



**"EXCITING NEWS – ELBERT T. CHESTER HAS BEEN FEATURED
IN A NEW PRESS RELEASE, RECEIVING SPECIAL RECOGNITION
ACROSS ABC, CBS, NBC, FOX, AND OVER 300 OTHER MEDIA
OUTLETS!"**



ETC CPA HQ

☎ 516-775-CPA2 / 844-291-CPA2

@ etc@cpa.com

in www.linkedin.com/in/etccpa





Church Compliance Toolkit

This slide provides an overview of the key legal and compliance considerations for churches, including tax-exempt status, employment laws, and risk management.

Introduction to Church Compliance



WHAT IS CHURCH COMPLIANCE?

Church compliance refers to the set of laws, regulations, and best practices that churches must adhere to in order to maintain their legal and tax-exempt status, protect their employees and congregants, and fulfill their ministry effectively.



IMPORTANCE OF CHURCH COMPLIANCE

Adhering to church compliance ensures that a church remains in good standing with government authorities, protects the church from legal and financial risks, and allows the church to focus on its spiritual mission without distraction.



KEY AREAS OF CHURCH COMPLIANCE

Church compliance covers a wide range of areas, including tax regulations, employment laws, safety standards, child protection policies, and nonprofit governance requirements.



ROLE OF CHURCH LEADERSHIP

Church leadership, including pastors, elders, and board members, are responsible for

UNDERSTANDING AND MAINTAINING CHURCH COMPLIANCE IS CRUCIAL FOR MINISTRY LEADERS TO EFFECTIVELY AND RESPONSIBLY MANAGE THEIR CHURCH, PROTECT THEIR CONGREGATION, AND FULFILL THEIR SPIRITUAL MISSION.

Legal Compliance Essentials

- **TAX-EXEMPT STATUS**

Maintain compliance with IRS regulations for tax-exempt organizations, including filing annual returns, documenting unrelated business income, and adhering to restrictions on political activity.

- **EMPLOYMENT LAWS**

Comply with federal and state employment laws regarding hiring, termination, wages, benefits, discrimination, and workplace safety.

- **MANDATORY REPORTING**

Understand and fulfill legal obligations to report suspected child abuse or neglect, as mandated by state laws, and establish appropriate policies and training for staff and volunteers.

- **GOVERNANCE AND POLICIES**

Ensure church bylaws, policies, and procedures are legally sound and properly documented, and that the church leadership structure and decision-making processes align with legal requirements.

- **FACILITY AND RISK MANAGEMENT**

Address legal considerations for church facilities, including property ownership, accessibility, safety, and liability insurance to mitigate risks.

Financial Stewardship and Accountability

Responsible financial management is essential for the long-term sustainability and growth of a church. Effective budgeting, detailed recordkeeping, and transparent reporting to the congregation demonstrate good stewardship of the resources entrusted to the church. These practices build trust, ensure compliance with relevant laws and regulations, and enable the church to allocate funds efficiently to fulfill its mission.



Operational Best Practices

VOLUNTEER MANAGEMENT

Establish clear policies and procedures for recruiting, training, and managing volunteers. Define roles, responsibilities, and expectations. Provide ongoing support and recognition.

FACILITY MAINTENANCE

Implement a comprehensive maintenance plan to ensure the church building and grounds are well-kept, safe, and functional. Schedule regular inspections, address issues promptly, and plan for long-term improvements.

RISK MANAGEMENT

Identify potential risks, such as accidents, natural disasters, or criminal activities, and develop strategies to mitigate them. Establish emergency plans, review insurance coverage, and train staff and volunteers on safety protocols.

FINANCIAL CONTROLS

Implement strong financial controls, including segregation of duties, regular audits, and clear policies for handling cash, making purchases, and approving expenditures. Ensure transparency and accountability in all financial matters.

