-(3); 62A-4a-412(5)
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §62A-4a-411
Failure to report: Class B misdemeanor.

Reporting phone number:
800-678-9399

**Vermont**
Statute: Tit. 33, §4913(a),(f)-(h)
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: tit.33, §4913(e)

**Virginia**
Statute: §§63.2-1509(A); 63.2-1519
Statute does not specify clergy.

Penalties:
Statute: §§63.2-1509(D); 63.2-1513(A)
Failure to report: A fine not exceeding $500 for first violation; a fine of no less than $100 nor exceeding $1,000 for subsequent violations.

False reporting: Class 1 misdemeanor; Class 6 felony, if there is a prior conviction.

Reporting phone number:
800-552-7096

**Washington**
Statute: Wash. Rev. Code Ann. §§26.44.030(7); 26.44.030(1), (2); 26.44.060(3)
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.

Penalties:
Statute: §§26.44.080; 26.44.060(4)
Failure to report: Gross misdemeanor.

False reporting: misdemeanor.

Reporting phone number:
866-363-4276
West Virginia
Statute: §§49-6A-2; 49-6A-7
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.
Penalties:
Statute: §49-6A-8
   Failure to report: Misdemeanor: imprisonment in county jail not exceeding 10 days and/or a fine not exceeding $100.

Reporting phone number:
   800-352-6513

Wyoming
Statute: §§14-3-205(a); 14-3-210
Must report: Physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.
Penalties: not specified.

Wisconsin
Statute: §48.981(2), (2m)(c)-(e)
Statute does not specify clergy.

Penalties:
Statute: §48.981(6)
   Failure to report: A fine not exceeding $1,000 and/or imprisonment not exceeding 6 months.

Reporting phone number:

Megan’s Law

In 1996, Megan’s Law became a federal law. It was named after 7 year old Megan Nicole Kanka who was brutally raped and murdered by a neighbor. This neighbor had been twice convicted of attacks on children.

Megan’s Law contains two components:

   Sex Offender Registration – This is based on the 1994 Jacob Wetterling Act. It requires states to register those convicted of sex crimes against children. Such a registration law has become necessary because:

      • Sex offenders pose a high risk of re-offending after release from custody;
      • Protecting the public from sex offenders is a primary governmental interest;
      • The privacy interests of persons convicted of sex offenses are less important than the government’s interest in public safety;
      • Release of certain information about sex offenders to public agencies and the general public will assist in protecting the public safety
Community Notification – This allows states discretion to establish criteria for disclosure, but it also compels states to make private and personal information available on registered sex offenders. The purpose of community notification is it:

- Assists law enforcement in investigations;
- Establishes legal grounds to hold known offenders;
- Deters sex offenders from committing new offenses;
- Offers citizens information they can use to protect children from victimization.

It has been a misconception by the public that Megan’s Law mandates active community notification of a convicted sex offender moving into their community. The federal law requires all 50 states to release information to the public if the states determine it is necessary to protect public safety. However, the federal law does not mandate active notification. If states fail to provide minimal information, they could lose federal crime-fighting funds.

Individuals can access their state’s Megan’s Law information through the following websites:

**Alabama**
http://www.doc.state.al.us/inmate_search.htm

**Alaska**
http://www.dps.state.ak.us/

**Arizona**
http://www.azsexoffender.com

**Arkansas**
http://acic.org/registration/registratio-main.html

**California**
By county

**Colorado**
http://sor.state.co.us

**Connecticut**
http://www.state.ct.us/dps

**Delaware**
http://www.state.de.us/dsp/sexoff

**Florida**
http://www.fdle.state.fl.us/Sexual_Predators/
Georgia
http://www.ganet.org/gbi/disclaim.html

Hawaii
Email gov@gov.state.hi.us

Idaho
http://www.isp.state.id.us/identification/sex_offender/index.html

Illinois
http://www.isp.state.il.us/sor/frames.htm

Indiana
http://www.state.in.us/serv/cji_sor

Iowa
http://www.state.ia.us/government/dps/dci/isor
http://www.iowasexoffenders.com

Kansas
http://www.accesskansas.org/kbi/ro.htm

Kentucky
http://kspsor.state.ky.us/

Louisiana
http://www.lasocpr.lsp.org/socpr/

Maine
None listed

Maryland
http://www.dpscs.state.md.us/sor/

Massachusetts
http://www.state.ma.us/sorb/community.htm

Michigan
http://www.mipsor.state.mi.us

Minnesota
http://www.doc.state.mn.us/

Mississippi
http://www.sor.mdps.state.ms.us/
Missouri
http://www.jcsd.org/offenders.htm

Montana
http://svor2.doj.state.mt.us:8010/index.htm

Nebraska
http://www.nsp.state.ne.us/sor/find.cfm

Nevada
None listed

New Hampshire
http://www.state.nh.us/safety/nhsp/

New Jersey
http://www.njsp.org/info/reg_sexoffend.html

New Mexico
http://www.nmsexoffender.com

New York
http://criminaljustice.state.ny.us/nsor/index.htm

North Carolina
http://sbi.jus.state.nc.us/DOJHAHT/SOR/default.htm

North Dakota
http://www.ndsexoffender.com

Ohio
http://www.drc.state.oh.us/search2.htm

Oklahoma
http://www.tulsapolice.org/sexreg/default.asp

Oregon
http://www.doc.state.or.us

Pennsylvania
http://www.psp2.state.pa.us/SVP/index.htm

Rhode Island
None listed
South Carolina
None listed

South Dakota
http://www.sddci.com/administration/id/sxoffender/index.asp

Tennessee
http://www.tbi.state.tn.us

Texas
http://records.txdps.state.tx.us/

Utah
http://corrections.utah.gov/community/sxoffenders/

Vermont
http://www.dps.state vt.us/cjs/sregistry.htm

Virginia
http://sex-offender.vsp.state.va.us/cool-ICE/

Washington
By county

Washington D.C.
http://www.mpcd.org/

Wisconsin
http://offender.doc.state.wi.us/public/

Wyoming
http://attorneygeneral.state.wy.us/dci/sx/sx_registration.html

Amber Alert

What is the Amber Alert Plan?

- Child abduction alert notification plan to notify citizens of an abduction.
- Utilizes the Emergency Alert System (EAS) to inform the public of an abduction.
- Provides descriptive information about the child and the perpetrator, if known, to the public in the hopes of enlisting public support in the search efforts.
- The ultimate goal is to save the life of the child.
Who developed the Amber Alert Plan?

- The plan originated in Texas in memory of Amber Hagerman, an abduction and murder victim.

What are the Activation Criteria?

Recognizing the importance of local determination of AMBER Alert criteria, while acknowledging the importance of consistency across the country to help ensure a smooth AMBER Alert system, the U.S. Department of Justice recommends the criteria listed below for AMBER Alert programs nationwide.

- There is reasonable belief by law enforcement that an abduction has occurred.
- The abduction is of a child age 17 years or younger.
- The law-enforcement agency believes that the child is in imminent danger of serious bodily injury or death.
- There is enough descriptive information about the victim and the abduction for law enforcement to issue an AMBER Alert to assist in the recovery of the child.
- The child’s name and other critical data elements, including the Child Abduction flag, have been entered into the National Crime Information Center (NCIC).

If these criteria are met, alert information must be put together for public distribution. This information can include descriptions and pictures of the missing child, the suspected abductor, a suspected vehicle, and any other information available and valuable to identifying the child and suspect.

The benefits of the Amber Alert system include:

- Its free;
- It encourages participation between natural adversaries, law enforcement and media by drawing on their inherent strengths;
- It promotes accountability by creating the foundation of a comprehensive missing child protocol;
- It is an effective time critical response to kidnappers who can disappear with children at the rate of a mile a minute;
- It sends a powerful message to wanna-be kidnappers that this is a community that cares about and protects children;
- It saves lives.

Things that should be taught

The best way to be preventative against child abuse is to educate children, youth, teachers, volunteers, parents, and congregations. The following sections are items that can be taught in training sessions, small group discussions, etc.
**Tricks Predators Use on Children**

The following list of tricks or lures that predators use on children should be actively taught to children and parents. The list was compiled from collections gathered by the following authors:

Laura A. Ahearn: *Megan’s Law Nationwide and ...The Apple of My Eye... Childhood Sexual Abuse Prevention Program*

Kenneth Wooden: *Child Lures: What Every Parent and Child Should Know About Preventing Sexual Abuse and Abduction*

- **The apple of my eye trick**
  All children want love, attention and affection, this is why they are particularly vulnerable to those who are experts at grooming them to lead to their eventual sexual abuse.

- **Detecting parental guilt/inadequacy trick**
  Predators look for parents that are overworked or have to be out of town a lot and offer to help fill in.

- **Accidental touching trick**
  Children are often unaware that an accidental touching may be intentional or may be an offender attempting to touch.

- **Assistance tricks**
  Offenders may ask a child for help with directions or carrying packages. Another type of assistance lure may be an offender who senses a role he might play by assisting a family with children. His assistance might be needed for babysitting or for driving a child to activities. Watch for those who are more interested in your child than you, there is a reason.

- **Authority trick**
  Many of us have taught our children to respect authority without realizing that individuals who target our children take advantage of their position such as a teacher, coach, religious or club leader.

- **Bathroom trick**
  A predator may hang out in mall or child-friendly restaurant bathrooms under the guise of helping young boys with zippers.

- **Costume trick**
  Some predators use amusement park or mascot costumes to touch children inappropriately.

- **Desensitization trick**
  Offenders may continually talk to children about sex or use pornography to demonstrate sexual acts. They may arouse a child’s curiosity by leaving sexual material and aids around where they may see them.

- **Divide and conquer trick**
  The offender may have a variety of video games in their garage where neighborhood children will gather and he will tell them they don’t have to go home when their parents call for them.
• Driving instructor trick
  The offender uses the confine space for inappropriate touching.
• Drug & alcohol trick
  Drugs or alcohol can be used to incapacitate a child making them highly
  vulnerable to sexual abuse.
• Emergency trick
  Crisis can be confusing for young children and offenders count on that so they
  construct an emergency to lure children.
• Fame trick
  Promises are made to make the child a movie star.
• Friendship trick
  Older children may bribe a younger child (or same age) by saying that they
  will not be their friend anymore unless they participate in a sexual act.
• Games trick
  Body contact games such as wrestling are played where touching genitalia is
  part of the rules.
• “I know you” trick
  Do not write your child’s name on the outside of any of their clothing or items
  they use outside of their home such as umbrellas or lunchboxes. This gives the
  offender an opportunity to make your child feel as though they know them.
• Internet trick
  The internet has become a preying ground for sex offenders trying to lure
  victims. Offenders will try to get specific information from your child without
  directly asking for it.
• Job trick
  Promises of high paying jobs easily influence young adults into meeting
  individuals in questionable places for interviews where they may be sexually
  abused. Young children may be offered high pay for odd jobs inside an
  offender’s house where they too may be sexually abused.
• Legitimacy trick
  There are a few organizations that promote sexual relations with children and
  attempt to legitimize this activity. Those offenders may attempt to convince a
  child that sex with an adult is a legitimate activity.
• Outing trick
  This could include camping trips or trips with children without other adults.
• Pet trick
  Help finding a lost pet.
• Photographer trick
  Convinces parent that child has future as model.
• Rescuing single women with children trick
  Similar to guilty parent trick.
• Teaching trick
  Private music lessons, sport lessons, etc.
• Threat trick
Usually by older children threatening younger children about what will happen if they tell.

- Hero lure
  Coach, teacher, pastor, etc. – someone the child looks up to.

**Red Flags**

The following list of red flags was created by Laura A. Ahearn and are found in her book, *Megan’s Law Nationwide and...The Apple of My Eye...Childhood Sexual Abuse Prevention Program*.

1. Someone who wants to spend more time with your child than you.

2. Someone who manages to get time alone with, or attempts to be alone with your child or other children.

3. Someone who insists on hugging, touching, kissing, tickling, wrestling or holding a child, even when a child doesn’t want this affection.

4. Someone who is overly interested in the sexuality of a child or teen and asks either the parents or the child sexually-oriented question.

5. Someone who relates extremely well to children and spends most of his/her spare time with them and has little interest in spending time with individuals their own age.

6. Someone who has few or no boundaries and does not respect the limits of their role in their relationship with children.

7. Someone who regularly offers to baby-sit, help-out or takes children on day or overnight outings alone.

8. Someone who buys expensive gifts or gives children money for no reason.

9. Someone who frequently walks in on children/teens in the bathroom or in the locker room while they are showering or changing.

10. Someone who goes to parks, beaches, or public places where children congregate and spends an exorbitant amount of time staring or taking photographs of children for no apparent reason. You should be suspicious of anyone attempting to photograph your child without your consent.

11. Someone who inappropriately makes comments about the way your child looks.
Things to teach children

Following is a list of rules that can be taught to children as early as four or five. Laura A. Ahearn created the list of rules and they can be found in her book, *Megan’s Law Nationwide and...The Apple of My Eye...Childhood Sexual Abuse Prevention Program*.

Rule 1: Know who you are and where you live

Rule 2: Know what to do when lost in a store

Rule 3: Be able to identify your body parts

Rule 4: Check first before accepting gifts or going anywhere with anyone even if they are someone you know

Rule 5: Trust your inner voice, especially that yucky feeling

Rule 6: Don’t be too polite

Rule 7: No secrets allowed

Rule 8: Say no and tell when touch is not ok

Rule 9: Don’t give personal information out on the internet

Rule 10: Take action! It’s your right

Things parents and children workers should know

Laura A. Ahearn has also created a list of those things all parents and workers with children should know. These include:

1. Don’t be lulled into a false sense of security – know what resources are available under Megan’s Law and know its limits.

2. Know who the predators really are and what they count on.

3. Teach your child the ten rules of safety.

4. Establish and model boundaries early.

5. Know the tricks and lures sexual predators use.

6. Know the red flags to help identify who the predators are.
If an allegation is made against a staff person, volunteer, or parent:
(see Church Strategy in Appendix A)

Many states now list clergy and church workers as mandatory reporters of child abuse. It is essential that the church develop a protocol of how to handle such allegations. Below is a suggested list of procedures should an allegation occur. This list was created by Joy Thornburg Melton in her book, *Safe Sanctuaries: Reducing the Risk of Child Abuse in the Church*.

- Notify the parents of the victim, and take any necessary steps to assure the child’s safety until the parents arrive. The safety of the victim must be the church’s primary concern.
- Do not confront the accused abuser with anger and hostility. Treat him or her with dignity, but immediately remove him or her from further involvement with children or youth.
- Notify the proper law enforcement or child protective services agency.
- Notify your state ministry office (if staff or volunteer is involved), the church’s insurance agent, and the church’s attorney.
- Keep a written record of the steps taken by the church in response.
- Call upon your designated spokesperson to make any necessary statements or responses to the news media.
- Prepare a brief and honest statement that can be made to the congregation without giving unnecessary details, placing blame, interfering with the victim’s privacy, or violating any confidentiality concerns.
- Be prepared to cooperate fully with investigation conducted by law enforcement officials or child protective services.

