



## **ETERNAL LIFE FELLOWSHIP MINISTRIES & GLOBAL NETWORK**

**Church Standard Operating Procedures  
Local Church Financial Reporting Protocol  
Congregations in the United States**

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**Apostle Dr. Michael L. Hargett, Sr. PhD  
Servant Leader**

## Revision Record

Revision	Date	Responsible	Notes
1.0.0	01-15-13	Committee	Original Document of LAOM
2.0.0	01-15-18	Apostolic Council	5 Year Review

This document reflects the official policies for and approaches to ministry by LAWMLACC/OAFA. This document supplements the ministry’s constitution by spelling out official guidelines that may be adopted by local congregations for business meetings over a period of time. The ministry’s constitution defines who we are as a ministry; the Administrative Manual defines how we seek to specifically function as a ministry fellowship within the framework of the ministry constitution.

“FAITH IT OUT – UNTIL YOU MAKE IT OUT!”

**ETERNAL LIFE FELLOWSHIP MINISTRIES  
& GLOBAL NETWORK**

**Standard Operating Procedures  
Local Church Financial Reporting Procedures**

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## **Financial Reports**

One of the most important functions of a Treasurer/Trustee and/or Ministry Trustee is to provide reports to the leadership and congregation (and maybe a lender or other third party) that communicate the financial position and results of operation of the ministry. Different reporting formats are usually appropriate for different users. The financial statements should be designed to meet the needs of the user and should be prepared following all General Accepted Accounting Principles (GAAP) on a timely basis.

The format of the financial report should be simple and easily understood. Additionally, the reports should be all-inclusive and should have a point of comparison, such as a comparison to the budget or to last year's figures. Finally, the reports should provide the needed detail for decision-making and should be developed in accordance with the By Laws of the church. As such, the Treasurer/Trustee /Trustee should include a verbal or written report which points out critical items and areas.

### **Monthly Reports to the Board**

Basic financial statements: statements of activities and cash flows (Income Statement and Cash Flow Statement and a statement of financial position (Balance Sheet) should be prepared and presented to the Board monthly.

### **What Should Be Reported**

The Income Statement is an income and expense report that provides a summary of the operating results for a specific period of time. This statement should be compared to your budget. As such, the Income Statement may be shown in great detail or may be shown in a summarized manner depending on the needs of the user.

**ELFM**  
**Finance Internal Controls Policy**

**Eternal Life Fellowship Ministries**  
**& Global Network**

**Local Church Organizations**

**A. Financial Accounts**

Any organization which maintains a financial account, (checking, savings, certificate of deposit, etc.), that is associated with Silver Hill United Methodist Church - or the use of Silver Hill's federal ID number on the account, must have all statements of account available upon request. The following is a list of current accounts known: *(List your known accounts here)*

The name, address, and telephone number of the person who controls the account for each organization should be provided upon request.

**B. Statement of Purpose**

Each organization needing a separate checking account will provide a "Statement of Purpose" describing a general intent or purpose of the organization.

**C. New Financial Accounts**

In order to establish a new EFLM affiliated checking account or special fund, the organization requesting the account must have approval of the Administrative Council. A written request should be submitted to the church treasurer or financial secretary with an explanation of the purpose for the account. The request will be reviewed at the next Administrative Council meeting, and a decision will be communicated to the organization within one week of meeting.

**Expenditures**

**A. Reimbursement Requests**

Any request for reimbursement of church related expenses must include valid receipts.

**B. Documentation Requirements**

Checks will be prepared by the church treasurer for valid receipts as needed in a timely manner. The checks should be accompanied by the proper invoices or receipts. Any check without the required attachments supporting the disbursement should NEVER be signed.

**C. Church Charge Accounts**

The finance committee will annually review church charge accounts and designate authorized purchasers. Current Charge Accounts include: *(list here)*

## **Collections and Bank Deposits**

### **A. Sunday Offering**

Sunday offerings will be counted and verified by two unrelated people. The designated counters will take the offerings immediately after the service to a designated area. The two counters will then tally all cash, coin, and checks, fill out a tally sheet (Form A) and sign off in ink.

The offering and tally sheet will be placed in the bank bag & put in possession of the church treasurer. The church treasurer will, in a timely manner, open and recount the offerings and sign off (in ink) for verification. The church treasurer will then record offerings to appropriate funds, fill out and make the bank deposit.

Any offerings that are hand delivered or mailed to the church or member will be recorded and held until the next deposit is made.

Individuals that bring cash contributions should receive, upon request, a receipt with a copy of the receipt retained by the treasurer.

### **B. Fund Raisers**

Money collected at other ELM events should be counted by two unrelated individuals that were designated for that particular event. A tally sheet should be filled out and signed (in ink) by the two counters and turned in to the treasurer within 24 hours of the event. The church treasurer will place these offerings in a separate envelope until the following day's deposit is made.

### **C. Memorial and Honorarium Gifts**

Money or other gifts given for memorials and honorariums go to either a designated or undesignated fund. The church treasurer will notify the family or person memorialized or honored with a card or letter noting the name(s) of the donor but not the amount of the gift.

Money and other gifts may be designated for special projects approved by the appropriate committee or board. Under no circumstances will designated money be used for any purpose other than what the funds were designated for without specific permission from the giver.

The Administrative Council will determine how undesignated money given in honor or in memory of friends and loved ones is to be used.

## Assets

### A. **Bonding**

The Book of Discipline requires that treasurers be adequately bonded.

### B. **Insurance**

A member of the trustees will review church insurance policies each year to insure adequate coverage.

### C. **Bank Reconciliations**

Adequate steps should be taken to confirm accuracy of balances shown in all financial accounts. Balances of these accounts shall be compared to monthly reconciliation accounts. Differences will be documented using reconciling items.

Reconciliations should be completed monthly. All accounts should be reconciled to a ledger on a regular and timely basis. Reconciliations will be reviewed and monitored by members of the Finance Committee. The reconciliation is the responsibility of the church treasurer. It is their responsibility to accurately prepare, approve and clear reconciliations in a timely manner.

## **Committees / Employees**

A. **Committees:** Each of ELFM incoming committee members should receive a copy of the Procedures Manual. They will be asked to sign a form (Form B) noting they have read and understood the aforementioned.

B. **Employees:** All employees should receive a copy of the Procedures Manual. They will be asked to sign a form (Form B) noting they have read and understood the manual.

## **Finance Committee Responsibilities**

A. **Bank Statements:** The finance chair should receive copies of monthly bank statements. They should review the statements noting lack of authorized signatures, unusual vendors, etc.