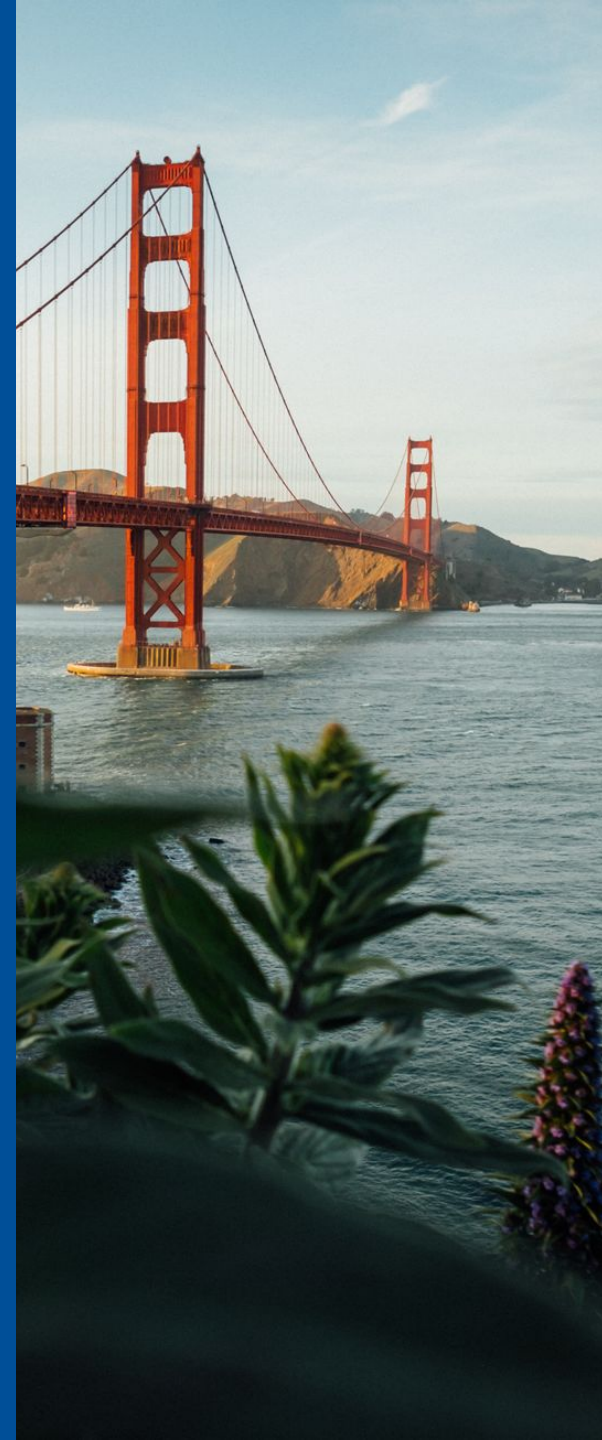
DATA SECURITY

Protect sensitive data, such as member information and financial records, by implementing robust cybersecurity measures. Develop data backup and disaster recovery plans, and train staff on data privacy and security best practices.

AGENDA

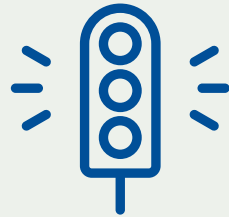
Top Concerns

- 1 | VIOLATION OF 501C3
- 2 | FRAUD AND EMBEZZLEMENT
- 3 | CONFLICT RESOLUTION & MEDIATION
- 4 | SEXUAL ABUSE & CHILD ABUSE
- 5 | FINANCIAL REPORTING





Accountability, Transparency, & Corporate Governance



OVERRIDE THE SYSTEM

Strong Internal Controls



OVERSIGHT COMMITTEES

Review duties, whistleblower policies,
update to bylaws, technology integration 🗨️



Process - Sexual & Child Abuse

**POLICY
IMPLEMENTATION**

**IMMEDIATE
RESPONSE**

**MANDATORY
REPORTING**

**INVESTIGATION & DUE
PROCESS**

VICTIM SUPPORT

The Church Compliance Toolkit

LEGAL TEMPLATES & POLICIES

COMPLIANCE CHECKLISTS

**EXPERT GUIDANCE
& CONSULTING**

REPORTING & DOCUMENTATION



CHECKLIST TOOLBOX



501C3 CHECKLIST



BYLAWS CHECKLIST



CLERGY TAX & RETIREMENT CHECKLIST



BOARD OF TRUSTEES CHECKLIST



COMPENSATION CHECKLIST



GOVERNANCE CHECKLIST



HOUSING ALLOWANCE CHECKLIST



**PAYROLL & INDEPENDENT CONTRACTOR
CHECKLIST**



ETC CPA HQ

☎ 516-775-CPA2 / 844-291-CPA2

@ etc@cpa.com

in www.linkedin.com/in/etccpa