When an allegation has occurred there are questions proper to ask and those that are out of bounds. Douglas J. Besharow in his book, *Recognizing Child Abuse: A Guide for the Concerned*, created the following lists:

**Do’s**

- Make sure the interviewer is someone the child trusts
- Conduct the interview in private
- Sit next to the child, not across a table or desk
- Ask the child to clarify words/terms that you do not understand
- Be supportive, the child is likely to be frightened about telling “family secrets”
- Stress that anything that happened was not the child’s fault
- Tell the child if any future action will be required
- Be truthful; do not make promises that you cannot keep

**Do Not’s**

- Allow the child to feel “in trouble” or “at fault”
- Criticize the child’s choice of words or language
- Probe or press for answers that the child seems unwilling to give
- Suggest answers to the child
- Display shock or disapproval of the parents, the child, or the situation
- Force the child to remove clothing
- Conduct the interview with a group of interviewers
- Leave the child alone with a stranger

**Information to gather before making a report**

Douglas J. Besharow suggests the following information be gathered prior to making a report to police, state police, or child protective services:

- The child’s (or children’s) name, age, sex, ethnic background, and permanent address.
- The child’s (or children’s) present condition and the possible need for emergency action
- The child’s (or children’s) present location and the location where the incidents occurred, if different from the permanent address
- The name of the parents or other persons who are responsible for the child’s (or children’s) care (and address, if different from the permanent address of the child)
- The name and address of the person or persons who are alleged to be responsible for the abuse or neglect
- The siblings’ names, sex, ages, and present location
- The names, ages, sex, and relation to the child of other adults in the home
- The nature and extent of the suspected abuse or neglect
- Any other evidence of the alleged maltreatment
- The reason or reasons for suspecting abuse or neglect, including the physical or emotional condition of the child (or children) and statements of a child or parent
- Any other relevant statements made by the parents, the child, or significant others
- Any available information about previous injuries to the child or siblings (or other evidence of prior maltreatment)
- The names, addresses, and phone numbers of possible witnesses to the alleged maltreatment
- Any actions taken by the reporting source or others (such as placing the child in protective custody or taking photographs or X-rays)
- The reporter’s name, telephone number, address, and occupation if the reporter is willing to provide this information
- Relationship of the reporter to the child and family
- Any other information that the reporter believes may be helpful

Many agencies will ask reporters to send in written statements. It is essential that all conversations and interviews be documented.
Teaching pre-teens and teens about dating

To help the youth of your church protect themselves from the possibility of date rape, Helen Benedict in her book, *Safe, Strong, and Streetwise: Sexual Safety at Home, On the Street, On Dates, On the Job, At Parties, and More*, suggests the following:

- If you are a girl, be strong in your relationship with boys. Don’t let your date always make the arrangements and decisions about what to do when you go out and don’t let him do all the paying, either, because that gives him power over you.
- If you are a boy, don’t feel that in order to be “masculine” you have to make all the decisions and do all the paying. That idea is outdated and sexist and money shouldn’t be part of a dating relationship anyway. When relationships are more equal, both partners are less likely to feel used.
- If you go out with someone you don’t know well, stay in public places. If you are a girl, you will feel safer this way. If you are a boy, you will have the chance to get to know your date gradually and in a more relaxed way.
- Think about what you expect from a dating relationship.
- Decide your sexual limits and stick to them.
- Never let anyone force you into being alone with him or her against your will.
- If you are a girl, don’t pretend to reject a boy sexually if you don’t mean it. It confuses a boy, which isn’t fair to him, and leads him to believe the myth that women never mean it when they say “no.”
- If you are dating a boy who has a reputation for “scoring,” be prepared for him to try to pressure you into sex.

Keeping children safe on the internet


- Instruct your children not to give out personal information online such as their password, full name, address, telephone number, age, gender, school name, sports team name, credit card information, or social security number.
- Talk to your children often about what they are doing online. There is no substitute for parental supervision. Be aware of what type of activity your child is involved in online.
- Provide your child with clear, simple instructions about how to avoid danger and what to do if something happens.
- Set safety rules that are appropriate for your child’s age that both you and your child understand and agree to and then post these by the computer.
- Limit the amount of time your child spends online. Late-night times and excessive use of the computer by an adolescent may signal a problem.
- Make the online experience a family activity. Set up the computer in a central area of the home, such as the family room or living room and use it to plan
vacations, purchase books, listen to music, preview videos, or help with research on school assignments with your children.

- Use online experiences as another way to teach responsibility, good conduct, and values.
- Use common sense when online. Remember that everything you read online may not be the truth and any offer that is too good to be true probably is not true.

Children's Online Privacy Protection Rule (COPPA)

In 1999 the Children’s Online Privacy Protection Rule (COPPA) was passed by Congress to protect children under the age of 13 from being solicited or contacted by pedophiles while they are online. The act applies to commercial websites and online services that direct their collection of information primarily to children under the age of 13. The act requires these websites to contact parents notifying them of the websites policies with respect to the collection, use and disclosure of children’s personal information.

The act expressly states that it applies to commercial websites and not to nonprofits. Therefore, churches are not required to comply with the act, the Federal Trade Commission encourages them to set an example by posting privacy policies and providing the protections set forth in COPPA to children and parents providing personal information at their sites.

The Federal Trade Commission attorney points out that in a civil lawsuit brought by a minor who is molested by a pedophile, a church may be sued for not complying with COPPA. While compliance is not necessary, it is possible that a court would conclude that COPPA establishes a “standard of reasonable care.” So, while most nonprofit organizations (including churches) are not subject to COPPA, there are reasons why they might want to voluntarily comply.

Another safety issue that churches sometimes don’t consider is putting children’s and youth’s pictures on their websites. No child or youth should have their picture placed on the church’s website without the permission of the parent and it is best that this is written permission.

Developing protection policies for the church

It is essential that churches create policies for screening, supervising children and youth workers, training those that work with children and youth, and dealing with situations when they arise. Many insurance companies are now requiring that churches have these policies in place before renewing insurance coverage.

In developing a child protection policy, the church must realize that once a policy is created and implemented, it must be followed to the letter with no exceptions. If the policy is not followed in detail and an accusation is made, the church could find itself facing major legal liability.
The following are items that should be considered to be placed in a child protection policy:

1. Screening process

All individuals who will or potentially will have contact with children or youth must be screened. Those that would be in the “potentially” category include:

- Kitchen workers
- Secretarial staff
- Janitorial staff
- All clergy
- All lay ministerial staff

The applications used for paid staff and volunteer staff may contain different requests for information but the screening form should be identical for both. (see attached examples) The applications and screening forms contain sections requesting references. These references should be contacted and a reference check form completed for each reference individual listed. (see attached examples)

Even though the application may contain a statement giving permission to conduct a background check, it is better to have paid staff and volunteers complete a “Request for Criminal Records Check” form. An example of a request form is attached, however, it is wise to check with your local sheriff’s department and/or state police post for their specific request form to be completed at the same time.

If you should decide to create your own applications, screening forms, or request for background checks, it is essential that these be reviewed by an attorney to make sure language is correct and no questions are present that violate employment law.

If there are volunteers that only give one to five hours a year, they still need to be screened but the process can be simplified. They need to complete a form that contains the following information:

- Name
- Address
- A description of church attendance over the past five years (where have they worshipped and for how long)
- A description of volunteer church work over the past five years
- The names and addresses of two to three references

As with the other applications, references should be checked and a reference check form be completed for each.
2. Education

Because screening is relatively new and associated mainly with the secular world, many do not understand the importance of doing it in the church. Therefore, it is essential to educate the congregation as a whole and not just children and youth workers. The congregation needs to understand the need for reducing the risks of child abuse both for the children and for the ethical responsibility of the church. This educating can take many forms:

a. Keynote Sunday morning sermon  
b. Bulletin inserts  
c. Pastoral letter to members  
d. Newsletter articles  
e. Special speaker or video for a combined adult education class  
f. Press release  
g. Posters in church  
h. Special music or drama  
i. Educational seminar or workshop

Church leaders should also hold yearly training for all those working with children and youth. This yearly training should contain reviews of the following:

A. Definition of child sexual abuse: Any sexual activity with a child – whether in the home by a caretaker, in a day care situation, a foster/residential setting, or in any other setting, including on the street by a person unknown to the child. The abuser may be an adult, an adolescent, or another child, provided the child is four years older than the victim (National Resource Center on Child Sexual Abuse, 1992)

B. Child sexual abuse includes behaviors that involve touching and non-touching aspects. Types of abuse that involve touching include:

1. Fondling  
2. Oral, genital, and anal penetration  
3. Intercourse  
4. Forcible rape

Types of sexual abuse that do not involve touching include:

1. Verbal comments  
2. Pornographic videos  
3. Obscene phone calls  
4. Exhibitionism  
5. Allowing children to witness sexual activity

C. Effects of Child Sexual Abuse: The personal violation of child sexual abuse causes the victim to experience many losses…including loss of childhood
memories, loss of healthy social contact, loss of the opportunity to learn, loss of bodily integrity, loss of identity and self-esteem, loss of trust, loss of sexual maturity, and loss of self-determination. All of these personal violations mean that victims of child sexual abuse lose the child’s right to a normal childhood. In adulthood it may also mean the loss of the capacity to appreciate sexual intimacy as nurturing, holy, and loving (The Report of the Winter Commission, 1990, Vol. 1, p. 118).

D. Profile of a Child Molester: The screening process can cause screeners to focus on stereotypes of molesters so that they overlook less obvious characteristics. These characteristics include:

1. Over eighty percent of the time, the abuser is someone known to the victim.
2. Most abuse takes place within the context of an ongoing relationship.
3. The usual offender is between the ages of 20-30 years.
4. 20 percent of sex offenders begin their activity before the age of 18.
5. Child abusers often are married and have children.

E. Signs of molestation
1. Physical signs may include:
   a. Lacerations and bruises
   b. Nightmares
   c. Irritation, pain, or injury to the genital area
   d. Difficulty with urination
   e. Discomfort when sitting
   f. Torn or bloody underclothing
   g. Venereal disease

2. Behavioral signs may include:
   a. Anxiety when approaching church or nursery area
   b. Nervous or hostile behavior toward adults
   c. Sexual self-consciousness
   d. “Acting out” of sexual behavior
   e. Withdrawal from church activities and friends

3. Verbal signs may include: the following statements:
   a. I don’t like [a particular church worker]
   b. [A church worker] does things to me when we’re alone
   c. I don’t like to be alone with [a church worker]
   d. [A church worker] fooled around with me

3. Eliminate Negligent Supervision

Screening does not prevent churches from the liability of negligent supervision. To reduce the risk of negligent supervision the church should implement the following:
a. Implement a two-person rule. No individual should be left with children.
b. Churches should discourage youth or children workers from transporting children or youth alone. If a situation arises where a child or youth worker must be alone, unsupervised, with a child or youth, the worker should obtain consent from the parent or guardian to be alone with the child or youth. The worker should also notify a staff member of the situation.
c. Church leaders should observe children/youth classes and activities randomly.
d. Classroom doors should have windows or doors should remain open.
e. Children workers should accompany children to restrooms, check for adults in restroom, then stand by doors to monitor who goes into the restroom while children are present.
f. Install multi-directional mirrors to monitor hallways and doorways.
g. Implement a parent identification rule for the nursery and children’s classes. Children can only be released to pre-authorized adults.
h. Clear adults that will work as chaperones for overnight activities of youth.

4. Children/Youth Worker’s Policy Statement:

The child protection policy should include a detailed statement that contains the following:

1. A description of the selection process and qualifications for children/youth group leaders. Persons who are known to have committed previous acts of sexual misconduct should be strictly prohibited from serving. Individuals who have been victims of sexual abuse may not be people who should work with children or youth. The pastor should meet with these people before they are given permission to work with children or youth. A screening procedure should be described. This is also where the “6-month rule” should be discussed.
2. A complete definition of child sexual abuse.
3. Behavior parameters for all workers. Those kinds of relationships and contacts that are strictly prohibited should be specified, along with the consequences for violating these rules. Adult volunteers should be strictly prohibited from having sole custody of a member of the children/youth group with few exceptions (e.g., a younger brother or sister of the adult volunteer, or parental permission has been obtained and a member of the church staff has been notified in advance of the meeting).
4. A description of those who are legally obligated to report reasonably suspected cases of abuse under state law. The policy should also mandate all church employees and workers to report any suspected cases of abuse to their program supervisor. This will not necessarily relieve such persons of their legal duty to report suspected cases of abuse to the state.
5. A list of other policies or procedures the church expects all workers to obey.

5. Reporting procedures:

A detailed protocol needs to be mapped out so that children/youth volunteers and paid staff know the process through which child abuse will be reported. In other words, if a child/youth worker or staff person is told about an alleged abuse or suspect abuse is occurring, who is the
key individual they report to that will represent the church. In the state of Indiana, all persons are mandatory reporters so it is advisable to have the volunteer or staff person participate with the key individual in reporting the suspected abuse.

It is not the responsibility of the church to be investigators - that is the role of the authorities. However, there is important information that should be gathered before reporting to authorities:

- The child’s (or children’s) name, age, sex, ethnic background, and permanent address
- The child’s (or children’s) present condition and the possible need for emergency action
- The child’s (or children’s) present location and the location where the incidents occurred, if different from the permanent address
- The name of the parents or other persons who are responsible for the child’s (or children’s) care (and address, if different from the permanent address of the child)
- The name and address of the person or persons who are alleged to be responsible for the abuse or neglect
- The siblings’ names, sex, ages, and present location
- The names, ages, sex, and relation to the child of other adults in the home
- The nature and extent of the suspected abuse or neglect
- Any other evidence of the alleged maltreatment
- The reason or reasons for suspecting abuse or neglect, including the physical or emotional condition of the child (or children) and statements of a child or parent
- Any other relevant statements made by the parents, the child, or significant others
- Any available information about previous injuries to the child or siblings (or other evidence of prior maltreatment)
- The names, addresses, and phone numbers of possible witnesses to the alleged maltreatment
- Other individuals or agencies that may have information about the alleged maltreatment
- Any actions taken by the reporting source or others (such as placing the child in protective custody or taking photographs or X-rays)
- The reporter’s name, telephone number, address, and occupation if the reporter is willing to provide this information
- Relationship of the reporter to the child and family
- Any other information that the reporter believes may be helpful

(list created by Douglas J. Besharow: Recognizing Child Abuse: A Guide for the Concerned)

It is essential that all conversations and information be documented, dated, and kept in a secured location in case any future legal matters should result.
6. If an allegation occurs within the church against a staff member or volunteer:

The best policy manual in the world can not keep this from occurring. A strategy needs to be designed to be able to handle such a situation effectively. The following should be considered to be a part of that strategy:

- Notify the parents of the victim, and take any necessary steps to assure the child’s safety until the parents arrive. The safety of the victim must be the church’s primary concern.
- Do not confront the accused abuser with anger and hostility. Treat him or her with dignity, but immediately remove him or her from further involvement with children or youth.
- Notify the proper law enforcement or child protective services agency.
- Keep a written record of the steps taken by the church in response.
- Select a spokesperson. The media will jump on a suspected child abuse case in a church. The church should select one spokesperson to which the media can be referred. The congregation should be made aware that the individual will be the one to speak for the church. The spokesperson should be provided a positional statement from the church.
- Call upon your designated spokesperson to make any necessary statements or responses to the news media.
- Prepare a brief and honest statement that can be made to the congregation without giving unnecessary details, placing blame, interfering with the victim’s privacy, or violating any confidentiality concerns.
- Be prepared to cooperate fully with the investigation conducted by law enforcement officials or child protective services.
- Maintain adequate records. Make sure all personnel, paid and volunteer, files are up-to-date and accessible.
- Don’t engage in denial, minimization, or blame. Stick to the positional statement of the church.
- Use an attorney. Always have the church’s attorney present during questioning by investigating agencies.
- Don’t be accusatory. It is not necessary to give details to the public.
- Work with your state or area Church of God office and your insurance company. Contact the Church of God state or area office and request their help with procedures.

(list modified from that created by Joy Thornburg Melton: Safe Sanctuaries: Reducing the Risk of Child Abuse in the Church)

It will be beneficial for the church to have an insurance agent or an attorney to review the child protection policy to insure that all needed material is included.
Example of Application (can be modified to be used with volunteers): Should be modified to meet specific church’s needs.

Name: _______________________________________________________________________

                           Last                           First                           Middle

Are you over the age of 18?   ___ Yes   ___ No

Present address: _______________________________________________________________

City: _____________________________ State: _________     Zip: __________

Home phone: ___________________    Cell Phone: ______________________

Position applied for: ____________________________________________________________

Date you are available to start: ________________________________________________

Qualifications:
Academic achievements: (Schools attended, degrees earned, dates of completion)
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

Continuing education completed: (Courses taken, dates of completion)
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

Professional organizations: (List any in which you have a membership)
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

First aid training?   ___ Yes   ___ No    Date completed: __________________

CPR training? ___ Yes ___ No    Date completed: __________________

Previous Work Experience: Please list your previous employers from the past five years. Include the job title, a description of position duties and responsibilities, the name of the company/employer, the address of company/employer, the name of your immediate supervisor, and the dates you were employed in each position.
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
Previous Volunteer Experience: Please list any relevant volunteer positions you have held and list the duties you performed in each position, the name of your supervisor, the address and phone number of the volunteer organization, and the dates of your volunteer services.