B. **Revenues:** The deposits from the bank statements should be compared to the financial statements each quarter. If anything is questionable, the deposits and the required attachments should be reviewed.



- C. **Church Audits:** The finance committee will insure that a "review of agreed upon procedures" of the church's internal controls, financial records, year-end financial statements be conducted annually. This can be done by an independent member of the congregation with financial knowledge or even the treasurer of a neighboring church.

The Book of Discipline does not say that an audit/review must be performed by a professional or that it must conform to generally accepted auditing standards. Persons who handle the church funds, including the pastor, should not perform the review/audit.

## Sample Church General Fund Income Statement (Summarized)

### Sample Statement of Revenue and Expense Per month/Year to Date

	General Fund	Restricted Fund	Plant Fund	Endowment Fund	Total All Funds
<b>Support and Revenue</b>					
Contributions	309,027	5,472	16,575		331,074
Interest Income	6,132	3,655	640	5,130	15,557
Workshops/Events Income	733				733
Bequests				10,000	10,000
<b>Total Support and Revenue</b>	<b>315,892</b>	<b>9,127</b>	<b>17,215</b>	<b>15,130</b>	<b>357,364</b>
<b>Expenses (by Program)</b>					
Worship	98,541	2,435		5,000	105,976
Education	10,205	750			10,955
Care/Fellowship	9,876	219			10,095
Evangelism	9,545				9,545
Resources	46,723				46,723
Community Relief	3,000	1,934			4,934
Youth	3,025				3,025
Administration	123,786		11,000		134,786
<b>Total Expenses</b>	<b>304,701</b>	<b>5,338</b>	<b>11,000</b>	<b>5,000</b>	<b>326,039</b>
<b>Excess of Support and Revenue over Expenses</b>	<b>11,191</b>	<b>3,789</b>	<b>6,215</b>	<b>10,130</b>	<b>31,325</b>
<b>Fund Balances at Beginning of Fiscal Year</b>	<b>41,730</b>	<b>72,158</b>	<b>446,995</b>	<b>55,370</b>	<b>616,253</b>
<b>Fund Balances at End of Fiscal Year</b>	<b>52,921</b>	<b>75,947</b>	<b>453,210</b>	<b>65,500</b>	<b>647,578</b>

## LOVING ARMS WORLD MINISTRIES & APOSTOLIC COUNCIL OF CHURCHES MONTHLY EXPENSES ANNUAL REPORT

**2014**

BUDGET TOTALS	ESTIMATED	ACTUAL	DIFFERENCE
Tithes & Offerings	20,000.00	12,628.00	7,372.00
Expenses	21,425.00	7,625.00	13,800.00
Balance (Income minus Expenses)	(1,425.00)	5,003.00	(6,428.00)

### BUDGET OVERVIEW



### WHAT ARE OUR 5 HIGHEST OPERATING EXPENSES?

EXPENSE	AMOUNT	% OF EXPENSES
Rent	9,600.00	48.0%
Utilities	2,250.00	11.3%
Evangelism	300.00	1.5%
Benevolence	300.00	1.5%
Missions & Ministry	300.00	1.5%
<b>Total</b>	<b>12,750.00</b>	<b>63.8%</b>

INCOME	ESTIMATED	ACTUAL	DIFFERENCE
Tithes & Offerings	20,000.00	12,628.00	7,372.00
Interest Income	300.00	75.00	225.00
Building Fund	1,600.00	1,600.00	0.00
<b>Total</b>	<b>21,900.00</b>	<b>14,303.00</b>	<b>7,597.00</b>

PERSONNEL EXPENSES	ESTIMATED	ACTUAL	DIFFERENCE
Wages	0.00	0.00	0.00
Employee benefits	0.00	0.00	0.00
Commission	0.00	0.00	0.00
<b>Total Personnel</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

OPERATING EXPENSES	ESTIMATED	ACTUAL	DIFFERENCE
Rent	9,600.00	0.00	9,600.00
Outstanding Debts	600.00	300.00	300.00
Ministry Offerings	600.00	300.00	300.00
Utilities	2,250.00	1,200.00	1,050.00
Benevolence	1,200.00	600.00	600.00
Dues and subscriptions	100.00	50.00	50.00
Insurance	700.00	700.00	0.00
Interest	0.00	0.00	0.00
Legal and auditing	0.00	0.00	0.00
Maintenance and repairs	0.00	0.00	0.00
Office supplies	500.00	350.00	150.00
Postage	75.00	75.00	0.00
Supplies	600.00	350.00	250.00
Internet & Social Media Services	600.00	500.00	100.00
Family & Friends Day	3,000.00	2,200.00	800.00
Missions & Ministry	700.00	550.00	150.00
Training	300.00	150.00	150.00
Evangelism	300.00	150.00	150.00
Holiday & Special Programs	300.00	150.00	150.00
	0.00	0.00	0.00
<b>Total Operating</b>	<b>21,425.00</b>	<b>7,625.00</b>	<b>13,800.00</b>

**Sample Church Budgeted General Fund Income Statement  
(Expanded)**

**Sample General Fund  
Statement of Revenue and Expense  
for the Month and Year-to-Date Ending (Current Month)**

<b>Support and Revenue</b>	<b>Month</b>	<b>Year-to-Date</b>	<b>Budget</b>	<b>Budget Remaining</b>	<b>% of Budget Rec'd/Spent</b>
Contributions	26,417	247,123	305,000	57,877	81.02%
Interest Income	623	5,112	5,000	(112)	102.24%
Workshops/Events Income	214	600	1,000	400	60.00%
<b>Total Support and Revenue</b>	<b>27,254</b>	<b>252,835</b>	<b>311,000</b>	<b>58,165</b>	<b>81.30%</b>
<b>Expenses (by Program)</b>					
Worship	9,000	77,845	100,000	22,155	77.85%
Education	2,403	9,453	10,000	547	94.53%
Care/Fellowship	925	8,766	10,000	1,234	87.66%
Evangelism	1,613	8,453	10,000	1,547	84.53%
Resources	2,543	28,488	50,000	21,512	56.98%
Community Relief	800	2,475	3,000	525	82.50%
Youth	865	2,776	3,000	224	92.53%
Administration	10,325	111,457	125,000	13,543	89.17%
<b>Total Expenses</b>	<b>28,474</b>	<b>249,713</b>	<b>311,000</b>	<b>61,287</b>	<b>80.29%</b>
<b>Excess of Support and Revenue over Expenses</b>	<b>(1,220)</b>	<b>3,122</b>	<b>-</b>	<b>(3,122)</b>	