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

Have you ever been convicted of or pled guilty to a crime, either a misdemeanor or a felony (including but not limited to drug-related charges, child abuse, other crimes of violence, theft, or motor vehicle violations)? ___ No ___ Yes

If yes, please explain:

______________________________________________________________________________
______________________________________________________________________________

References: Please list three individuals who are not related to you by blood or marriage as references. Please list people who have known you for at least three years.

1. Name: _____________________________________________________________
   Address: ___________________________________________________________
   Daytime Phone: _____________________________________________________
   Evening Phone: _____________________________________________________
   Length of time you have known reference: _____________________________
   Relationship to reference: ____________________________________________

2. Name: _____________________________________________________________
   Address: ___________________________________________________________
   Daytime Phone: _____________________________________________________
   Evening Phone: _____________________________________________________
   Length of time you have known reference: _____________________________
   Relationship to reference: ____________________________________________

3. Name: _____________________________________________________________
   Address: ___________________________________________________________
   Daytime Phone: _____________________________________________________
   Evening Phone: _____________________________________________________
   Length of time you have known reference: _____________________________
   Relationship to reference: ____________________________________________
Waiver and Consent:

I, ___________________, hereby certify that the information I have provided on this application for employment is true and correct. I authorize this church to verify the information I have provided on this application by contacting the references and employers I have listed, by conducting a criminal records check, or by other means, including contacting others whom I have not listed. I authorize the references and employers listed in this application to give you whatever information they may have regarding my character and fitness for the job for which I have applied. Furthermore, I waive any rights I may have to confidentiality.

In the event that my application is accepted and I become employed by _______________ Church, I agree to abide by and be bound by the policies of _______________ Church and to refrain from inappropriate conduct in the performance of my duties on behalf of _______________ Church.

I have read this waiver and the entire application, and I am fully aware of its contents. I sign this consent freely and under no duress or coercion.

_____________________________________________________
Signature of Applicant Date

_____________________________________________________
Witness Date

Recommended by Joy Thornburg Melton: Safe Sanctuaries: Reducing the Risk of Child Abuse in the Church
Example of Screening Form:

This application is to be completed by all applicants for any position (volunteer or compensated) involving the supervision or custody of minors. This is not an employment application form. Persons seeking a position in the church as a paid employee will be required to complete an employment application in addition to this screening form. It is being used to help the church provide a safe and secure environment for those children and youth who participate in our programs and use our facilities.

Personal:

Date: _______________________________________

Name: ________________________________________________________________

Last      First      Middle

Identity must be confirmed with a state drivers license or other photographic identification.

Present address: ________________________________________________________

City: _____________________  State: _______ Zip: _______________

Home phone ( ___) ________________

Please indicate the type of youth or children’s work you prefer
______________________________________________________________________________

Please indicate the date you would be available to begin
______________________________________________________________________________

What is the minimum length of commitment you can make?
______________________________________________________________________________

Have you ever been convicted of or pleaded guilty to a crime?
___ Yes (If yes, please explain – (attach a separate page, if necessary)
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

___ No

Do you have a current driver’s license?

___ Yes       ___ No  If you do, please list your driver’s license number and state where issued: ____________________________________________
Church History and Prior Youth Work

Name of church of which you are a member:
______________________________________________________________________________

List (name and address) other churches you have attended regularly during the past five years:
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

List all previous church work involving youth (list each church’s name and address, type of work performed, and dates)
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

List all previous non-church work involving children/youth (list each organization’s name and address, type of work performed, and dates)
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

List any gifts, callings, training, education, or other factors that have prepared you for children or youth work:
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

Personal References (not former employers or relatives)
Name _____________________  Name ___________________________
Address ___________________  Address _________________________
Telephone _________________  Telephone _____________________

Suggested by Dr. James Cobble, Reducing the Risk of Child Sexual Abuse in Your Church
Example Reference Check form:

Applicant name: ________________________________________________________

Reference name: ________________________________________________________

Reference address: ______________________________________________________

Reference phone: _______________________________________________________

1. What is your relationship to the applicant?

2. How long have you known the applicant?

3. How well do you know the applicant?

4. How would you describe the applicant?

5. How would you describe the applicant’s ability to relate to children and/or youth?

6. How would you describe the applicant’s ability to relate to adults?

7. How would you describe the applicant’s leadership abilities?

8. How would you feel about having the applicant as a volunteer worker with your child and/or youth?

9. Do you know of any characteristics that would negatively affect the applicant’s ability to work with children and/or youth? If so, please describe.

10. Do you have any knowledge that the applicant has ever been convicted of a crime? If so, please describe.

11. Please list any other comments you would like to make:

Reference inquiry completed by:

__________________________________________  ____________________________
Signature                                      Date

Joy Melton: Safe Sanctuaries: Reducing the Risk of Child Abuse in the Church
Example of request for criminal records check:

I, ______________________, hereby authorize _____________________ Church to request the __________________ police/sheriff’s department to release information regarding any record of charges or convictions contained in its files, or in any criminal file maintained on me, whether said file is a local, state, or national file, and including but not limited to accusations and convictions for crimes committed against minors, to the fullest extent permitted by state and federal law. I do release said police/sheriff’s department from all liability that may result from any such disclosure made in response to this request.

____________________________________________________________________________
Signature of Applicant Date

Print applicant’s full name: _____________________________________________________

Print all other names that have been used by applicant (if any):
____________________________________________________________________________
____________________________________________________________________________

Date of birth: _____________________ Place of birth: ____________________

Social Security Number (if required by sheriff’s dept.) ____________________________

Driver’s license number: _____________________ State issuing license: ___

License expiration date: _____________________________________________

Request sent to: ___________________________________________________

Name: __________________________________________________________

Address: _________________________________________________________

Phone: __________________________________________________________

Local police/sheriff’s departments may have specific forms for requests.

Recommended by Joy Thornburg Melton: Safe Sanctuaries: Reducing the Risk of Child Abuse in the Church
**Child Friendly Building Set-ups**

When children come to church they are coming to God’s house. It is the one place that they should feel safe. Many churches, especially older churches, have classroom entrances and areas that can be scary to children.

**Classroom Entrances**

Classrooms should be easy to see into.

![Figure 10: Not a good entrance](image1)

![Figure 11: Preferred entrance](image2)

If the building is older and it is not practical to install windows beside doorways, split doors or dutch doors can be installed. See the example below.
Two-way mirrors can also be installed. These will look like a mirror in the room but those in the hallways will be able to see into the room without distracting the children or youth in the room.
If the doors have glass down the sides, keep those windows clear and do not obstruct view into room by decorating the window.

![Figure 15: Window is too blocked](image)

Using multi-directional mirrors

Floor designs in churches can often include blind entrances from adjoining hallways, blind views up or down stairways that include a platform, or rooms are odd shaped so that windows in doors do not allow full sight of the room. For the safety of not only children but adults as well, multi-directional mirrors can be mounted. Multi-directional mirrors come in a variety of designs. Below is a demonstration of the various designs. These mirrors are relatively inexpensive. Installation of such mirrors can reduce the risk of injury and provide a deterrent to intruders or predators.

![Domed model 360 degrees](image)
![Corner or elevator model](image)
Nursery sign in

New parents will feel more secure when they see a bright clean nursery. Churches are encouraged to implement sign-in and sign-out policies for the children. They should have a list of who can and cannot have access to the children.

Figure 16: Bright, clean nursery design
To create a safe place for the church’s children, church leaders should take the time to walk through their churches with the mind of a predator. If there are places where an adult can have a child and not be seen or heard, a plan should be developed to eliminate the area. This can be done through removing doors, adding lights, installing multi-directional mirrors, or having adults monitor halls during worship and study times.
Appendix A

Strategic Plan to be Implemented in the Event of a Misconduct Allegation

The following example is based on Ohio Laws. The church would need to develop a strategic plan based on the laws of their specific state.

The following is to be implemented if an allegation of misconduct is filed against a paid staff member or volunteer.

Who receives the allegation?:
Allegations can be made to church staff/leadership or to the district credentials committee. Allegations can be made of misconduct between adults and children/youth or adults with other adults. If the allegation involves adults and children/youth, the one receiving the information of the allegation is responsible to file a report with the proper county child protective services or law enforcement. Ohio is a mandatory reporting state. Under Statute §2151.421(A)(1),(A)(2),(G)(1)(b):

“All persons must report: physical abuse, neglect, sexual abuse, sexual exploitation, emotional/mental injury, and abandonment.”

What information do I need to report?:
Douglas J. Besharov suggests the following information be gathered prior to making a report to police, state police, or child protective services:

- The child’s (or children’s) name, age, sex, ethnic background, and permanent address.
- The child’s (or children’s) present condition and the possible need for emergency action.
- The child’s (or children’s) present location and the location where the incidents occurred, if different from the permanent address.
- The name of the parents or other persons who are responsible for the child’s (or children’s) care (and address, if different from the permanent address of the child).
- The name and address of the person or persons who are alleged to be responsible for the abuse or neglect.
- The siblings’ names, sex, ages, and present location.
- The names, ages, sex, and relation to the child of other adults in the home.
- Any other evidence of the alleged maltreatment.
- The reason or reasons for suspecting abuse or neglect, including the physical or emotional condition of the child (or children) and statements of a child or parent.
- Any other relevant statements made by the parents, the child, or significant others.
- Any available information about previous injuries to the child or siblings (or other evidence of prior maltreatment).
- The names, addresses, and phone numbers of possible witnesses to the alleged maltreatment.
- The reporter’s name, telephone number, address, and occupation if the reporter is willing to provide this information.
• Relationship of the reporter to the child and family.
• Any other information that the reporter believes may be helpful.

It may not be possible to get all of the above information. The more you can compile the better. All conversations should be documented. Copies of these conversations should be submitted to the proper authorities.

Does anyone else need to be notified?:
If the allegation is made against a staff member and they hold ministerial credentials, the district credentials committee should be notified promptly. The state minister should also be notified. This is not necessary if it is a volunteer however, it is wise to contact the state minister so that the state is available to help if legal proceedings follow that involve the church.

The church’s insurance company should also be notified. In many instances the insurance company will provide an attorney to represent the church.

Document Everything:
Documentation is essential. The initial conversation in which the allegation is revealed should be documented, signed, and dated. If an adult is making the allegation, have them submit a written statement detailing their allegation. If the allegation is being made by a child, document the conversation in verbatim fashion. Any conversations occurring after the initial allegation is made, should be documented, signed, and dated. It can not be over emphasized: document, document, document.

What is our responsibility to the one being accused?:
If the misconduct allegation is made against a paid staff member, that person should be placed immediately on administrative leave. This should be with pay until such a time as the allegation can be investigated. If the allegation is made against a volunteer, the volunteer should be relieved of their position until such a time that an adequate investigation can be performed.

If the accused is a member of the pastoral staff, they need to be surrounded by a “circle of safety.” If the district credentials committee does not name this “circle of safety,” then the church should take responsibility to name individuals to comprise this circle. They should not be people within the church. They can be pastors in the community or neighboring Church of God pastors. The purpose of this “circle of safety” is to provide the accused with emotional and spiritual support as well as hold the accused accountable for actions during and following the investigation process.

What is our responsibility to the victim(s)?:
The victim(s) and their family needs to receive emotional and spiritual support. If they attend the church, the pastoral staff should provide this support. If the family is not open to it being the pastoral staff, the church should make arrangements for the family to receive counseling from either other area pastors or a professional counselor. If the victim attends another congregation, the family should be encouraged to seek the emotional and spiritual support of their clergy.
How do we handle the media?:
The media will jump on news of abuse in the church. The church should have a preplanned strategy for handling the media. This includes the following:

- Select a spokesperson. It is better if the spokesperson is not the pastor. This should be the chairperson of the corporation or an individual that is articulate and comfortable in front of cameras.
- A written statement should be prepared. This statement should be brief and honest. This statement should not contain unnecessary details, place blame, interfere with the privacy of either the victim or accused, nor violate any confidentiality concerns. A prepared written statement keeps the spokesperson from adlibbing and possibly making statements that do not accurately represent the stance of the church. It would be helpful to make copies of the statement to be given to media personnel so that the statement can not be misquoted or taken out of context. An example of such a statement could be as follows:

  “My name is _____________ and I am representing the __________________ Church of God. We hold the protection of children and youth in the church with highest regards. We are fully cooperating with all legal and church authorities in the investigation of the allegations. We have implemented emergency plans that have placed the individual involved on administrative leave. Our prayers are with the families of the victim(s) and of the one being investigated.”

How and what do we tell the congregation?:
It is essential that the truth be told. Once reporting of allegations is made, all kinds of rumors and stories will start. Educating congregants with the truth does not mean engaging in gossip or speculation. Attorney Joy Thornburg Melton in her book, Safe Sanctuaries: Risking the Risk of Child Abuse in the Church, recommends the following:

  “At this point, it is important to provide honest and forthright information. This may begin with a letter to the members that briefly explains the incident and the initial action taken by the church. Such a letter should not include the identification of the child victim nor that of the accused abuser. On the other hand, it should include a statement of the actions taken to assure the safety of all the children and to assure your congregation’s continuing ability to provide ministry to children and youth. This letter should dispel rumors and innuendo and assure everyone that everything possible has been done to provide for the safety of the victim(s) and to enable the safe continuation of the church’s ministry.”

A congregational meeting can also help to educate congregants of the situation. It is essential that this meeting be well planned. The proper preparation will keep this meeting from turning into an occasion for anger and confusion. Joy Thornburg Melton recommends:

  “Schedule a meeting for a specific time and place and make plans for it. Do not simply say at the time of announcements in the Sunday morning worship service, ‘As you may have heard, there has been an allegation of child abuse in our church, and now is just as good a time as any to discuss what happened.’ An impromptu invitation can be far more
harmful than helpful. It may force members to participate in a discussion that they would very much prefer to avoid. It may shock members who have heard no previous reports or rumors. It may cause some members to suddenly remember previous trauma in their lives and evoke severe emotional reactions. Such an approach may also insult the family of the child victim by making it appear that child abuse in your church is nothing more than an item on the list of Sunday morning announcements. The consequences of such a cavalier approach, in subsequent litigation, could be harmful for the church.”

The best approach to calling such a meeting is to give advanced notice that states the time and location of the congregational meeting. This allows individuals to determine if they wish to attend. It may be wise to have a representative from either the district credential’s committee (if the accused is a ministerial staff member) or the state office. It is recommended that a qualified counselor attend the meeting. Such meetings can stir strong feelings and emotions. The availability of a qualified counselor can help individuals address these strong feelings and emotions immediately.

Joy Thornburg Melton recommends the following occur during the congregational meeting:

- Fact sharing: Open the fact sharing by giving an accurate description of what has happened and what actions have been taken, or will be taken. Answer questions as accurately as possible without jeopardizing any ongoing investigation by the church or local law enforcement agencies. Protect the identity of the victim(s), especially if the family has requested as much privacy as possible. Do not be afraid to answer questions with, “We don’t know the answer to that yet.” It is far better to admit not knowing the answer than to speculate about the incident or the outcome.

- Small group sharing time: The small group sharing time probably will be the most important segment of this meeting. Divide the total group into small groups of five or six. Have prepared facilitators for each group. The facilitator will begin by letting everyone know that it is permissible to express any feeling or emotion within the small group. All will be allowed time to share, and there will be no debate about the feelings or emotions expressed. The purpose of this segment of the meeting is to help people identify and verbalize their feelings about the incident. The purpose is not to strategize a response or elicit premature forgiveness toward the abuser. Be prepared for this part of the meeting to take an hour or more.

- Closing moments of reflection and worship: When it is apparent that the small groups are able to bring their time together to a close, reassemble the whole group. Acknowledge the reality of this painful situation and offer a prayer for the congregation as it seeks to achieve justice for all involved and healing for all who are suffering.

What do we do in worship?:
Worship services are not the place to air the situation. Worship services should continue as normal. If the situation is aired during worship, you can make people uncomfortable that don’t want to be a part of such a discussion. Worship services may also have visitors that have no understanding of what is taking place. Leave discussions to the congregational meetings.
Indiana Ministries designed an educational packet for congregations experiencing allegations of misconduct. The following information is gleaned from this material.

Indiana Ministries
Healing for Congregation

How Ministerial Misconduct Impacts a Congregation
adapted with permission from Chilton Knudsen

When a minister violates a congregation’s trust, both immediate and delayed consequences result. These symptoms may last for many years. Any of the following symptoms may appear in any order:

- A loss of energy, feeling of paralysis
- Distrust of leadership, including future leadership
- Divisions, discord within the group
- Conflicts about various matters unrelated to the abuse
- Isolation and withdrawal of some group members
- Anger displaced onto unrelated issues or out of proportion
- Climate of anxiety, gossip and conjecture resulting from understandable attempts to find out “what happened”
- “Sexualization” of the congregation, in which undue attention is given to matters of human sexuality
- A conspiracy of silence about the traumatic event
- Sense of betrayal
- Despair about the group’s future
- Nostalgia about and mourning for times past
- Suspicion about new ideas, new programs
- Blaming and distortions of responsibility for the event
- Seeking a “quick fix” without thoughtful reflection
- Difficulty making normal and necessary decisions
- Loss of church as safe place
- Loss of innocence
- Embarrassment, shame
- Loss of reputation
- Disruption of normal business
- Insidious, long-lasting spiritual dis-ease
- Confusion, disconnect between how they once saw the offender and how they now see him/her
- Excessive preoccupation with caring for the offender
- Possible financial consequences
- Loss of income
- Legal liability and costs
Indiana Ministries
Healing for Congregations

General Guidelines for Congregational Healing
adapted with permission from Chilton Knudsen

1. The healing process cannot be glossed over or sidestepped.
2. Even if congregations resist an intentional healing process, they will complain later that “nothing was done to help us” if no healing process is inaugurated.
3. Congregations need to know as much as possible about the situation in which they find themselves. There are obvious limits, but they need to be told what they can. If they cannot because of the real – not the imagined – threat of legal action, they can be told precisely that.
4. Congregational pastoral care in this circumstance in a team effort. The team may include mental health professionals (especially those with family systems expertise), denominational personnel, clergy from nearby congregations, religious education specialists, attorneys and (as appropriate) law enforcement.
5. It is vital that the team contain both men and women, both lay and ordained persons, persons of various ages and socio-cultural perspectives, reflecting the nature of the congregation’s membership.
6. Be prepared for the possibility of media coverage. It is important that a spokesperson be appointed and all media contacts be referred to the spokesperson.
7. Post or distribute a list of resources in the local community to contact if people want individual consultation or counseling.
8. To assure the congregation that fairness and justice concerns have been addressed, make available to them all policies and procedures which detail the processes of responding to sexual misconduct.
9. Congregations may need some focused education on the ethics of ministry (including issues of the power invested in the ministerial office, issues of fiduciary trust, issues of Christian community life, etc.).
10. Educate the congregation about the healing process itself – the stages of grief, the variety of responses, the kinds of feelings and fears persons might expect within the congregation.
11. Plan at the beginning for follow-up. Never assume that the work is done just because there has been one meeting. The time after information is communicated to the congregation is the most critical to the healing process.
12. No congregation has ever complained that “too much” was offered to them for the healing process. Err on the side of offering more rather than less opportunity to discuss, process and accept/integrate the experience.
13. Church leaders who are committed to a healing process will continue to need consultation as the process continues.
After the first meeting, other meetings may take any of several forms:

1. Meeting between denominational staff and lay council to assess the congregational healing process.
2. Conversation with church staff.
3. Study groups which consider the issue of clergy ethics (perhaps reading a selected book or viewing videos for discussion).
4. Congregational self-evaluation, including the use of a questionnaire or survey instrument.
5. Congregational focus groups which address the question: “Where are we now in our process of moving ahead?”
6. Formation or appointment of a committee on congregational life to assess needs and plan programs for continued healing.

Indiana Ministries
Healing for Congregations
The Open Meeting

A kind of “de-briefing” based on crisis counseling may help a congregation to integrate the reality of the event with their own responses to it and to move beyond the shock of the moment toward healing. The de-briefing provides the following components:

- A structured, directed process for processing factual data
- An opportunity to accept the reality and chronology of events
- A chance to ventilate the feelings present during the trauma
- Exploration of the repercussions and consequences of the event
- The search for a context and perspective on the trauma
- An opportunity to plan further responses to the event
- A shared group experience

Steps in the Process

1. **Schedule the meeting.** This should be done as soon as possible, preferably within hours of the event or the congregation’s becoming aware of it. Try to be sure the entire congregation is informed about the meeting.
2. **Select a leader or co-leaders.** Try to find leaders experienced with this kind of process. The State Minister should be invited, but should not be the leader.
3. **Hold the meeting in the church.** This gives the message that the church is a place for telling the truth. Although an opening prayer is fine, do not make it a worship service.
4. **Give a short greeting and introduction.** The State Minister should be invited to greet the congregation at this time.
5. **Explain the process.** Also outline guidelines.
6. **Set ground rules for confidentiality.** Be careful that no victims or innocent parties are placed in jeopardy by disclosures. Ask those attending to refrain from speculating or discussing the situation with persons outside the congregation. People will speculate anyway, but they need to know that speculation will cause much harm to the victim(s).
7. **Identify inappropriate behavior.** Shunning, guessing, blaming victim. Ask those present to refrain from such behavior.

8. **Present basic facts.** The purpose is to clarify what has occurred. Questions, notes on paper at an easel, and a summary will help to clarify the facts of the situation. It is important that feelings or opinions not be expressed at this time. Explain that this will be the next step.

9. **Invite expressions of feelings.** Persons should express only their own feelings, not those of person not present or those not wishing to speak. Hearsay should not be permitted. Any feeling may be expressed, no matter how trivial, intense, or unusual it may seem to the leaders. At this time, feelings are expressed and heard. No effort should be made to prohibit any feelings or to fix, soothe, or smooth over any feelings expressed.

10. **Discuss repercussions.** Ask those present to spend a little time thinking about what might or should happen in the near future. These suggestions may be listed on newsprint or summarized orally.

11. **Explain that healing will require much time.** Urge persons not to expect a quick fix. Nancy Hopkins, co-editor of *Restoring the Soul of a Church: Reconciling Congregations Wounded by Clergy Sexual Misconduct* (Liturgical Press, 1995): “The first thing that everybody wants to know [about congregational healing] is how long this is going to take. I tell them about as long as it took to create the atmosphere of the abusive situation.”

12. **Explain future plans.** Explain that the healing work will continue with the assistance of a healing team.

13. **Invite other victims to come forward.** Acknowledge that more persons may want to tell their stories to counselors after the session is finished.

Adapted and expanded from “How to Heal a Broken Church,” *Christianity Today*, August 9, 1999.

Indiana Ministries
Healing for Congregations
Phases of Healing

**Stages of Healing**
(adapted from Mary Pellaur, ELCA)

When abuse occurs in a congregation, a “certain smell” results. Its source may be mysterious, but it is undeniably present. This results in suspicion and worry. There is usually a “conspiracy of silence.” When the truth is told, the messenger is shot.

Victims/survivors – whether individuals or congregations – go through the same stages of healing. Each stage is necessary to the healing process. Though they occur for the most part in this order, they are not necessarily linear. One may go back and forth among the stages many times before reaching integration.

1. **Crisis:** victim uses coping skills – whatever it takes to survive. People need to know that this is a first and necessary step.
2. **Denial:** may last for years. It is a coping skill, though not a healthy one long-term.
3. Processing: an active phase of healing. It begins with disclosure, reliving the crisis, trying out new coping skills. The survivor needs a safe place for processing.

4. Integration: not perfection but “good enough.” It does not return one to the same place as before the abuse occurred. When integration occurs, one experiences characteristics of health:
   a. no more repression or obsession
   b. anger is rightly directed and appropriately felt
   c. energy is regained
   d. normal decision-making skill returns

   Characteristics of Congregational Movement through Trauma
   Condensed and adapted from an unpublished paper by Larry Kent Graham, Ph.D.

Congregations go through these phases:

1. discovery-chaos
   a. The abuse becomes known by others for the first time.
   b. Other complaints come to light.
   c. The congregation as a whole is not informed.
   d. Relief from knowing the truth is mixed with pain.

2. awareness-polarization
   a. Persons “take sides,” assuming that the charges are either true or false and lining up behind victim or accused.
   b. Some will acknowledge the basic truth of the allegations while minimizing the importance of the abuse.
   c. Three groups will usually develop:
      i. Those who bond with the victim(s) and seek justice
      ii. Those who bond with the perpetrator and see him/her as victimized
      iii. Those whose priority is the congregation; they don’t want the congregation divided or its ministry diminished
   d. A deepened understanding of the seriousness of the problem emerges.

3. recovery-rebuilding
   a. The truth is generally acknowledged and the needs of the victim(s) are acknowledged.
   b. Congregation recognizes the diminution of morale, leadership, vision, self-esteem and energy for outreach caused by the trauma.
   c. Congregation recognizes the need to get on with its routine while still healing from the abuse.
   d. New leadership emerges and stronger governance structures are enacted.
   e. Questions still remain about how to relate to persons involved and whether genuine healing has occurred.
   f. There is relief and joy at having survived, along with pain over the ongoing costs to congregational life and energy.

4. resolution-transformation
   a. Congregation develops organization and structures to process the event as part of its life.
   b. Individualization and polarization are overcome.
Tensions experienced:
1. Struggle between focusing on pain and loss, versus focusing on congregation’s strength and resiliency.
2. Struggle between individualizing and polarizing and between organizing and communalizing.
3. Desire for quick reconciliation versus ongoing shame and slower healing.
4. Tension between the need for forgiveness and reconciliation versus accountability and justice-making.
5. Tension between focusing on the pain of the present and focusing on the past and future (feeling good about the history and hopeful for the future).

Four strategies to move toward healing:
1. Action to incorporate this event and its ongoing effects into the identity and life of the congregation, acknowledging it rather than pretending it never happened.
2. A corporate expression of appreciation for the survivors and a primary commitment to seeking justice on their behalf.
3. Establishment of an intentional and corporate healing plan.
   a. Invitation to share thoughts in various congregational meetings for a period of two to three years.
   b. Congregation-wide workshop on the sexual abuse of power required of all current leaders.
   c. Contact of all who have left the church and seek reconciliation and closure (whether they return to the church or not).
4. Corporate guidelines for requesting accountability from the offender.

Revised May 2008
Resource List


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Copyright Law

It is customary that churches run on very tight budgets. It is sometimes difficult for them to be able to purchase the amounts of printed material, hymnals, choir music, etc. that they need for their ministry. If most churches’ files were gone through today, most would be guilty of having copied material. In the majority of cases, these churches could be charged with violations of the copyright law. The following sections discuss the various aspects of the copyright law and how it affects the church.

In the U.S. the concept of copyright dates back to the development of the U.S. Constitution. In Article 1 Section 8m Congress is given the power:

“To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right their respective writings and discoveries.”

(http://en.wikipedia.org/wiki/Article_One_of_the_United_States_Constitution#Section_8:_Powers_of_Congress)

The Berne Convention of 1886 was held to establish the copyright laws to govern copyrights between the various world nations. The Berne Convention declared:

“Copyrights for creative works do not have to be asserted or declared, as they are automatically in force at creation: an author need not “register” or “apply for” a copyright in countries adhering to the Berne Convention.”

(http://en.wikipedia.org/wiki/Copyright)

The U.S. did not sign the Berne Convention until 1989. Prior to 1989, the U.S. had followed the Buenos Aires Convention of 1910. These guidelines required:

“a copyright notice (such as “all rights reserved”) on the work, and permitted signatory nations to limit the duration of copyrights to shorter and renewable terms.”

(http://en.wikipedia.org/wiki/Copyright)

Copyright law for the U.S. is defined in Title 17 of the United States Code. Prior to the Sonny Bono Copyright Term Extension Act the following terms of copyright existed:

- Works created after 1/1/1978 – life of the longest surviving author plus 70 years – earliest possible public domain is 1/1/2048.
- Works registered before 1/1/1978 – 95 years from the date copyright was secured.
- Works registered before 1/1/1923 – Copyright protection for 75 years has expired and these works are in the public domain.

(http://www.pdinfo.com/copyrt.htm)
On October 21, 1998 the Sonny Bono Copyright Term Extension Act was placed into law. Under this act, 20 years was added to the present terms.

**How does copyright affect the church?**

The church must realize that all music, cantatas, dramas, Sunday School materials, books, etc., are the intellectual property of its creator. The term intellectual property means:

> “Any product of the human intellect where ownership can be claimed and protected by law.”
>  
> [http://www.pdinfo.com/faq.htm](http://www.pdinfo.com/faq.htm)

Just because a piece of music, a book, an article on the Internet does not have a copyright symbol attached does not mean that it isn’t copyrighted. Therefore, before making any copies of music for choir practice, sound recordings for choir members to study, videos to be displayed such as in a sermon, adding music to websites, and the list could go on and on, churches need to make sure they have the proper permission and licenses.

Churches do have permission to perform copyrighted religious works in worship services without first obtaining permission.

> “The Copyright Law permits the performance of copyrighted religious works in the course of services at places of worship or at religious assemblies. However, performance licenses must be obtained from the copyright owner for any musical performance outside of a specific “worship service” including concerts and special musical programs.”
>  

Churches can receive assistance for obtaining copyright permission and licenses for music and videos through:

Christian Copyright Licensing, INC. (CCLI)

[www.ccli.com](http://www.ccli.com)

1-800-234-2446

6130 NE 78th Court, Suite C-11

Portland, OR 97218

Many churches have photo copies of choir music, praise band music, etc. These documents should be destroyed at once. Law enforcement considers this harboring stolen goods. The penalties for having these unauthorized copies are as follows:

> “The law provides for the owner of a copyright to recover damages ranging from $500 to $100,000 per copyright infringed. If willful infringement for commercial advantage and private financial gain is proved, criminal fines of up to $250,000 and/or five years imprisonment may apply.”
>  
This would also include the audio and video recording of church worship services. However, the CCLI license does permit a limited number of recordings for use in the congregation.

**What is Public Domain?**

Public domain is defined as:

“The term of the copyright protection has expired and anyone is free to use those works in any way.”


It is not wise to make an assumption that an old copyrighted item is automatically public domain or items listed on the Internet as public domain are just that. There are websites that can help in determining whether items are truly public domain:

For sheet music:

http://levysheetmusic.mse.jhu.edu/index.html
http://library.duke.edu/digitalcollections/hasm
http://memory.loc.gov/ammem/smhtml/smhome.html
http://memory.loc.gov/ammem/collections/sheetmusic/brown
http://www.lib.unc.edu/music/eam/index.html
http://people.ischool.berkeley.edu/~mkduggan/project.html
http://ceolas.org/ceolas.html

For public domain research:

http://www.loc.gov/index.html
http://www.mudcat.org/threads.cfm

For hymns:

http://www.cyberhymnal.org

For sound effects:

http://www.soundsnap.com

For films or videos:

http://www.archive.org/index.php

**What is fair use?**

Fair use is defined as:
“permitting portions of copyrighted works to be legally reproduced for purposes of criticism, comment, news reporting, classroom teaching, scholarship, and research.”

(http://www.agocolumbus.org/copyright.html)

Generally fair use does not apply to churches.

**What are works for hire?**

It is not uncommon for ministers to create works of music or written word while they are working at a church. A great misunderstanding comes as to who truly owns that material. The copyright law assigns the ownership to the church since it was done on church time, church property, and possibly with church personnel.