## Cash Flow Statement Sample

### Sample Statement of Cash Flows Per Month/Year to Date

	General Fund	Restricted Fund	Plant Fund	Endowment Fund	Total All Funds
<b>Operating Cash Flows</b>					
Excess Revenues (Expenses)	11,191	3,789	6,215	10,130	31,325
Adjustments:					
Depreciation	2,796				2,796
Change in Prepaid Expenses	(1,248)				(1,248)
Change in Accounts Payable	1,525				1,525
Change in Payroll Withholding	(78)				(78)
Change in Deferred Revenues	(6,525)				(6,525)
<b>TOTAL ASSETS</b>	<b>7,661</b>	<b>3,789</b>	<b>6,215</b>	<b>10,130</b>	<b>27,795</b>
<b>Financing Cash Flows</b>					
Proceeds from Borrowings					-
Repayment of Debt			(25,000)		(25,000)
<b>Net Financing Cash Flows</b>	-	-	(25,000)	-	(25,000)
<b>Investing Cash Flows</b>					
Fixed Assets Sales (Purchases)	(5,755)				(5,755)
Purchase of Investments	(10,000)	(75,000)		(50,000)	(135,000)
Proceeds of Investments	-	60,000		47,000	107,000
<b>Net Investing Cash Flows</b>	<b>(15,755)</b>	<b>(15,000)</b>	-	<b>(3,000)</b>	<b>(33,755)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>(8,094)</b>	<b>(11,211)</b>	<b>(18,785)</b>	<b>7,130</b>	<b>(30,960)</b>
<b>Transfers</b>	<b>(10,000)</b>		<b>10,000</b>		<b>-</b>
<b>Cash and Cash Equivalents:</b>					
Beginning of Fiscal Year	80,627	44,158	24,995	1,370	151,150
End of Fiscal Year	62,533	32,947	16,210	8,500	120,190

In addition, the Treasurer/Trustee /Trustee should provide a report that identifies critical items. This may mean supplemental statements and charts are needed to best communicate the periodic results, especially to the congregation. Great care should be taken to prepare all reports from the same financial data so that you do not relay conflicting information.

## Financial Position

A statement of financial position (*Balance Sheet*) shows assets, liabilities, and net assets as of the end of a period such as a month, quarter, or year (i.e., it shows how the two sides of the accounting equation (Assets – Liabilities = Net Assets balance in your organization). In addition to summarizing assets and liabilities, the Balance Sheet also summarizes the fund balance.

### SAMPLE CHURCH BALANCE SHEET

**Sample Congregational Balance Sheet**  
Per month/Year to Date

<b>ASSETS</b>	<b>General Fund</b>	<b>Restricted Fund</b>	<b>Plant Fund</b>	<b>Endowment Fund</b>	<b>Total All Funds</b>
Cash and Cash Equivalents	62,533	32,947	16,210	8,500	120,190
Accounts Receivable	1,768				1,768
Pledges Receivable	72,000				72,000
Other Current Assets	4,765				4,765
Land, Buildings and Equipment	525,000				525,000
Investments	10,000	43,000	62,000		115,000
<b>TOTAL ASSETS</b>	<b>676,066</b>	<b>75,947</b>	<b>78,210</b>	<b>8,500</b>	<b>838,723</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Accounts Payable	3,621			5,000	8,621
Payroll Withholding	524				524
Deferred Revenue	22,000				22,000
Current Portion Lon-Term Debt			10,000		10,000
Long-Term Debt			150,000		150,000
<b>Total Liabilities</b>	<b>26,145</b>	<b>-</b>	<b>160,000</b>	<b>5,000</b>	<b>191,145</b>
<b>Fund Balances</b>					
Unrestricted	52,921				52,921
Temporarily Restricted		75,947			75,947
Permanently Restricted				65,500	65,500
Net Investment in Plant			453,210		453,210
<b>Total Fund Balances</b>	<b>52,921</b>	<b>75,947</b>	<b>453,210</b>	<b>65,500</b>	<b>647,578</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>79,066</b>	<b>75,947</b>	<b>613,210</b>	<b>70,500</b>	<b>838,723</b>

## **Designated Funds**

Unique accounting standards require that non-profit organizations report contributed income in one of three categories: unrestricted (operating fund), temporarily restricted (designated fund), or permanently restricted (designated fund).

## **Unrestricted Funds**

Members are encouraged to support the ministry of the church through regular gifts and offerings to the general operating fund of the church. These funds are considered unrestricted and may be used as directed by the church to fund any area of ministry the church may designate. The church reserves the right to move money from one budget item to another to insure adequate resources for ministry areas. The church may authorize the Budget Committee to adjust items within the budget as necessary and report such changes to the church either in printed form or in an oral report at a church congregational meeting. The unrestricted fund balance is reported on the Balance Sheet.

## **Temporarily Restricted Funds**

These funds have donor-imposed restrictions that can be fulfilled in one of two ways: passage of a defined period of time (time restriction) or by performing defined activities (purpose restriction). These funds most often either come from a grant or charitable contribution received to operate a specific program or project, or from individual contributions given with the intent of supporting a particular program or campaign. The temporarily restricted fund balance is reported on the Balance Sheet.

## **Restricted Funds**

These funds are restricted by the donor for a designated purpose or time restriction that will never expire. The intent is that the principle balance of the contribution will remain as an investment forever, and the nonprofit will utilize the interest and investment returns, such as with an endowment. The restricted fund balances is also reported on the Balance Sheet.

## **How To Prepare The Reports**

If you don't have a computerized accounting system to automatically generate the Balance Sheet, Income Statement and Cash Flow Statement, then you should follow the steps below.

### **How To Prepare A Balance Sheet**

1. Prepare a spreadsheet document to receive four columns of data - a text list with subsections "Assets," "Liabilities" and "Fund balance" to the far left - and three columns of figures to the right
2. Summarize and subtotal all church assets.
  - a. These will include all cash accounts, investment accounts and property on the church books. List these in the "Assets" section of the church balance sheet.
  - b. Place the summarized figures in the second column from the left.
  - c. Place a subtotal on the next line in the far right column and label this line "Total Assets."
  - d. Place a double underline on this figure; it represents the first half of the church balance sheet.
3. Summarize and subtotal all church liabilities.
  - a. List these in the "Liabilities" section of the church balance sheet.
  - b. Place the summary figures in the second column from the left.
  - c. Place a subtotal on the next line, in the far right column of the balance sheet.
4. List your church's fund balances in the "Fund Balance" section.
  - a. The first line item in this section will be "General Fund" - consult your accounting records for a beginning general fund balance.
  - b. The second line will be "Designated Funds" - take this figure from the "Total Designated Funds" line on the fund balances report you prepared in Section 2.
  - c. The third line item will be "Excess Income Over Expenses." This figure will be found at the bottom of your statement of income and expenses.
  - d. Place all these figures in the column second from the right.
  - e. Subtotal these figures in the far right column. Label this line item "Total Fund Balance." Underline this figure.
5. Calculate the sum of "Total Liabilities" and "Total Fund Balance."
  - a. Place this sum at the bottom of your balance sheet, in the far right column; double underline this figure.
  - b. This total should be exactly the same as the number under "Total Assets."

## **How to Prepare an Income Statement**

1. Prepare a spreadsheet document to record a column of text descriptions to the far left and three columns of figures to the right.
2. Summarize and subtotal the church's general fund income (undesignated donations) for the accounting period to be reported on the church financial statements.
  - a. List these in far right column of your document under the heading "General Fund."
  - b. Place the summary figures in the second column from the right.
  - c. Place a "Total Income" subtotal line directly beneath these, with the subtotal figure in the far right column.
3. Summarize and subtotal the church's expenses for the same period.
  - a. List these in the far left column under the heading "Expenses."
  - b. Place the summary figures in the column second from the left.
  - c. Group like expenses together, and place subtotals for each group of expenses in the column second from the right.
  - d. Place a total of all expenses on a separate line labeled "Total Expenses," with the amount in the far right column.
4. Calculate the difference between "Total Income" and "Total Expenses."
  - a. Place this amount in the far right column as a separate line item labeled "Excess Income Over Expenses."



## **How to Prepare a Cash Flow Statement**

1. Assemble all church accounting records showing cash disbursements and cash receipts for the accounting period being reported on your church financial statements.
  - ✓ Verify that all bank accounts have been reconciled to church accounting records.
2. Record a beginning cash balance, then a summary of cash disbursements, a summary of cash income and, finally, an ending cash balance.
  - ✓ More or less detail can be shown on the cash flow statement, depending on the preference of board members.
3. Prepare a fund balances report, listing all designated funds, a beginning balance, total debits and total credits, and an ending balance for each fund.
  - ✓ A grand total of all designated funds will be at the end of the report.
  - ✓ The report may also show the general fund balance.

## **Annual Reports to The Congregational Meeting**

The Treasurer/Trustee /Trustee should prepare the annual reports to the Congregational Meeting in accordance with the By Laws of the local church.

### **What Should Be Reported**

At a minimum, the financial statements should consist of a Balance Sheet and Income Statement (also called a Statement of Activity or Statement of Revenue and Expense). A Statement of Cash Flow (also called a Statement of Changes in Cash Position) is also very desirable.

### **How to Prepare Reports**

See above.

## Quarterly/Annual Reports to ELFM

ELFM may request the following information from your church:

### 1. Information for ELFM Database and Communications

Name and Address of Church Office	
Church Office Telephone Number	
Church Office Fax Number	
Church Office email address	
Church website address	
Worship Location	
Worship day(s) and times	
Name, Address, Phone Number and Email Address of Pastor	
Names, Addresses, Phone Numbers and Email Addresses of Staff Clergy	
Names, Addresses, Phone Numbers and Email Addresses of Lay Staff	
Names, Addresses, Phone Numbers and Email Addresses of Lay Delegates	
Names, Addresses, Phone Numbers and Email Addresses of Members of the Board of Directors and their Position on the Board	
Associated Non-Profit Social Service Organization. If your church formed a non-profit, please indicate the name and the type of work carried out by that organization.	

## 2. Information about Strategic Plan Implementation

Please share the goals for your church in each area and briefly describe what your church did during the year to accomplish the goal.

Strategic Priority	Your Church Goals for 20xx	Accomplishments
Marketing – what are your goals to communicate with your members, your visitors and your community? How many hits do you have on your website annually?		
Justice – What Justice work is your church involved with (include here HIV/AIDS; Pride events; Marriage Equality; work with the poor, the homeless, food pantry, etc.? Be sure to indicate the approximate number of people served each year in each of these programs.)		
Evangelism – What is your church doing to stimulate growth both in your church and/or in planting new churches or forming an alliance with a church in another country?		
Resources – What resources offered by the ELFM is your church making use of or what resources are you sharing with other churches in LAWMLACC/OAFA?		
Finances – What is your church doing to build a culture of generosity for ELFM and for your church? Does your church participate in the twice annual special offerings? Does your church pay assessments at the 12.5% level?		

### 3. Information About Finances

Attach the Balance Sheet (listing of assets and liabilities) for your church and for any entity under the control (direct or indirect) of the church as of 12/31/20xx.

Attach the Income Statement (listing of all income and expenses) for your church and for any entity under the control (direct or indirect) of the church for the year 20xx.

Attach the Budget for your church and for any entity under the control (direct or indirect) of the church for the year 20xx.

Do you have any debt more than 90 days outstanding?	
Are you in default on any contractual obligation?	
Has any designated money been used for other than the purpose given?	
Have any law suits been filed against you or any employee of your church?	
Are any law suits threatened?	
Are you up-to-date with your monthly assessments (tithes)?	
If not, do you have an approved waiver of tithes or repayment plan?	

### 4. By-Laws

Do you have written By Laws for your church?	
Have the By Laws been approved by the ELFM Elder for your church?	
If so, what was the date of approval by the Elder?	

## **5. Risk Management**

- Attach a copy of your General Liability Policy and Certificate.
- Attach a copy of your Employer Liability Policy and Certificate.
- Attach a copy of your Worker's Compensation Policy and Certificate.
- Attach a copy of your Health Insurance Policy and Certificate for your pastor(s).
- If your Nation or State requires an annual registration as a charitable organization, attach a copy to this report.
- Attach a copy of a completed Risk Management Audit (form is attached)
- Attach a copy of the title deeds of all owned property, if not previously submitted.
- Attach a copy of the Pastor's current contract, if not previously submitted.