Section 201(b) of the Copyright Act specifies that “in the case of work made for hire, the employer or other person for whom the work was prepared is considered the author…and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.”

The copyright law defines “work made for hire” as “a work prepared by an employee within the scope of his or her employment.” There are two requirements that must be met: (1) the person creating the work is an employee, and (2) the employee created the work within the scope of his or her employment.

1. The Church’s Tax-Exempt Status

   If a church transfers the copyright in a work made for hire to an employee, this may be viewed by the IRS as “private inurement” of the church’s resources to an individual. If so, this could jeopardize the church’s tax-exempt status.

   - The church transfers copyright ownership to the staff member. This may constitute private inurement. The IRS construes this requirement as follows: An organization’s trustees, officers, members, founders, or contributors may not, by reason of their position, acquire any of its funds. They may, of course, receive reasonable compensation for goods or services or other expenditures in furtherance of exempt purposes. If funds are diverted from exempt purposes to private purposes, however, exemption is in jeopardy. The Code specifically forbids the inurement of earnings to the benefit of private shareholders or individuals….The prohibition of inurement, in its simplest terms, means that a private shareholder or individual cannot pocket the organization’s funds except as reasonable payment for goods or services. When a church employee writes a book during office hours

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411 ibid.: p. 669.
at the church, using church equipment, supplies, and personnel, the
copyright in the work belongs to the church. If the church chooses to
renounce its legal rights in the book, and transfers the copyright back
to the employee, then it is relinquishing a potentially valuable asset
that may produce royalty income for several years. Few if any
churches would attempt to “value” the copyright and report it as
additional taxable compensation to the employee, and as a result it is
hard to avoid the conclusion that such arrangements result in
inurement of the church’s assets to a private individual. The legal
effect is to jeopardize the church’s tax-exempt status. This risk must
not be overstated, since only a few churches have had their exempt
status revoked by the IRS in the last fifty years, and none because of a
transfer of copyright to an employee who created a work made for
hire. But the consequences would be so undesirable that the risk
should be taken seriously.413

- The church retains the copyright. The risk of inurement can be
  minimized if not avoided if the church retains the copyright in works
  made for hire, and pays a “bonus” or some other form of compensation
to the author.414

- The church urges employees to do “outside work” at home. Do you
  have a writer or composer on staff at your church? If so, it is possible
  that this person is doing some writing or composing on church
  premises, using church equipment, during office hours. One way to
  avoid the problems associated with work made for hire status is to
  encourage staff members to do all their writing and composing at
  home. Tell staff members that (1) if they do any writing or composing
  at church during office hours, their works may be works made for hire;
  (2) the church owns the copyright in such works; and (3) the church
can transfer copyright to the writer or composer, but this may
constitute “inurement” of the church’s assets to a private individual,
jeopardizing the church’s tax-exempt status. By urging staff members
to do all their personal writing and composing at home, the church also
will avoid the difficult question of whether works that are written
partly at home and partly at the office are works made for hire.

- Sermons. To the extent that sermons are written in a church office,
during regular church hours, using church secretaries and equipment, it
is possible that sermons would be considered works made for hire
since they are created by an employee within the scope of
employment.415

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413 ibid.: p. 670.
414 ibid.: p. 670.
415 ibid.: pp. 670-671.
2. Excessive Compensation

Staff members who retain ownership of a work made for hire because of a written transfer signed by the church may be subject to intermediate sanctions. Intermediate sanctions are excise taxes the IRS can assess against persons who receive excessive compensation from a church or other charity….If the work generates substantial income, then this may trigger intermediate sanctions. This would expose the writer or composer to an initial excise tax of 25 percent of the amount of taxable compensation that exceeds what the IRS deems to be reasonable. There is an additional 200 percent tax that can be assessed against the writer or composer if he or she does not return the excess amount to the church. Board members who authorized a transfer of the copyright to the writer or composer may be collectively assessed a tax of 10 percent of the excessive compensation up to a maximum of $10,000.416

How to Stay Compliant with Copyright Laws

Churches need to develop specific policies with regards to copyright. Some items that may be included in those policies include:

- The church must purchase an annual license from CCLI or obtain permission and pay royalties directly to publishers whenever their music is used in printed, visual, or electronic form.
- Employees may not install duplicate copies of software without permission from the church business administrator or systems manager.
- Employees or volunteers may not duplicate materials for public use in any form without clearance from a person designated as copyright administrator.
- All materials posted on a churches’ Web site that are not directly created by church employees must be reviewed and approved for copyright compliance. (http://www.christianitytoday.com/ve/9y3/9y3038.html )

How to copyright works

Copyrighting original works is relatively easy and inexpensive. Applications and instructions can be obtained at:

www.copyright.gov

What are the rights of a copyright owner?

The owner of a copyright has the rights:

- To reproduce the copyrighted work in printed copies or on records, tapes, video cassettes, or any duplicating process now known or which later comes into being.

416 ibid.: p. 672.
- To make arrangements and adaptations of that copyrighted work.
- To distribute and/or sell printed or recorded copies of the work or to license others to do so.
- To perform the copyrighted work.
- To display the copyrighted work.

(http://www.agocolumbus.org/copyright.html)

**Conclusion**

The best practices for all church leaders are to establish an oversight system to ensure that no unauthorized copies of any church materials are being created. When in doubt as to whether an item is truly in public domain, always ask.
Resources Cited


http://en.wikipedia.org/wiki/Copyright

http://www.pdinfo.com/copyrt.htm


http://www.agocolumbus.org/copyright.html

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Violence in the Church

Introduction

The house of God has always been considered a safe haven for people to come, worship, heal wounds, and feel safe. The writer of Proverbs states in Proverbs 18:10:

“The name of the Lord is a strong tower; the righteous run to it and are safe.”
NIV

One would never consider violence happening within the walls of the church however, events of the last several years have proven this is not always true. People naturally associate violence with people shooting or stabbing others but violence also includes harassment and abuse.

Church leaders are reluctant to develop security policies for their church. The church is to be a place of forgiveness and many feel such security policies state just the opposite since they may involve the notification of police. The time for church leaders to develop security policies is before violent situations arise in their church. By being proactive, establishing specific policies, and training the church on how various situations are to be handled, the church leaders are sending the message to the congregation that the leadership takes their safety very serious while they are attending activities of the church.

The first step to developing a security protocol for the church, church leaders should determine the structure of a church crisis-response team. This structure would include who will be members, priority order of contact, and strategy for training.

The following pages will discuss the possible contents of policies dealing with intruders, harassment, and abuse.

Intruder Policies

An intruder can be a person who is armed, intoxicated, belligerent, or anyone posing a threat to those on the church property. The states of Connecticut and Texas have already set the precedence where judgments were upheld on behalf of the church for the removing of disruptive individuals from church property.

Policies involving the handling of the situation of an intruder should include:

- Strategies for assisting local police.
- Strategies for lockdowns.
- Strategies for training ushers/greeters.
• Strategies for protective entrance to church offices during weekdays.

Strategies for assisting local police

Lt. Andrew G. Mills of the San Diego Police Department recommended having the following available for local police in the summer 2007 edition of Leadership:

• Blueprints and photos (digital or hard copy) of every room in the church to guide officers to secure the building.
• Emergency contact information for the pastor, property manager, and members of the church crisis-response team.
• Keys to outside and classroom doors.
• Shutoff points for gas, water, and electricity.
• Any knowledge of existing threats, including anyone against whom the church or a member has a restraining order.
• Churches are encouraged to have identification badges for all staff, church crisis-response team and greeters to help provide police easy recognition.
• If church is in lockdown, make sure there are ways for those in locked areas have a way to communicate with those outside the building. This communication can help local police with essential information such as number of intruders, location of intruders, where children are located, etc.
• Have maps throughout the church building(s) to assist people from getting lost.

Strategies for lockdowns

Things to consider for lockdown policies:

• Who has the authority to call for a lockdown?
• What is the criteria for calling a lock down?
• How will areas be barricaded?
• Training for church staff, teachers, greeters, church leaders, church crisis-response team.
• Communication code to be used to notify church staff if lockdown is necessary during a worship service.
• Strategy for parents gaining access to their children.
• Signal for all clear.

Strategies for training ushers/greeters

Ushers and greeters are usually the first to encounter people who enter the church especially on Sundays. These individuals are the first line of defense when an intruder enters a building. Because of their importance as the first line of defense a security policy should include:

• The frequency of training for those serving as ushers/greeters.
Subjects that the training should cover:

- Reading body language
- How to firmly but respectfully deny access
- Policy for seating late arrivers for worship
- Monitoring areas where children are located if they are separated from parents during worship or any church activity
- How to evaluate situation to know when to involve the church crisis-response team and the police
- Period of time individual must attend the church before taking training to serve as an usher/greeter.

Strategies for protective entrance to church offices during weekdays

The majority of churches are small to medium in size. This means there may only be one or two people in the office during the week. A strategy of protection should be developed to keep these individuals safe. This strategy could include:

- A buzzer system to access entrance.
- An intercom system which allows for communication between the church office and those at the entrance.
- A hidden buzzer system between the administrative assistance’s desk and the pastor(s) which could be utilized if administrative assistance feels threatened by office guest.
- A code word that would allow staff to communicate a dangerous situation in their offices or in the facility.
- Keeping all doors locked.
- Windows in pastor(s) door(s) so that they are always visible especially when doing one-on-one counseling with the opposite sex.
- Having person in office area when pastor(s) are counseling members of the opposite sex.

Recommendation

It is strongly recommended to have a local police officer or official to perform a walk through of the church’s facilities and to make recommendations for securing the church facilities. The local prosecutor’s office should be able to provide guides as to what the church can legally do when they encounter an intruder. The local police and prosecutor’s office may be willing to come and lead training sessions for church leaders.

Other Forms of Violence

Harassment and abuse are forms of violence that can occur between church staff, church staff and members, or between members. People make the mistake of assuming that people inside the church will treat each other with Christian love and compassion. It is sad that many times Christians are crueler to one another than non-Christians.
Violence within the body can come from a variety of avenues including, but not limited to:

- Parents being upset over how children are treated.
- Individual feeling threatened by church staff, church leader, or another church member.
- Decisions being made by church staff or church leaders that are contrary to strong beliefs of other church staff, church leaders, or church members.

When a member or staff person retaliates against another member or staff person, often times the one that retaliates is the focus of attention and little is done to discover what the person being attacked may have done to provoke the situation. In sports, commentators often say it’s the one that retaliates that gets caught. Sports have the advantage of instant replay to see exactly what happened. In the church we do not have that convenience. Therefore, when a violent situation arises within the church body, the church crisis-response team needs to investigate the entire situation and not just focus on the person being caught retaliating.

The church crisis-response team may wish to contact a local crisis center for training in defusing internal problems. This training could include:

- Quick, respectful, calm action.
- Right questions to ask.
- Possible resolutions.

Many times such situations will cause emotional hurt to the point that the individual or family will be lost to that church. Churches need to be a place of healing but they also need to be a place of learning what it means to live in the Kingdom of God. To this end church leaders should consider including in their security policies the following:

- A code of ethics that describes the acceptable behavior of those attending church activities. See Appendix A for example.
- A code of ethics for the pastor and all pastoral staff that describes the behavior expected between pastor and other staff members, pastor and his/her family, pastor and church leaders, pastor and church members, and the pastor and the community. See Appendix B for example.
- Specific policies regarding harassment and abuse. See Appendix C for examples.
- Policies for offering financial assistance for professional consulting for those involved in the situation.
- Specific steps the church crisis-response team will take when investigating any violent or potentially violent situation. To discover what these steps should entail, the church should seek the advice of a professional, licensed counselor, a local crisis center, or local law enforcement.
**Code of Ethics**

Many churches have not heard the term “code of ethics.” A code of ethics is a document that spells the expected behavior of members of the group it represents. A code of ethics is specific for a group because what applies to one group may not apply to another.

When considering what should be contained in a code of ethics, be it for a pastor, church leader, or member, Chris McDonald, author of *Consideration for Writing a Code of Ethics*, recommends the following:

- Tailor-make your code. Ask the question: *What makes your Code specific to your organization?*
- Get people involved. (For the church this would be including people on a committee that represent all groups within the church.)
- Outsource the job only carefully. Hiring a consultant to help write your code can be useful – but don’t let them take over. A consultant can bring a wealth of knowledge and experience, and can help you avoid a whole range of pitfalls, from lack of clarity through to the inclusion of too little – or too much – detail. But at the end of the day, this Code is still yours; it should reflect your organization’s values, principles, and aspirations.
- Seek out good examples.
- Be clear about the scope of who it covers.
- Be specific about implementation. How will the Code be implemented? Once it’s written, will it gather dust, or will it influence policy and practice? An effective implementation scheme will explain to all concerned how the values embodied in your Code will be put into practices.
- Plan for education. A key aspect of implementation has to be training and education.
- Be clear about enforcement. How, if at all, will the Code be enforced? Are there specific penalties for violating the Code, or is the Code merely there to provide guidance?
- Specify a sunset date. When will the code be reviewed and updated? Times change, and new issues come to light, so consider specifying a date for revising and refreshing your Code.

Some churches will use the term “covenant” instead of “code of ethics.” If you choose to use the term “covenant” it is essential that time is given to the biblical meaning of covenant and the biblical consequences for breaking a covenant. A study of Old Testament covenants between God and his people will give much enlightenment.

**Conclusion**

The goal of any security policy developed by the church should be to:
• Create a safe environment for the community to be able to come and worship and grow in their relationship with God.
• Have a well established plan for calmly and respectfully dealing with any disruptive situations that may occur.
• Bring healing for those emotionally injured by cases of harassment or abuse by church staff, church leaders, or church members.
• Hold all those involved in a situation that creates an unsafe atmosphere for those attending a church activity accountable for their actions even if that person be a pastor, church staff or church leader.

**Recommendation**

Because of state laws being different and even local jurisdictions being different, churches would be advised to include the following in the development of their security policies:

• Professional licensed counselors
• Local law enforcement
• County prosecutors
• Local crisis prevention centers
• Local attorney
• National organizations such as Peacemakers
Appendix A

For members

Below is the best example that is currently available for a code of ethics/covenant for a church member. As you will see, this does not contain all the elements of a code of ethics listed on page 6.

(example from 1996 bylaws of Joy Community Church)

The covenants of members of the body are to grow and assist others to grow in the Lord through care, service, study and worship. Biblical covenants include, but are not limited to:

- Brotherly love (Heb. 13:1)
- Building up and encouraging of the Body (Eph. 4:29)
- Faithful financial support (1 Cor. 16:2; Deut. 14:22)
- Devoting self to teaching, fellowship, breaking bread and prayer (Acts 2:42)
- Applying gifts and talents to the building up of the Church (1 Cor. 12:7-12; Rom. 12:6)
- Living by the fruit of the Spirit (Gal. 5:22-25)
- Restoring others and carrying their burdens (Gal. 6:1-5)
- Keeping unity through the bond of peace (Eph. 4:2-6)
- Obeying the leaders of the church so that their work may be a joy, not a burden (Heb. 13:17)
- Participating to fulfill the Great Commission (Matt. 28:18-20)
Appendix B

Pastoral Code of Ethics – can be used in the place of a covenant
*(sample taken from “Ministerial Ethics: Being a good minister in a not-so-good world” by Joe E. Trull & James E. Carter)*

Preamble
As a minister of Jesus Christ, called by God to proclaim the gospel and gifted by the Spirit to pastor the church, I dedicate myself to conduct my ministry according to the ethical guidelines and principles set forth in this code of ethics, in order that my ministry be acceptable to God, my service be beneficial to the Christian community, and my life be a witness to the world.

Responsibilities to Self
- I will maintain my physical and emotional health through regular exercise, good eating habits, and the proper care of my body.
- I will nurture my devotional life through a regular time of prayer, reading of the Scriptures, and meditation.
- I will continue to grow intellectually through personal study, comprehensive reading, and attending growth conferences.
- I will manage my time well by properly balancing personal obligations, church duties, and family responsibilities, and by observing a weekly day off and an annual vacation.
- I will be honest and responsible in my finances by paying all debts on time, never seeking special gratuities or privileges, giving generously to worthwhile causes, and living a Christian lifestyle.
- I will be truthful in my speech, never plagiarizing another’s work, exaggerating the facts, misusing personal experiences, or communicating gossip.
- I will seek to be Christlike in attitude and action toward all persons regardless of race, social class, religious beliefs, or position of influence within the church and community.

Responsibilities to Family
- I will be fair to every member of my family, giving them the time, love, and consideration they need.
- I will understand the unique role of my spouse, recognizing his or her primary responsibility is as marital partner and parent to the children, and secondarily as church worker and assistant to the pastor.
- I will regard my children as a gift from God and seek to meet their individual needs without imposing undue expectations upon them.

Responsibilities to the Congregation
- I will seek to be a servant-minister of the church by following the example of Christ in faith, love, wisdom, courage, and integrity.
• I will faithfully discharge my time and energies as pastor, teacher, preacher, and administrator through proper work habits and reasonable schedules.
• In my administrative and pastoral duties, I will be impartial and fair to all members.
• In my preaching responsibilities, I will give adequate time to prayer and preparation, so that my presentation will be biblically based, theologically correct, and clearly communicated.
• In my pastoral counseling, I will maintain strict confidentiality, except in cases where disclosure is necessary to prevent harm to persons and/or is required by law.
• In my evangelistic responsibilities, I will seek to lead persons to salvation and to church membership without manipulating converts, proselytizing members of other churches, or demeaning other religious faiths.
• In my visitation and counseling practices, I will never be alone with a person of another sex unless another church member is present nearby.
• I will not charge fees to church members for weddings or funerals; for nonmembers I will establish policies based on ministry opportunities, time constraints, and theological beliefs.
• As a full-time minister, I will not accept any other remunerative work without the expressed consent of the church.
• In leaving a congregation, I will seek to strengthen the church through proper timing, verbal affirmation, and an appropriate closure of my ministry.

Responsibilities to Colleagues
• I will endeavor to relate to all ministers, especially those with whom I serve in my church, as partners in the work of God, respecting their ministry and cooperating with them.
• I will seek to serve my minister colleagues and their families with counsel, support, and personal assistance.
• I will refuse to treat other ministers as competition in order to gain a church, receive an honor, or achieve statistical success.
• I will refrain from speaking disparagingly about the person or work of any other minister, especially my predecessor or successor.
• I will enhance the ministry of my successor by refusing to interfere in any way with the church I formerly served.
• I will return to a former church field for professional services, such as weddings and funerals, only if invited by the resident pastor.
• I will treat with respect and courtesy any predecessor who returns to my church field.
• I will be thoughtful and respectful to all retired ministers and, upon my retirement, I will support and love my pastor.
• I will be honest and kind in my recommendations of other ministers to church positions or other inquiries.
• If aware of serious misconduct by a minister, I will contact responsible officials of that minister’s church body and inform them of the incident.
Responsibility to the Community

• I will consider my primary responsibility is to be pastor of my congregation and will never neglect ministerial duties in order to serve in the community.
• I will accept reasonable responsibilities for community service, recognizing the minister has a public ministry.
• I will support public morality in the community through responsible prophetic witness and social action.
• I will obey the laws of my government unless they require my disobedience to the law of God.
• I will practice Christian citizenship without engaging in partisan politics or political activities that are unethical, unbiblical, or unwise.

Responsibilities to my Denomination

• I will love, support and cooperate with the faith community of which I am a part, recognizing the debt I owe to my denomination for its contribution to my life, my ministry, and my church.
• I will work to improve my denomination in its efforts to expand and extend the kingdom of God.

Associate Minister Code

• I will be supportive and loyal to the senior pastor or, if unable to do so, will seek another place of service.
• I will be supportive and loyal to my fellow staff ministers, never criticizing them or undermining their ministry.
• I will recognize my role and responsibility on the church staff and will not feel threatened or in competition with any other minister of the church.
• I will maintain good relationships with other ministers of my special area of ministry.
• If single, I will be discreet in my dating practices, especially in relation to members of my congregation.

Pastoral Counselor Code (this pertains to ministers with counseling licenses)

• I will have a pastor/counselor to whom I can turn for counseling and advice.
• I will be aware of my own needs and vulnerabilities, never seeking to meet my own needs through my counselees.
• I will recognize the power I hold over counselees and never take advantage of their vulnerability through exploitation or manipulation.
• I will never become sexually or romantically involved with a client, or engage in any form of erotic or romantic contact.
• I will demonstrate unconditional acceptance and love toward all counselees, regardless of their standards, beliefs, attitudes, or actions.
• If I am unable to benefit a client, I will refer him or her to another professional who can provide appropriate therapy.
• I will maintain good relationships with other counselors and therapists, informing and conferring with them about mutual concerns.
- I will keep confidential all matters discussed in a counseling setting, unless the information is hazardous for the client, for another person, or is required by law.
- I will offer my assistance and services to fellow ministers and their families whenever needed.
- I will support and contribute to the ministry of my church through personal counseling, seminars, lectures, workshops, and group therapy.
- I will seek to support the policies and beliefs of my church without unduly imposing them upon any counselee.
Appendix C

Examples of harassment or abuse policies:

Policy regarding threatening, abusive, or vulgar language

We expect our church staff, church leaders, and church members to treat everyone they meet while representing our church with courtesy and respect. Threatening, abusive, and vulgar language has no place in our church. It destroys morale and relationships, and it impedes the effective ministry of our church.

As a result, we will not tolerate threatening, abusive, or vulgar language from church staff, church leadership, or church members while they are on church property, conducting church business, or attending a church related event in the community.

If you have any questions about this policy, contact ______________________.

Policy regarding harassment

Purpose: To establish a clear policy that any form of harassment, including sexual harassment, will be considered inappropriate conduct and to establish guidelines for handling harassment related complaints.

Policy: It is the policy of ______________ Church of God to maintain a working environment free of harassment of any kind. Furthermore, employees have the right to work in an environment free of harassment whether racial, sexual, or otherwise. Harassment may be verbal or physical. All supervisory personnel are and will be reminded of their responsibilities in this area.

Supervisors are instructed to take swift, appropriate, remedial action in response to any report or indication of abuse, threats, intimidation or harassment (racial, sexual, physical, or otherwise) directed toward any employee. If any employees feel they are being harassed or mistreated in any way, they should report it immediately to their supervisor.

All reports of harassment will be handled in a prompt, appropriate, and confidential manner. Harassment will result in appropriate documented disciplinary action, which could include termination. No retaliation will be tolerated against persons reporting possible acts of harassment.
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**Block E1**

Resolving Church Conflict - Congregational and/or Pastoral (Recognizing, Diagnosing, Disciplining, and Reconciling)

**Introduction**

**Situation #1**

Jim is a young pastor that has a great heart for the Lord. He and his wife Ruth have moved to a congregation that normally sees about 100 worshippers each Sunday morning. They are excited about their new ministry and like most experience a time of sweet courtship.

It does not take long for Jim to discover that there is an embedded standard of leadership that fosters stagnancy and ultimately, and repeatedly, defeats every effort for growing the Kingdom of God in that location. The familial hierarchy controls expenditures and determines present programming. The lack of Holy Spirit influence has affected Jim and he seeks to challenge the current leadership base.

Because Jim has been trained under strong autocratic leadership and his models for ministry have largely been congregations that function similarly, Jim proceeds to act in like fashion. He formally introduces a new standard for leadership. In presenting the plan to the congregation, it is done in such a way that to accept it is God’s will and to reject it is a device of Satan.

As a result the standard is resentfully accepted. As members of the leadership board are quickly changed, the atmosphere in the congregation changes from anticipation and hope to anger, resentment and distrust.

**Situation #2**

Cyrus and Cybal are leading a congregation of 200. They have several years of experience and are vibrant in their relationships with the congregation. Overall, their ministry appears to be proceeding in a positive direction.

One area of contention, however, is an organist that has been playing for worship for fifty plus years. Not only does she control the organ bench but also her control of volume, tempo and mood affects congregational worship.

Cyrus has tried to guide her and has encouraged several worship adjustments that have only increased tension between them and produced a visible tug of war.

Not aware of another way of dealing with the conflict, Cyrus complains to others in the congregation and tries to have the elderly organist officially removed from her position. She and her husband have significant influence in this congregation and now two campaigns are being waged. While the pastor is seeking to remove her from the organ bench, a group of former friends are now seeking to remove him from pastoral leadership.
As you can see, conflict can arise from within the best of situations and even in the midst of the closest relationships. Our choices may dispel or enhance conflict and our responses in handling the conflict will feed the conflagration or use the fire to create new and productive growth.

It is significant to note, as well, that while conflict can be destructive and disruptive, it can also force us to deal with difficult issues and situations; many of which need to be addressed. The conflict can prove to be advantageous, especially when approached with graciousness, patience, and an eye for the future.
Recognizing

Kenneth C. Newberger in a *Churchstaffing* email article wrote about the perfect church. He claimed that it was unattainable and that a better goal would be that of building a “healthy” church. The goal he says is “a sharpening of us all.”

Newberger tells us that “from an organizational perspective, life in the church can be broken down into four major categories.”

Structure

In this category, we are talking about the church’s “set-up.” What are the recognized offices of the church? How were the individual’s holding the office selected and for how long? How much authority does each office hold in relation to the others? Do board decisions require unanimity or a simple majority? How many staff does the church have? Who creates job descriptions? Who performs job evaluations? How much authority does the congregation have? What are the church’s formal modes of communication and feedback?...These and a host of other questions all relate to the operational environment and organizational structure of the church.

Clarity in our process of developing structure will help to limit conflict. Thus the defining of our structure, whether that is bylaws, policies, job descriptions, or more, will not preclude all conflict but will help to define the types of conflict encountered.

Culture

Culture speaks to the collective mindset of the church community. What is the world view that members share? What are the core theological beliefs which members accept? What is the vision and mission of the church which members are asked to subscribe to? What values and norms are held in highest esteem? How are members expected to behave? How are members expected to dress when they come to church? What lifestyles are tolerated and which are frowned upon? Who is held up as heroes or models to follow? How free are members to express their opinions? What are traditions and customs of the church? What is the prevailing attitude with respect to change? What is the style of worship music? Is the church charismatic or non-charismatic? What is the prevailing thinking related to social issues (e.g. abortion, gay marriage, creationism vs. evolution)? What is the general attitude of members toward outreach and assimilating

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418 Ibid. p. 1.
419 Ibid. p. 1.
newcomers? These and a host of other questions relate to the beliefs and perceptions held by the congregation.420

The perceptions of our community: social mores and regional standards, combined with the “sacred cows” created by our faith groups provide fodder for meals of tasty conflict. Understanding and recognizing the issues gives way to opportunities for mediation and potential reconciliation.

Interpersonal Relationships

This addresses how well we relate to and connect with one another. How comfortable do we feel in the other’s presence? How well do we work together? How competitive? Do we hold grudges? Do we put others needs ahead of our own? How open and transparent are we with each other? How willing are we to protect another’s reputation against unsubstantiated allegations? Do we do unto others as we would want them to do unto us?421

While the first two areas are more easily monitored through written and often time’s formal documents, this area is extremely difficult to control. True, the Bible does give us a number of scriptural teachings to guide our actions and our statements. Nevertheless, interpretation of scripture and the volatile nature of human expression will, left unguarded, wreak havoc in our gatherings and in our relationships.

The Individual Person

This category is all about each unique person. What is a person’s perceptions of reality and interpretation of events? What is that person’s understanding of God and his or her relationship to Him? How does the person view himself or herself? How does he/she view others? What motivates the person? What is the person’s temperament? Does he or she clutch at power? Is a person a team player or a leader, a conformist or an ardent individualist? How honest? How sensitive to other people’s feelings? How self-centered or giving? What is the individual’s gifts and capabilities? What is his or her weaknesses and particular styles of sinning? How competent is this person in his or her role? Is it easy or difficult to satisfy this person?422

As with interpersonal relationships, this is again a difficult area to control. Each individual’s personality, environment, training, and spiritual development affect the degree to which tolerance and partnership is practiced or ignored. The depth of disagreement or conflict will vary and ultimate resolution becomes a matter of personal choice rather than a decision or mandate of an organization or governing body.

420 Ibid. p. 2.
421 Ibid. p. 2.
422 Ibid. p. 3.
Diagnosing

What are the signs of conflict? Is there a way to measure the severity? How will I know when to respond?

Knowing one’s condition and accepting an honest appraisal or diagnosis is vital toward a restoration of health. A desire to “win” at all costs almost always ends in a “loss” for all parties. Thus it is our desire to promote wholeness and health rather than a sense of justice. That is not to say that fairness and fair play are not important but simply an acknowledgement of the destructive power that individuals can wield when waging an holy war.

Ron Susek wrote *FireStorm*, a book about preventing and overcoming church conflicts. He writes, “Firestorms have an observable lifecycle…patterns in human relationships reveal where a group is in the life cycle of a firestorm.”

Sparks – Phase 1

Fires generally start from a small spark. Whether it is a conflict in the pastoral home or in the home of congregational members; whether it is between clergy and laity or within the membership; whether it is theological, social, emotional or financial, the spark ignites a flame that potentially divides and destroys.

“The unhappy people generally lack the clout, desire, or fortitude to set a firestorm into motion, so they use small power plays to express their grievance:

- They quit the choir.
- They stop giving.
- They complain to family and friends.
- They formally complain to the board.
- They leave the church.

Most people who raise issues…intend good, not harm for the church. They simply want to vent and resolve their grievances, after which they will resume normal participation. If they are not satisfied, they may withdraw from involvement. Above all they are not troublemakers.”

The Natural Dynamics

1. Real, God-given differences exist in people:
   - Goals
   - Needs
   - Perspectives
   - Values

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424 Ibid. p. 17
Methods

Interests

Notice, that these are not evil differences but those that may appear through our God-given gifts and abilities.\textsuperscript{427} The very strengths that make us unique and useful to the Kingdom of God may become an irritant and lead to strife. Please note, “Not all firestorms start with malicious intent, just a lack of maturity in handling these differences. If leadership fails here, people’s dispositions will change from collaborative to adversarial.”\textsuperscript{428}

At this point, pastoral leadership can become a healing balm or an adversarial role that incites or at a minimum creates smoldering coals with warning smoke and heat. Susek says, “True pastoral leadership nurtures the best in people, even if the people’s various perspectives cause the pastor’s path for the church to meander like a stream in directions that don’t fit his straight-line goals. A pastor must be primarily given to the people’s good and not his own inflexible goals.”\textsuperscript{429}

Church leadership is given an awesome responsibility. The task of directing the body is a wonderful gift from God. Still, if leadership dominates, people feel they are doing the leader’s ministry and not being equipped to do their own ministry, resulting in either anger or ambivalence.\textsuperscript{430}

\begin{quote}
\textbf{Ephesians 4:11-12} - It was he who gave some to be apostles, some to be prophets, some to be evangelists, and some to be pastors and teachers, to prepare God’s people for works of service, so that the body of Christ may be built up.
\end{quote}

2. When problems emerge, most people are still focused on issues.
3. People use respectful, considerate, noncondemning language.
4. In a desire to solve the problem, both sides are not threatened by sharing information and ideas.
5. People remain rational in problem-solving. Resolution comes either through informal, personal settlements or in formal ways, such as voting.
6. People are focused on a resolution that can give everyone a sense of winning.\textsuperscript{431}

\begin{itemize}
\item \textsuperscript{426} Ibid, p. 26.
\item \textsuperscript{427} Ibid, p. 26.
\item \textsuperscript{428} Ibid, p. 27.
\item \textsuperscript{429} Ibid, p. 27.
\item \textsuperscript{430} Ibid, p. 27.
\item \textsuperscript{431} Susek, p. 28.
\end{itemize}
Recommendations for Phase 1

- Never allow church growth to shift the emphasis away from the value of the individual.
- Hold special meetings throughout the year—listen to the hearts of the people and communicate the results through leadership decisions.
- “Discovering the Real You” is a video series that can be helpful in resolving conflict.\(^{432}\)
- Hold periodic leadership retreats, not for business but for spiritual and relational development.
- Periodically study the biblical purpose and function of the leadership board.
- Promptly respond to complaints and concerns with fairness and justice.
- Conduct an exit interview to find out why people are leaving your church.
- At least once a year, take the board and church through the approved master plan.
- Keep the staff clear in direction and united in spirit. (Personal hidden agendas among staff are among the greatest causes of conflict.)\(^{433}\)

Igniting a Firestorm – Phase 2

Sparks left unattended have a tendency of falling on dry and tender and potentially developing into a fire of magnitude. In the church, thoughts that once were thought small and inconsequential can become major issues that people are willing to literally give their lives and futures to support.