## 6. Information on Church Property

- We do not own (or are not purchasing) any land or buildings
- We own (or are purchasing) land, but no buildings.
- The approximate market value of the land is \_\_\_\_\_ (please state currency)
  - The approximate size of the land is \_\_\_\_\_ (please indicate unit of measure)
- We own (or are purchasing) land and buildings.
- The approximate value of our property is \_\_\_\_\_ (please state currency)
- We still owe on our property
- The amount owed at present is \_\_\_\_\_ (please state currency)
- The interest rate on our mortgage is \_\_\_\_\_%
- Yes: We have enough land to build/expand our facilities
- The total amount of land is) \_\_\_\_\_ (state unit of measure)
- No: We do not have enough land to build/expand our facilities
- Our property is too small for our congregation;
- Our property is just right for our congregation;
- Our property is too large for our congregation.
- We worship and have church activities in someone's home.
- The home is too small for our congregation
  - The home is just right for our congregation
- We rent space for worship and church activities
- We pay \_\_\_\_\_ a month for rent. (please state currency used).
  - Our rental space is too small
  - Our rental space is just right
  - Our rental space is too large

**7. Other**

1. What resources would help you be more effective in ministry? For example: training, education, books, worship materials, music, HIV/AIDS information, drug recovery programs, leadership skills training, financial management.
2. What is the most important Outreach Ministry your church is rendering in service to others outside of its walls? For example social programming, service work, justice ministry, evangelism.

Approximately how many children (0-11 years of age) do you have in your church? \_\_\_\_\_

Approximately how many youth (12-18 years of age) do you have in your church? \_\_\_\_\_

In addition, ELFM may request additional risk management details from your church:



**Employment (Paid and Volunteer)**

	Yes	No	Don't Know	Comment
Does each Clergyperson (paid or volunteer) who is doing an active, authorized and accountable ministry in your church have a current employment contract/covenant?				
Do you have a sexual harassment policy?				
Have background checks been done on all persons (paid or volunteer) who are involved in children, youth or counseling ministries?				
Do you have personnel policies concerning the handling of employee records that address the privacy issues involved?				
Do you have personnel policies approved by the Board to promptly and thoroughly investigate allegations of misconduct by employees?				
Do you adequately orient new employees/volunteers concerning employer policies and procedures?				
What ongoing training is provided by church employees/volunteers to help them perform their duties in light of changing national and local laws?				
Are all employees and volunteers supervised to reduce their risk of negligence and misconduct?				
Does the church issue the appropriate Internal Revenue Service income tax forms to all church staff and others who have been receiving financial compensation from the church during the previous year?				

## Financial Management

	Yes	No	Don't Know	Comment
Are all signature authorities reviewed and updated at least annually and are all checks and other bank instructions signed by two signatories?				
Are at least two persons present during the counting of church offerings and are these persons rotated periodically?				
Are offerings promptly deposited in a church bank account?				
Are monthly bank statements reconciled with recorded income and expenses?				
Are monthly written financial reports provided promptly to Board members?				
Does the congregation approve your annual budget prior to the beginning of the new financial year?				
Does the Board keep to the budget approved by the congregation and is there a procedure in place for reporting exceptions?				
Do you comply with all donor restrictions on designated contributions?				

**Insurance**

	Yes	No	Don't Know	Comment
Do you provide Worker's Compensation Insurance for all paid staff?				
Do you have general liability insurance with minimum coverage of \$1 million and director's insurance? Please submit a copy of the declaration page indicating the amounts.				
Do you annually review your insurance policies and other possible coverage and is this documented in your Board of Directors' minutes?				
Do you have proper documentation of church assets?				
Do you contact your insurance agent as soon as a loss occurs or an allegation of negligence or misconduct is made?				
Do you comply with all conditions specified in your insurance policies?				
Who annually inspects your properties and grounds to identify risk areas that require correction?				

**Church Records**

	Yes	No	Don't Know	Comment
Do you have a copy of your By Laws kept in a safe place outside of the church/pastor's office?				
Is your church incorporated?				
Have you filed all annual reports required by the State?				
Have all changes to your By Laws been approved by the Network Elder?				
Do you have a records retention policy that specifies how long church records are to be kept?				
Are legal documents such as Board of Directors Meetings Minutes and Congregational Meeting Minutes kept readily available?				
Where do you maintain your important legal records such as deeds, rent agreements, etc.?				
Are Minutes and financial reports posted so that church members can view them?				

**Copyright and Publications**

	Yes	No	Don't Know	Comment
Do you have a license that allows you to reproduce music? (i.e., CCLI license)				
Do you include proper citations in your bulletin and other written materials when copyrighted materials are used?				

**Board of Directors**

	Yes	No	Don't Know	Comment
Do you adequately train new Board members?				
When was the most recent Board training?				
Do you provide ongoing training of Board members, including officers?				

## REFERENCES AND RESOURCES

CompassPoint Non Profit Services <http://www.compasspoint.org/>

Council for Nonprofits <http://www.councilofnonprofits.org/document-retention-policies>

Creating Spreadsheets <http://www.spreadsheetspublic.com/>

Christian Copyright Licensing International [www.ccli.com](http://www.ccli.com)

Constant Contact [www.constantcontact.com](http://www.constantcontact.com)

Workers Compensation <http://www.workerscompensationinsurance.com/>

Brother Mutual <https://www.brotherhoodmutual.com/www/?linkServID=F2C36837-5056-9664-AA5C155A255BA26A&showMeta=2&ext=.pdf>

Guide to Record Retention Requirements in the Code of Federal Regulations: Contact the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402-9325 or from CCH, Inc. at [www.onlinestore.cch.com](http://www.onlinestore.cch.com)

BoardSource Record Retention and Document Destruction Policy - Download 4 Samples (E-Policy Sampler) [www.boardsource.org/Bookstore.asp?Type=epolicy&Item=1071](http://www.boardsource.org/Bookstore.asp?Type=epolicy&Item=1071)

Independent Sector [www.independentsector.org/issues/sarbanesoxley.html](http://www.independentsector.org/issues/sarbanesoxley.html)

AICPA Management of an Accounting Handbook - 2003 and IRS Appendix Document

[www.cpa2biz.com/AST/Main/CPA2BIZ\\_Primary/PracticeManagement/PracticeAdministration/PRDOVR~C090407/PC-090407.jsp](http://www.cpa2biz.com/AST/Main/CPA2BIZ_Primary/PracticeManagement/PracticeAdministration/PRDOVR~C090407/PC-090407.jsp)

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**MONTHLY TITHE REPORT**

## BYLAW MODELS BY CHURCH SIZE

### MODEL BY LAWS APPROPRIATE FOR FAMILY/HOME CHURCHES

#### Instructions for Using the Model

- a. A blank space [ \_\_\_\_\_ ] within brackets indicates that the matter is completely at local church option.
- b. Language [*shown in italics*] and located within brackets indicates that the local church may choose from among the options presented.
- c. Underscored language indicates a strong recommendation from the Board of Elders, not a requirement.
- d. Language that is not shown in italics or not appearing within brackets is required by ELFM By Laws, unless prohibited by national, state, or provincial law.
- e. Please contact the Elder serving your Region for more information.