Natural Dynamics

1. People feel uneasy with each other because perceived unfairness or hurt is involved.
2. Diversity starts to be despised, not respected. Differences are accentuated as bad, not good.
3. People seek out those who agree with their position.
4. The groups discuss strategies for handling future meetings.
5. People identify with the problem so completely that, if things don’t go their way, personal loss is felt.
6. Language becomes less specific and more general.
7. Opposition is depersonalized by characterization.
8. People stop freely sharing information so the opposing view cannot gain an advantage.
9. Coalitions form, but the well-being of the ministry is still paramount.
10. People lose interest in resolve and become concerned about how they will look or fare in the growing conflict.\(^{434}\)

\(^{433}\) Susek. FireStorm, p. 29.
\(^{434}\) Ibid. p. 37-38.
“While phase one can continue for an indefinite number of years, phase two allows only a narrow window of time for stopping the newly arrived firestorm.” Thus the recognition of this phase is extremely important to personal, pastoral and congregational health.

**Recommendations**

- Do not take a wait-and-see posture, or you will lose.
- Acknowledge that there is a problem and call for fasting and prayer.
- Hold spiritual life meetings with a neutral visiting speaker.
- Exercise church discipline when it is appropriate.
- Invite a neutral mediator to help settle the disturbance.

**Firestorm in Full Fury – Phase 3**

“Once the firestorm erupts, chances of a good recovery virtually disappear. Deep losses are almost inevitable.” At this point relationships are not only threatened, many have already been abused and destroyed. “The church will be devoured if the leaders either do not or can not insist upon doing all things in a right spirit—a biblical mandate.”

**Natural dynamics**

1. People who were civil and Christ-like in peaceful times now treat each other in godless ways.
2. People become identified with strong positions, believing their reputations are on the line.
3. Casual disagreements become sharp divisions.
4. Issues are presented as an either-or-ultimatum.
5. Organizational structure is used as a weapon for defeating the other side.
6. Perception becomes the new reality. Truth is no longer the main issue.
7. People take up a “holy cause,” with each side believing itself to be absolutely right.
8. Powerless antagonists attach themselves to causes led by respected people, giving them undeserved credibility.
9. Winning becomes so important that serving, loving, or going the extra mile is spurned.
10. Each side is sure it knows the wrongful motives and strategies of the other.
11. The pastor is generally put into a no-win position and cannot lead the church out of the crisis alone. (Even if the firestorm is over an issue other than the pastor, by nature of his position, he is caught in the middle and shot at from both sides.)

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435 Ibid. p. 38.
436 Ibid. p. 38.
437 Ibid. p. 39.
438 Ibid. p. 44-45.b
439 Ibid. p. 46-47.
**Recommendations**

- Immediately seek a crisis management consultant.
- Prayerfully determine if there is an evil core to the firestorm, and start church discipline.
- Keep a strong balance between grace and justice.
- Consult with a Christian attorney to avoid an unnecessary lawsuit resulting from the manner in which issues are handled.
- Do not be indecisive about issues.\textsuperscript{440}

**Fueling the Fire – Phase 4**

“Offended people produce much fruit, such as hurt, anger, outrage, jealousy, resentment, strife, bitterness, hatred, and envy. Some of the consequences of picking up an offense are insults, attacks, wounding, division, separation, broken relationships, betrayal, and backsliding.”\textsuperscript{441}

Once a firestorm has picked up speed it creates from within dynamics that fuel the fire and drive it to deeper destruction. Much like the reported wildfires of southern California, much of our efforts now becomes directed at limiting the destruction and directing the path of the conflagration rather than at extinguishing a fire that appears unstoppable.

**Natural Dynamics**

1. Once the conflict has spread to 10 percent of the leadership and 20 percent of the congregation, the storm is full-blown.
2. Facts are hard to find, because arguments have become intensely emotional.
3. Objectivity and moderation are viewed with suspicion.
4. Each side is sure the other side will not change, so fighting is seen as the only option.
5. Permanent damage is done.
6. A subgroup’s power and advantage become more important than the parent organization.
7. Irreparable harm comes to the main organization as the damage becomes external.
8. People have little perception of other’s pain because of detachment from the opposition and lack of communication. (The opposition is an object no longer given “people” status.)
9. Specific issues melt into vague principles and ideologies, as personal perspective, bias, and opinion are elevated to doctrinal status.
10. Distinguishing the difference between satanic activity and human behavior isn’t easy, making the spiritual struggle hard to define.

\textsuperscript{440} Ibid. p. 47.
11. Talk about needing revival generally is based upon the simplistic view of God bringing about a quick and easy solution that will get others to see the error of their ways.

12. Board members, overreacting, often improperly use church discipline as a weapon.

13. The departed people will be viewed as weak or sinful by the remnant.\footnote{Ibid. p. 51-52.}

**Recommendations**

- Work closely with a consultant. (The greater the authority granted to him or her at this point, the better are their chances of helping deliver the ministry.)
- Teach solid, biblical truths about our spiritual battle with darkness.
- Do not let people blame the whole situation on Satan.
- Set up a conference on spiritual warfare, and invite one of the growing list of biblically responsible teachers to speak.
- Do not permit Scripture to be used as a weapon between factions, unless biblical absolutes are being violated.
- The faithful who are not involved in the controversy need ongoing ministry.
- Do not let the conflict become the pulpit theme.
- Call the congregation to days of fasting and prayer.
- Each leader, including the pastor, must determine whether it’s best to stay or leave. Sometimes departing is best for both parties.\footnote{Ibid. p. 52-53.}

**The Final Burn – Phase 5**

There is very little that happens within the church body that affects our witness more than an internal conflict that leads to litigation. It is more than sad when the world is forced to step in and settle a church issue. Nevertheless, a firestorm will sometimes burn with such fury and without abatement resulting in court proceedings.

**Natural Dynamics**

1. Conflict may lead to litigation. (Avoid litigation if possible, because attorneys are not trained to be sensitive to emotions or spirituality.)
2. The object now between the groups is to discredit and destroy the opposition.
3. The deeper the conflict, the more formal becomes the effort for resolution.
4. An outside party officiates the dismantling of the organization.
5. At this point in the conflict, the issues are crystal clear to each side, with each side feeling confirmed in its position.\footnote{Ibid. p. 58-59.}
Recommendations

- Make it difficult for the flames to spread by eliminating oxygen. Pull people back from the simple “we-are-right, they-are-wrong” mind-set by getting them to see the complexity of the situation. (Set up a task force to discover each group’s complaint.)
- Hire a neutral consultant to start a fact-finding procedure and assure fairness to all parties. (No progress will come until people have been thoroughly and respectfully heard.)
- Set biblical guidelines to which all who believe the Bible will submit, and set forth Scripture and prayer for each side to consider.
- Help people take ownership of their own fallibility.
- Properly placed humor can often help break down tensions. (But it must not favor either side.)
- The efforts here are designed to turn people’s attention away from destroying the perceived enemy and get them to refocus on problem solving, not conquering.
- Do not hesitate to terminate nonfunctioning ministries or sell excess property. It is essential to preserve potential resources for future ministry.445

Rebuilding – Phase 6

The firestorm has been extinguished. What is to be done now? Is there a winner and loser? What is necessary for continuing on in our ministry? How should the members treat each other?

However unfortunate that anyone finds himself or herself in such a circumstance, it is still a very real conclusion to choices that have been made. Susek wrote, “God will not bless our future if we do not do his work well in the present.”446 Therefore, even in the midst of the embers it becomes our responsibility to seek out God’s wisdom for rebuilding or reconstruction.

Natural Dynamics

1. One group may start a new church, while others scatter to other churches.
2. Some people (often the youth of the families involved) are lost to the faith due to bitterness.
3. There is a period of struggle as different personalities emerge and attempt to remedy the problem or save the ministry.
4. A faithful remnant will stay with the property and ministry as it either dies or struggles on with minimal effectiveness.
5. Resentments will linger between the ones who stayed and the ones who departed.

445 Ibid. p. 59.
446 Ibid. p. 63.
6. With proper leadership and time, the church can reemerge.\textsuperscript{447}

**Recommendations**

- If the pastor resigns, it is vital to hire an interim pastor, or the cycle can start all over again.
- Invite a special speaker to assist you in a series of meetings geared to the healing of the remnant.\textsuperscript{448}

**Disciplining**

The application of discipline can be varied. While in some cases a simple teaching or mentored experience, discipline can be as serious and severe as a church leadership action removing another from leadership or ultimately excluding someone from the fellowship of the body.

**Actions the Board can Take**

**Overcoming Personal Hesitation**

- The first hindrance is failure to distinguish between being a peacekeeper and a peacemaker. (Peacekeepers tend to be passive, preferring to avoid conflict. Peacemakers tackle conflict head-on, determined to bring peace based upon truth, mutual understanding, and forgiveness.)
- The second hindrance is indecision. (Leadership must rely upon bold, clear thinking when time is not a friend.)
- The third hindrance is board division. (Various reasons such as: conflicting perceptions of the problem, insufficient information, loyalties to people who are to be disciplined, pressure from factions in the church, or family complications with people to be disciplined.
- The fourth hindrance is ambivalence about the difference between judgment and judgmentalism. (A board cannot condemn to heaven or hell but has a right and a responsibility to evaluate wrongdoing.)

**Statement of Purpose**

A written statement of purpose for church discipline will alleviate a number of complaints and frustrations. Susek gives us a suggested form: “We will enact church discipline, not for punishment or retribution, but for the purpose of:

- Repentance: To see the offender turn from wrongful behavior.
- Redemption: To bring the offender into a right relationship with God.

\textsuperscript{447} Ibid. p. 66.
\textsuperscript{448} Ibid. p. 66.
➢ Restitution: To bring justice where someone suffered wrong or loss.
➢ Restoration: To reestablish fellowship.\(^{449}\)

**Personal Preparation**

➢ Maintain a quiet, humble spirit before the Lord.
➢ Foster true dependence upon the Lord.
➢ Experience the leadership of the Holy Spirit.
➢ Plead for the repentance of each one facing discipline.\(^{450}\)

**Prepare Your Case Well**

➢ Discover the truth.
➢ Have all assertions validated.
➢ Insist that the accuser face the accused. (Unless it is unwise, such as a child having to face a molester.)
➢ Gain the offender’s viewpoint during the preparation period.
➢ Come to the table with the issues clearly spelled out and provable.
➢ Put the charges in print to avoid emotional misstatement.
➢ Destroy the file when the matter reaches closure. (Love keeps no records of wrongs—1 Corinthians 13:5.)\(^{451}\)

**The Matthew 18 Formula**

**Matthew 18:15-20** - "If your brother sins against you, go and show him his fault, just between the two of you. If he listens to you, you have won your brother over. 16But if he will not listen, take one or two others along, so that 'every matter may be established by the testimony of two or three witnesses.' 17If he refuses to listen to them, tell it to the church; and if he refuses to listen even to the church, treat him as you would a pagan or a tax collector. 18"I tell you the truth, whatever you bind on earth will be bound in heaven, and whatever you loose on earth will be loosed in heaven. 19"Again, I tell you that if two of you on earth agree about anything you ask for, it will be done for you by my Father in heaven. 20" For where two or three come together in my name, there am I with them." \(^{1}\)

➢ An offended person is to approach the offender one-on-one to show him his fault. The purpose is to win the brother.
➢ If the brother will not listen, then one or two other persons are to be taken along to establish every matter by the testimony of two or three witnesses.

\(^{449}\) Ibid. p. 128.
\(^{450}\) Ibid. p. 129.
\(^{451}\) Ibid. p. 130.
If the offender refuses to listen to the small group, then the matter is to be told to the church.
If the offender will not listen to the church, then he is to be put out of the fellowship.  

There are several positive reinforcements that result from this pattern of confrontation:

1. Every effort is made to preserve the offender’s dignity.
2. The offended person is to confront the offender.
3. The expectation of closure is established.
4. Every step of the process is for redemption, repentance, restitution, and restoration.

Call Evil by Its Name. (Too often disagreement is marked as evil. This is generally not an accurate assumption. “The mark of this evil is unreasonableness that cannot be diminished.”) 
Carry out your work with mercy, grace, and justice.
You have no control over a person’s response. You can only control your motive and method.
It is important to have your plan of action in place.
Be prepared to implement the ultimate consequence. (The worst consequence to impose upon an unrepentant person is handing the person over to Satan. Notice however, that even in extreme discipline, the motive is redemptive.)

Actions the Pastor can Take

More than Conflict Management

Pastors are bound to a higher standard. Their work is not a matter of getting problematic sheep off their back, but of teaching people who act like wolves how to become or return to being sheep.

Step Out: Set a spiritual example.
Step In: Mediate the conflict.
Step Over: Rise above the conflict.
Step Up: Confront the conflict.
Step Back: Let the conflict burn itself out. (Do not become the sacrificial lamb but enable conflicting groups to confront their dysfunction.)

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452 Susek, *FireStorm*. p. 130.
453 Ibid. p. 130-131.
454 Ibid. p. 131.
455 Ibid. p.131-133.
456 Ibid. p. 136.
457 Ibid. p. 143.
Step Down: Resign from the conflict. (Can be effective when factions are not responding to God’s Word and it seems useless to hope for repentance and reconciliation.)
- If you resign too soon, you may not be in the position to give the church an accurate picture of its problem.
- If you resign too late, then you will be viewed as the problem and your resignation will not carry a positive impact.
- There is no room for a caustic approach, only a clear, unimpassioned statement of the facts.\(^{458}\)

Each leader will need to decide which approach is appropriate for them in their particular situation. An article in Christianity Today on “Navigational Errors” gives some insight into the pastoral decision.

1. Don't let threats dictate actions
2. Avoid the unanimity trap
3. Amid a crisis, don't seek affirmation of your leadership
4. Don't invoke the family factor
5. Take control of heated meetings
6. Don't talk about leaving\(^{459}\)

**Actions the Church can Take**

God has established ways for the laity to be effective amid the crisis, perhaps even more so than those in leadership positions.\(^{460}\)

**Power and Position**

- Those lacking the position of leadership still have the power to lead.
- Servant leadership is a lifestyle that is available to every believer, because Jesus originated the concept for every disciple.
- It is the power of the towel. If people were resolved to serve one another, no issue could divide the household.
- There is never agreement and peace when the god of self in one person is forced to surrender to the god of self in another.\(^{461}\)

*Matthew 20:26-28* - “Not so with you. Instead, whoever wants to become great among you must be your servant, \(^{27}\) and whoever wants to be first must be your slave-- \(^{28}\) just as the Son of Man did not come to be served, but to serve, and to give his life as a ransom for many.”

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\(^{458}\) Ibid. p. 145-146.
\(^{460}\) Susek. *FireStorm*. p. 147
\(^{461}\) Ibid. p. 147-149.
Jesus addressed the desire for greatness with one word—“serve.”
It is a death to self so that Christ, the great towel bearer, can be formed in you.
This requires a broken boldness: broken of all self-rule and bold in the Holy Spirit.462

**Reconciliation (Wellness)**

Visualize a large manufacturing plant in (____________) that produces shoes. The management has invested great sums of money and many man-hours into the plant to produce the finest shoes possible. Money has been spent on salaries for the employees, machinery for shoemaking, and materials from which the shoes are to be made. The plant is now in operation with hundreds of workers scurrying to and fro. Machines are running full blast, and the activity is at a maximum.