#### Article I – Name

The name of this church shall be [ \_\_\_\_\_ ], also known as [ \_\_\_\_\_ ].

#### Article II – Affiliation (Plant Churches)

This church is a member/fellowship congregation of LOVING ARMS WORLD MINISTRIES & APOSTOLIC COUNCIL OF CHURCHES (LAWM/LACC/OAFA); ascribes to the government, doctrine, vision, mission, and values of LAWM/LACC/OAFA; and agrees to abide by the ELFM By Laws and decisions made by General Conference.

A. Successor Corporation - LOVING ARMS WORLD MINISTRIES & APOSTOLIC COUNCIL OF CHURCHES is the not-for-profit organization designated to receive the church's property in the event of dissolution or abandonment of the church or disaffiliation from the LAWM/LACC/OAFA, in accordance with ELFM By Laws.



B. Disaffiliation – A decision to disaffiliate from the ELFM shall require a two-thirds (2/3) vote of the Members present at a Congregational Meeting called for the purpose of disaffiliating and shall be decided in accordance with ELFM By Laws.

### **Article III – Purpose**

The purpose of this church is Christian fellowship, worship, witness, and service, borne in the cooperation, program development, and implementation of ELFM and local church By Laws, Standard Operating Procedures, and Policies.

### **Article IV – Members and Friends**

*[OPTION 1 – Criteria for Membership]*

*A. Criteria for Membership – Any baptized Christian who has completed a membership class may become a Member by participating in the Rite of Membership. A Member in good standing is a Member who registers his/her attendance, provides identifiable financial support, makes a definite service contribution, and demonstrates interest and loyalty.*

*[OPTION 2 – Criteria for Membership]*

*A. Criteria for Membership – Any baptized Christian who has completed a membership class, attended worship regularly for a period of [ \_\_\_\_\_ ] months or more, and made and kept a financial commitment may become a Member by participating in the Rite of Membership. A Member in good standing is a Member who registers his/her attendance, provides identifiable financial support, makes a definite service contribution, and demonstrates interest and loyalty.*

*[OPTION 3 – Criteria for Membership]*

*A. Criteria for Membership – Any baptized Christian who has completed a membership class, attended worship regularly for a period of [ \_\_\_\_\_ ] months or more, made and kept a financial commitment, and obtained the recommendation of a Member who shall serve as the person's Sponsor to provide spiritual support and assist with assimilation into the life of the church may become a Member by participating in the Rite of Membership. A Member in good standing is a Member who registers his/her attendance, provides identifiable financial support, makes a definite service contribution, and demonstrates interest and loyalty.*

1. Membership List – The list of Members in good standing shall be maintained by the Clerk, who shall report changes monthly to the Board of Directors.
  
2. Membership Review – The Board of Directors shall review the membership list in the month of [ \_\_\_\_\_ ] of each year.
  - a. A Member who does not have registered attendance, identified financial support, definite service contribution, and demonstrated interest and loyalty within the preceding period of six (6) months to one (1) year may be removed from the list of Members in good standing and placed on a list of inactive Members.
  - b. The Board of Directors shall notify this Member in writing that the Member has been placed on a list of inactive Members and is not eligible to vote at any business meeting of the church.
  - c. If the inactive Member has not attended, provided identifiable financial support, and demonstrated further interest or loyalty for a period of two (2) months immediately following notification, the Board of Directors shall have the authority, at its discretion, to drop any such Member from the local church membership roll.
  - d. The inactive Member may be restored to the list of Members in good standing by a vote of the Board of Directors without a public reception into membership.
  - e. The inactive Member who is not restored during the period of two (2) months immediately following notification shall be considered a former Member.
  - f. A former Member may be restored to the list of Members in good standing after meeting the criteria for membership and participating in the Rite of Membership.
  
3. Right to Appeal. A decision by the Board of Directors to drop an inactive Member from the local church membership roll may be appealed by the inactive Member to the next regular Congregational Meeting or a Special Congregational Meeting called for that purpose. The decision of the Congregational Meeting is final. Pending the outcome of the appeal, the inactive Member is not eligible to vote at any business meeting of the church.
  - a. Appeal process. The request for an appeal shall be submitted to the Clerk of the Board of Directors within thirty (30) days following the date when the inactive Member was dropped from the local church membership roll.
  - b. The Board of Directors may consider the appeal and reverse its earlier decision without taking the matter to the Congregational Meeting.
  - c. Should the Board of Directors sustain its earlier decision and the inactive Member wishes the appeal to continue, the request shall be included as an agenda item for the next regular Congregational Meeting or a Special Congregational Meeting called for the purpose of considering the appeal.

B. Friends of the Church – A person who, for one reason or another, feels unable to become a Member but who supports the goals of the church and wants to be a part of the work of the church may be designated as a “Friend of the Church.”

1. List of Friends of the Church – The list of Friends of the Church shall be maintained by the Clerk.
2. Limitations on Friends of the Church – Friends may serve on appointed committees and may participate in all activities of the church. Friends may not vote at Congregational Meetings or serve on the Board of Directors. Friends shall not be considered in determining the number of Lay Delegates.

C. Discipline of Members and Friends – The church cannot condone disloyalty or unbecoming conduct on the part of any Member or Friend. The Board of Directors is empowered to remove by majority vote any Member or Friend or take other appropriate disciplinary action.

1. Right to Appeal – The action of the Board may be appealed to the next regular Congregational Meeting or a Special Congregational Meeting called for that purpose. The decision of the Congregational Meeting is final. Pending the outcome of the appeal of discipline, the disciplined Member or Friend shall remain under discipline and shall retain the right to vote at regular and Special Congregational Meetings, including the Congregational Meeting held to consider the appeal. If the discipline was to remove the person from membership, then the disciplined former Member shall not be eligible to vote at the Congregational Meeting held to consider the appeal.
  - a. Appeal Process - The request for an appeal shall be submitted to the Clerk of the Board of Directors within thirty (30) days following the date when the inactive Member was dropped from the local church membership roll.
  - b. The Board of Directors may consider the appeal and reverse its earlier decision without taking the matter to the Congregational Meeting.
  - c. Should the Board of Directors sustain its earlier decision and the inactive Member wishes the appeal to continue, the request shall be included as an agenda item for the next regular Congregational Meeting or a Special Congregational Meeting called for the purpose of considering the appeal.

## **Article V – Congregational Meetings**

Government of the church is vested in its Congregational Meeting, which exerts the right to control of its affairs, subject to the provisions of the ELMF Articles of Incorporation, By Laws, or documents of legal organization, and the General Conference.