One day the president asks the production manager, “How many shoes have you produced so far?”

“None,” the manager answers.

“None?” the president exclaims. “How long have we been in operation?”

“Two years.”

“Two years? And still no shoes?”

“That’s right,” the manager says, “no shoes, but we are really busy. In fact, we have been so busy that we are all nearly tired out.”463

Imagine now congregations that are functioning every day of every week but never witnessing a new birth in Christ or never creating a disciple for the kingdom of God. Imagine those suffering servants that are devoting huge sums of time and dollars but are so committed to unhealthy practices and relational conflicts that there is no time or heart for true and Godly ministry.

Through a ministry of Wellness Teams intervention it is hoped that congregations and their leadership will find reconciliation and be restored to positive, aggressive, successful and kingdom building ministry.

**Mission-Purpose**

The mission/purpose of the Wellness Team is to…

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462 Ibid. p. 149-152.
1. Extend compassion and care to pastors, their families and to congregations in need
2. Listen with an empathy and sensitivity to concerns & complaints
3. Serve as a mediator
4. Provide a therapeutic diagnosis
5. Present several possible recovery scenarios
6. Assist in implementing an accepted recovery plan
7. Remain in a supportive posture until health has been restored

Goals

The primary Goals of the Wellness Team are to…

1. Enhance congregational health
2. Sustain pastoral and pastoral family health
3. Provide conflict resolution
4. Teach appropriate behavioral responses
5. Teach appropriate administrative/management procedures
6. Encourage spiritual growth

Objectives

The objectives of the Wellness Team are…

1. To enable congregations to experience positive relations with themselves, their pastoral teams, their pastoral families, and with their community.
2. To position congregations for continued health maintenance.
3. To enable pastors, leaders and their families to experience positive relations with each other and with the congregations they serve.
4. To promote, encourage and enable pastors and their families to experience therapeutic interventions that will facilitate reconciliation, restoration and in some cases reformation.
5. To act as a bridge between conflicting parties.
6. To arbitrate in situations of deadlock.
7. To model appropriate behavioral responses.
8. To patiently reveal and seek to eliminate inappropriate behavioral responses.
9. To eliminate poor administrative/management structures and procedures.
10. To provide and promote culturally and spiritually appropriate administrative/management structures and procedures.
11. To encourage spiritual development
12. To promote activities, training events, teaching tools, and other resources that will support spiritual development.
Outcomes

The proposed and anticipated outcomes of the Wellness Team include...

1. Resolution of conflicting parties
2. Restored health to pastors, pastoral families, and congregations
3. Development and implementation of a positive and aggressive ministry plan
4. A collegial partnership with the congregation, other congregations, and with State Ministries of the Church of God.464

Models of a Healthy Future (Recovery Scenario)

A Wellness Team met to compare their findings and to seek for patterns from the interviews that might suggest areas of woundedness in a congregation of the Church of God. While we discovered a people who had great passion for the church, and numbers of people who indicated their great love for God, we also felt the pain of all and our sympathetic responses laid a great weight upon our shoulders. The potential of the congregation is diminished by the ill health currently being experienced. The possibility for healing and wholeness is still there and it is our hope that passion for Christ, submission to his teachings, and learning good spiritual health habits and skills will enable healing and reconciliation.

The intent of the team and of this scenario is not to assign blame for past problems. Our primary intent and hope as we offer this scenario is to promote healing, wholeness and a focus on God’s future.

We recommend a complete acceptance of our full recommendations.

Leadership Recommendations

Developed skills in this area would help to create parameters, boundaries, and would enable the congregation to experience creative conflict that would aid growth efforts and lessen the amount of both intentional and unintentional wounding.

L.1. Character Development

As the heart, health, and organization of the church moves toward greater wellness, it is essential that Christian character be an important quality. Respect for differences will warm the hearts of worshipers. Servant hearts are filled with love, honesty, respect, integrity, compassion, desire to go the extra mile, faith, optimism, and dignity. The fruits of the Spirit should be seen in lives. This is a continuing teaching process that stresses high accountability.

L.2. Common Values and Mission Statement

It is significant for the congregation to understand what it values most and what it wants to accomplish. A clear vision statement that communicates the common values of the congregation will help to define ministry objectives.

(Workshops & Conferences could help leadership walk through this process and discover the common values that will help direct future ministry. Indiana Ministries could provide some of this – Many of our resource pastors have led several congregations through this process in a workshop form.)

L.3. Governance and Management Principles

Techniques for handling issues and managing people are essential in today’s churches. Congregational participants, committee and board members could realize the value and support of additional skills in: Preparing agendas for meetings, How to conduct a meeting, How to use time wisely during a meeting, etc. There are many leaders in the Church of God who could facilitate workshops as well as many resources that are available for the local congregation.

(Through INJOY Ministries, Dr. Stan Toler provides the “Church Operations Manual” and George Cladis has written an excellent book entitled “Leading the Team Based Church”. Indiana Ministries makes “The ABC’s of Church Management” available; Carl F. George and Robert E. Logan have put together an audio training called “How to Lead and Manage The Local Church”)

L.4. Job Descriptions for Ministry Leaders

Knowing the task one is expected to accomplish and the accountability and responsibility relationships essential to success, there needs to be clear written job descriptions for all positions of leadership.

(A notebook with additional computer disks is available by Carolyn Weese and Don Riddell. It is called Job Descriptions: A Development Guide for the Local Church [Multi-Staff Ministries at 3819 North 154th Lane, Goodyear, AZ 85338]. Another excellent resource is through the Networking Ministry of Bill Hybels and the Willow Creek Community Church.)

L.5. Increased Communication

Clear, honest communication will help to eliminate a great deal of conflict and build trust.
(The more information made available, the more confidence the people will place in their leadership. —Posted reports, financial accountability, newsletter info, vocal announcements, etc.)


Every time a person’s leadership ability is enhanced the church will benefit. Encourage, enable and empower those with leadership skills. Help people to develop leadership skills by building annual leadership training events into the church budget. It can only make the congregation stronger, better and more financially secure.

(Indiana Ministries can offer many suggestions for leadership development. SHAPE [Sustaining Health and Pastoral Excellence] is a great way to build a pastor’s skills; Institute for Servant Leadership is a three-year training program via Indiana Ministries; area colleges frequently sponsor seminars [Anderson University, Taylor University, etc.]; many church groups and mega-churches are providing leadership training through video simulcasts.)

A. Spiritual Life Recommendations

S.1. Personal Spiritual Growth

The spiritual vitality of the church comes under direct assault when there is division and strife in the local body of believers. Personal spiritual growth is the foundation of a spiritual church. Everyone must be growing in his or her personal relationship with the Lord Jesus Christ. There must be built in devotional programming to facilitate this growth.

S.2. Spirituality in Administration

There is often a pattern in the congregation of seeing some tasks in the church as spiritual in nature, and others as not. A much healthier perspective would be for the church to begin to see everything that is done in the church as being spiritually important to the church’s life. Correspondingly, the need for spiritual vitality, which includes honesty, integrity, and a servant spirit in each member of each board and committee, is crucial.

S.3. Pastor/People Relationship

Healthy relationships between the pastor’s family and the congregation must be developed for the well being of the congregation. The development of trust, loving care and merciful sharing takes intentional work over time. Proper respect must be given to God’s servants and they should offer the same respect to parishioners.)
Mutual accountability for pastors and all leaders will help to develop vision and ministry.

S.4. Organizational Philosophy and Functioning

Leadership positions within the congregation must be for the sole purpose of serving others for Jesus Christ. A philosophical change that moves leadership positions from positions of power and control to positions of servanthood is needed.

1 Timothy 5:17-20 (NIV) - The elders who direct the affairs of the church well are worthy of double honor, especially those whose work is preaching and teaching. [18] For the Scripture says, "Do not muzzle the ox while it is treading out the grain," and "The worker deserves his wages." [19] Do not entertain an accusation against an elder unless it is brought by two or three witnesses. [20] Those who sin are to be rebuked publicly, so that the others may take warning.

John 13:1-17 - It was just before the Passover Feast. Jesus knew that the time had come for him to leave this world and go to the Father. Having loved his own who were in the world, he now showed them the full extent of his love. [2] The evening meal was being served, and the devil had already prompted Judas Iscariot, son of Simon, to betray Jesus. [3] Jesus knew that the Father had put all things under his power, and that he had come from God and was returning to God; [4] so he got up from the meal, took off his outer clothing, and wrapped a towel around his waist. [5] After that, he poured water into a basin and began to wash his disciples' feet, drying them with the towel that was wrapped around him. [6] He came to Simon Peter, who said to him, "Lord, are you going to wash my feet?" [7] Jesus replied, "You do not realize now what I am doing, but later you will understand." [8] "No," said Peter, "you shall never wash my feet." Jesus answered, "Unless I wash you, you have no part with me." [9] "Then, Lord," Simon Peter replied, "not just my feet but my hands and my head as well!" [10] Jesus answered, "A person who has had a bath needs only to wash his feet; his whole body is clean. And you are clean, though not every one of you." [11] For he knew who was going to betray him, and that was why he said not every one was clean. [12] When he had finished washing their feet, he put on his clothes and returned to his place. "Do you understand what I have done for you?" he asked them. [13] "You call me 'Teacher' and 'Lord,' and rightly so, for that is what I am. [14] Now that I, your Lord and Teacher, have washed your feet, you also should wash one another's feet. [15] I have set you an example that you should do as I have done for you. [16] I tell you the truth, no servant is greater than his master, nor is a messenger greater than the one who sent him. [17] Now that you know these things, you will be blessed if you do them."

The leadership should empower other individuals and groups to do ministry effectively.
(Helpful resources we recommend are the 100 Days of Prayer, Great Commandment Ministry by Intimate Life Ministries as well as many others available from the State office.)

**Worship Recommendations**

A healthy church will participate in worship that is holistic. Holistic worship ministers to God in a way that enables all the people to find their point of adoration. It is not a style, it is not a single way of worship and it is not something that is inflexible or exclusionary. It is worship that includes the whole congregation by including aspects that minister to their varied personalities.

A person planning holistic worship recognizes that God is big enough to reach each person within the context of that day’s worship. Paul wrote in Ephesians 5:19;

**Ephesians 5:19** - “Speak to one another with psalms, hymns and spiritual songs. Sing and make music in your heart to the Lord, always giving thanks to God the Father for everything, in the name of our Lord Jesus Christ. Submit to one another out of reverence for Christ.”

These elements need to be remembered in planning and participating. This is a continuing teaching process that stresses high accountability in worship:

**W.1. Worship is about God first the congregation second and the individual third.**

- Not everyone has the same tastes. But that doesn’t mean that one’s tastes in worship are more or less spiritual than someone else.

- Everyone expresses relationship with God in worship differently. Some are demonstrative and others are reserved. One is not necessarily better than another.

- Each of us brings different needs to public worship. One person may need to celebrate what God has done in their life and another may need to cry out to God in their pain and hurt. Worship must allow each.

- One may not like the style of a given part of the worship service, but one should have love for the person that is being ministered to by it.

- If someone doesn’t get fed by worship it is not anyone’s fault but their own. The Holy Spirit wants to speak to us all the time and in many ways.
W.2. I will not be the one who is responsible for bringing division into worship.

I will submit to God and to others. By being conscientious of others I will be conscientious of God.
(There are many good worship training resources and programs available through Mainstay ministries, Natural Church Development and the Church of God Task Force on Worship. There are also several qualified music ministers within the state that would be helpful in working with your current leadership and congregation.)

Structure and Organizational Recommendations

The concerns identified by the congregation during interviews with the wellness team noted several structural or organizational problems. It is recommended that the congregation suspends its current by-laws for one year and operate under the guidance of a leadership committee. Everything that must be done will fall under the control of the leadership committee. The leadership committee will be made up of four congregational members, the senior pastor and two members from the wellness team. During the year, bylaw revisions, structural changes and other administrative problems will be addressed. At the end of one year the old bylaws may be reinstated or the congregation may implement the newly developed bylaws and policies.

Items to be considered by the Steering committee will include:

- Revision of the bylaws
- Leadership development
- Gifts Survey of the Congregation
- Assessment of Key Ministries for the Congregation
- Develop an understanding of the Historic Vision/Foundations of the Church of God
- Develop a Pro-Active Approach to conflict management

Conclusion:

It is not the intent of the Wellness Team to provide an all-inclusive list of resources but instead to introduce a few possibilities and to encourage you to explore and experience. May God bless you in your journey!465

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Wellness Team Proposal

FOR

(Name) CHURCH OF GOD

(City), (State)

Prepared by: (Wellness Team Leader)

Date:

The Church of God in (City), (State) offers valuable ministry to the community and maintains a mainstream involvement with other Church of God congregations in (State). Pastoral and lay leaders have made strategic contributions of skill and gifted ministry to a vast array of community, district, state, and national ministries.

We, in the (State or Regional) Office, hold the congregation as a valuable family in the Kingdom of God. Therefore, the offer of “consultative services” bares no open or hidden suggestion of disrespect or interventive control. Rather, the philosophy of (State) Ministries is one of being a ready resource for congregational life.

The following descriptive outline is intended to be informative. The remarks are not to be taken as concrete or final. They are offered as an introduction to a process that all of us hope will lead toward, greater health and prove to be a window of opportunity for the faith journey and mission adventure of the pastor, leaders, and congregation.

WELLNESS TEAM

Four (4) members
Selected by State Church of God Leadership
Team Members:
These friends of the congregation will be persons that are deserving of the confidence and trust that you would expect displayed for such individuals.
The pastoral, lay leadership, and congregational members of
________________________________________Church will find
themselves very comfortable with the experience, gifts, and compassion
for the church that these persons will bring to the task.

DURATION

Wellness Teams enable the congregation to work together on process as opposed to what some call a “quick fix” approach. The Team is committed to a length of time that has few, if any, constraints.
TASKS:

1. Diagnostic Listening
   * Interviews with a variety of persons
     - Pastoral Staff
     - Leadership Structure of the congregation
     - Congregational Members
     - Persons no longer attending the congregation
     - Former pastors
   * Informational Research
     - Historical Evaluations
     - Bylaws
     - Official Actions of Leadership Groups
     - Ministry Programming
     - Staff Relationships & Staff Development

2. Strategic Planning
   * Body Life
   * Leadership
     - Style
     - Assessment
     - Transition Perspectives
   * Bylaws Assessment
   * Polity Reconfiguration
   * Worship, Discipleship, and Nurture
   * Change Issues

3. Futuristic Visioning
   * Vision Casting
   * Leadership Development
   * Church Health
   * Ministry Planning
   * Concluding Positional Report
     - Pastoral Staff
     - Congregational Leadership
     - Department of Church Growth/Wellness Team Task Force

**Block Conclusion**

Gene Wood in *Leading Turnaround Churches* wrote about strategic principles that he discovered through the game of Chess. As a metaphor for life and ministry he believes the strategic principles it teaches include:

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Conflict need not be raucous or physical. Chess is a very civil competition.

- Losing your temper is taboo.
- The goal is to protect the king at all costs. (Jesus is the King.)
- The pieces on the board have different capabilities.
- The game is both defensive and offensive.
- Occasionally pieces should be sacrificed for the ultimate good. Other times pieces are traded. (Think of chess pieces as issues, not people. Not every issue is worth dying for.)
- It is possible to regain a lost piece, but it is not probable or to be assumed. Once a piece is lost, let it go. Stay focused.
- You cannot play the game without losing some pieces.
- Every piece moved on the board changes the game permanently and radically.

Remember, chess is an emotionally demanding game in part because it requires such thought, constant re-evaluation, and self restraint.\textsuperscript{467}

While conflict is inevitable it can become an opportunity for growth, testing, and a building of our faith. It should not be avoided but faced with humility, partnership within the body of Christ, and a dependence upon God.

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