*[OPTION 1 – TIME AND PLACE]*

A. *Time and Place* – An annual Congregational Meeting shall be held each year in the month of [\_\_\_\_\_]. The time and place of the annual Congregational Meeting shall be determined by the Board of Directors.

*[OPTION 2 – TIME AND PLACE]*

A. *Time and Place* – A Congregational Meeting shall be held twice each year in the months of [\_\_\_\_\_] and [\_\_\_\_\_]. The time and place of the Congregational Meeting shall be determined by the Board of Directors.

B. *Notification* – The Board of Directors shall notify Members in writing at least two (2) weeks in advance.

C. *Voting Rights* – Each Member in good standing has the right to vote. Proxy or any other form of absentee voting shall not be allowed.

D. Votes Required for Approval – Decisions, including elections, requires approval by a vote of more than fifty percent (50%) of those Members present and voting, unless otherwise required by ELFM By Laws or otherwise stated in these local church By Laws

*[OPTION 1 – QUORUM]*

E. *Quorum* – In order to transact business, no less than twenty percent (20%) of the Members in good standing must be present.

*[OPTION 2 – QUORUM]*

*E. Quorum – In order to transact business, no less than one-third (1/3) of the Members in good standing must be present.*

*[OPTION 3 – QUORUM]*

*E. Quorum – In order to transact business, no less than one-half (1/2) of the Members in good standing must be present.*

*[OPTION 1 – AGENDA]*

*F. Agenda – The agenda for Congregational Meetings shall be determined by the Board of Directors.*

*[OPTION 2 – AGENDA]*

*F. Agenda – The agenda for Congregational Meetings shall be determined by the Moderator and Clerk.*

1. Content – The agenda shall include, but not be limited to, election of members to the Board, election of Lay Delegates in the appropriate year, presentation of financial report, approval of budget, and receiving reports from the Board of Directors and the Pastor.

*[OPTION 1 – ADDITIONS TO AGENDA]*

2. Additions to Agenda – Members may request the Board of Directors to add agenda items by submitting additional agenda items to the Clerk no later than one (1) week prior to the meeting.

*[OPTION 2 – ADDITIONS TO AGENDA]*

2. Additions to Agenda – Members may add items to the agenda at the beginning of the Congregational Meeting.

*[OPTION 1 – ELECTIONS]*

G. Elections – All votes for elected positions shall be taken by secret ballot. Votes of affirmation from the floor are not permitted.

*[OPTION 2 – ELECTIONS]*

G. Elections – All votes for elected positions shall be taken by secret ballot. If there is only one candidate for a position, vote may be taken by a show of hands.

H. Special Congregational Meetings – In addition to the [annual or semi-annual] Congregational Meeting, special Congregational Meetings may also be held. Special Congregational Meetings are governed by the same rules as those pertaining to the [annual or semi-annual] Congregational Meeting.

1. Calling a Special Congregational Meeting – A special Congregational Meeting may be called either by (a) majority vote of the Board, (b) the Pastor, or (c) a petition signed by at least twenty-five percent (25%) of the Members and submitted to the Clerk.
2. The nature and purpose of the special Congregational Meeting shall be stated in the petition and in notices and be written into the agenda.

**Article VI – Local Church Administrative Body**

A. Name – The local church administrative body shall be the Board of Directors, which is authorized to provide administrative leadership for [\_\_\_\_\_] ELFM .

B. Responsibilities – The Board of Directors shall be responsible for providing the church with a set of By Laws, which are subject to approval by Congregational Meeting and the Elder serving the Region, and for submitting the approved By Laws to the Elder serving the Region. The Board of Directors shall also have charge of all matters pertaining to the documents of legal organization and [incorporation or registration], church property, risk-management, and physical and financial affairs of the church. The Board of Directors shall also be responsible for collecting and disbursing funds, keeping adequate church records, and making timely reports to the Congregation and ELFM .

C. Membership – Members of the Board of Directors must be Members in good standing of [ \_\_\_\_\_ ] ELFM .

1. Conflict of Interest – More than one person from a household, family, or committed relationship; someone who is a church employee; or someone who is a Clergy Candidate shall not be eligible to serve on the Board of Directors.

D. Composition – There shall be five (5) members of the Board of Directors, including the Pastor who shall serve as Moderator. Members of the Board of Directors must be Members in good standing of [ \_\_\_\_\_ ] ELFM .

E. Term of Office – The term of office for members of the Board of Directors, except the Pastor, shall be two-year staggered terms, with half being elected at each regular Congregational Meeting.

*[OPTION 1 – MEETINGS]*

*F. Meetings – The Board of Directors shall meet at least once a month and no fewer than ten (10) times a year. Except for executive sessions, meetings shall be open to the congregation and to the public to attend as Observers without voice or vote.*

*[OPTION 2 – MEETINGS]*

*F. Meetings – The Board of Directors shall meet at least twice a month and no fewer than twenty (20) times a year. Except for executive sessions, meetings shall be open to the congregation and to the public to attend as Observers without voice or vote.*

1. Minutes – Minutes and financial reports shall be available to Members of the church within two (2) weeks after each meeting. Minutes shall include a record of those present and decisions made. A copy of the minutes shall become part of the permanent church records.

*[OPTION 1 – QUORUM]*

G. Quorum – No less than a majority of the members of the Board of Directors, including the Moderator, must be present in order to transact business. If the Moderator is unable to attend, a meeting of the Board of Directors may be conducted with the consent of the Moderator; in such instance, no less than a majority of the members of the Board of Directors must be present. If the Moderator is incapacitated or otherwise unable to consider granting consent, no less than a majority of the members of the Board of Directors, including the Vice-Moderator, must be present.

*[OPTION 2 – QUORUM]*

G. Quorum – No less than a majority of the members of the Board of Directors must be present in order to transact business.

H. Official Officers – The official officers of the church are Moderator, Vice-Moderator, Clerk, and Treasurer/Trustee /Trustee .

*[OPTION 1 - ELECTION OF OFFICERS]*

1. Election of Officers – The official officers, except for Moderator, shall be elected at the annual Congregational Meeting. The term of office for officers, except for Moderator, shall be one (1) year, beginning the first of the month following election.

*[OPTION 2 – ELECTION OF OFFICERS]*

1 Election of Officers – During the first meeting following elections to the Board, the Board of Directors shall elect from among its members persons to fill the positions of Vice-Moderator, Clerk, and Treasurer/Trustee /Trustee . The term of office for officers, except for Moderator, shall be two (2) years.



a. Duties of Officers:

1. Moderator – The Pastor shall serve as Moderator of the Board of Directors.
2. Vice-Moderator – The Vice-Moderator shall serve as Moderator of the Board in the absence or upon the request of the Pastor.
3. Clerk – The Clerk shall be responsible for ensuring the maintenance of official correspondence and church records, and for ensuring that accurate records are kept of all meetings of the Board of Directors and of the Congregation. The Clerk is the officer authorized to receive petitions submitted to the Board of Directors.
4. Treasurer/Trustee – The Treasurer/Trustee /Trustee shall be responsible for ensuring the preparation and maintenance of all financial records. This shall include a monthly financial report to the Board and an annual financial report to the Congregation. The monthly and annual financial reports shall reflect receipts, disbursements, and outstanding financial obligations.

I. Vacancies – In the event of a vacancy on the Board of Directors, the Board of Directors may appoint a qualified Member to fill the vacancy until the next Congregational Meeting, when an election shall be held to fill the unexpired term.

J. Discipline – The church cannot condone disloyalty, unbecoming conduct, or dereliction of duty on the part of any member of the Board of Directors. Therefore, the Board of Directors may remove by a majority vote of the full Board of Directors any of its members guilty of the above, with the exception of the Pastor who must be disciplined in accordance with the ELMF By Laws. A petition submitted to the Clerk and signed by twenty-five percent (25%) of the Members in good standing of the congregation may also initiate such a procedure.

*[OPTION 1 – RIGHT TO APPEAL]*

1. Right to appeal – A disciplined member of the Board of Directors may appeal the action to the congregation at its next regular Congregational Meeting or at a Special Congregational Meeting which may be called for this purpose. The decision of the Congregational Meeting is final. Until the Congregational Meeting to consider the appeal, the position held by the disciplined member of the Board of Directors shall be considered vacant.

*[OPTION 2 – RIGHT TO APPEAL]*

a. *Right to appeal – The decision of the Board of Directors is not subject to appeal.*

K. Limitation of Liability – No member of the Board of Directors shall be liable for any act or failure to act by any other member of the Board of Directors or by any employee of the Church. No member of the Board of Directors shall be liable for any loss arising from any fault in the title to any property acquired by the Church. No member of the Board of Directors shall be liable for any loss arising from any fault in any security in which the Church might invest, or from bankruptcy, insolvency, or wrongful act by any person to whom the Church might entrust any of its property. No member of the Board of Directors shall be liable for any loss due to error of judgment or oversight on his/her part, or for any other loss whatsoever occurring in the carrying out of the duties of his/her office, unless this loss arises from the member's own willful neglect or fraudulent or criminal actions.

L. Indemnity – The church shall protect every member of the Board of Directors against all costs arising in relation to his/her relations with the Church, unless they are occasioned by his/her own willful neglect or fraudulent or criminal actions.

**Article VII - Pastor**

A. Role – The Pastor is the ELFM clergy person with a license to practice who has been called by God and elected by the church to be responsible for the duties of teacher, preacher, and spiritual leader until such time that the relationship is terminated. The Pastor shall also fulfill such other roles and responsibilities as are stated in the ELFM By Laws and the policies of the church.

1. Interim Pastoral Leader – In the event that a ELFM clergy person is not available to serve as Pastor, the Board of Directors may request the Regional Elder to appoint an Interim Pastoral Leader, who shall be subject to a background check. The term of office of the Interim Pastoral Leader shall be one (1) year. If the Interim Pastoral Leader is a Member of \_\_\_\_\_ ELFM , then the Interim Pastoral Leader shall have the authority to fulfill all of the roles and responsibilities of Pastor. If the Interim Pastoral Leader is not a Member of \_\_\_\_\_ ELFM , then the Interim Pastoral Leader shall have the authority to fulfill all of the roles and responsibilities of Pastor, except that the Interim Pastoral Leader shall serve as Moderator of the Board of Directors and Congregational Meetings, with voice but no vote.

B. Responsibilities – The Pastor shall have authority for ordering all worship services of the church; determining when other worship services will be held, subject to approval of the Board of Directors; appointing compensated and uncompensated church staff, subject to the approval of the Board of Directors; and determining compensation, vacation periods, and titles of office of the church staff, subject to approval of the Board of Directors. The Pastor shall serve as a voting member of the Board of Directors, Moderator of the Board of Directors and of Congregational Meetings, personnel director, and as the primary spokesperson for the church to the community. The Pastor may delegate such duties as seem wise.

C. Pastoral Covenant – The Board of Directors and Pastor shall develop a covenant between the Pastor and the church. The covenant shall include a job description and address such matters as compensation that is consistent with equitable local standards, benefits, allowances, and leave. All provisions of the covenant shall be subordinate to the By Laws of the ELFM .

1. Conference Expenses – To the best of its ability, the congregation shall fund the Pastor’s transportation, registration, and per diem at General and Regional Conferences.

D. Pastoral Vacancy – In the event of a vacancy in the position of Pastor, a Pastoral Search Committee shall be responsible for presenting a qualified candidate for election at a Congregational Meeting. The Pastoral Search Committee shall develop and implement the pastoral search process in consultation with the Regional Elder.

*[OPTION 1 – COMPOSITION OF PASTORAL SEARCH COMMITTEE]*

1. *Composition of Pastoral Search Committee – The Pastoral Search Committee shall consist of five (5) members, including the members of the Board of Directors and one (1) additional member elected at a Congregational Meeting.*

*[OPTION 2 – COMPOSITION OF PASTORAL SEARCH COMMITTEE]*

1. Composition of Pastoral Search Committee – The Pastoral Search Committee shall consist of five (5) members elected at a Congregational Meeting.
2. Election of Pastor – To be elected, the candidate presented by the Pastoral Search Committee must receive more than seventy percent (70%) of the votes cast during a Congregational Meeting.

E. Termination of Relationship – The Pastor and congregation may choose at any time to terminate their relationship through mutual agreement. Unilateral failure to renew the Pastor’s contract shall not constitute removal of the Pastor from office. No petition for removal of the Pastor based on irreconcilable differences is valid unless preceded by the process of conflict resolution, as referred to in Article VIII.

**Article VIII – Conflict Resolution**

When there are conflicts or difficulty within the church that cannot be resolved, including conflicts between the Pastor and congregation, the Board of Directors, the Pastor, any Lay Delegate, or a petition signed by a minimum of thirty-three percent (33%) of the Members in good standing may invite intervention by the Regional Elder to resolve the conflict, in accordance with ELFM By Laws.

A. Removing the Pastor from Office – The church shall follow the process as outlined in the ELFM By Laws for removing the Pastor from office for disloyalty, unbecoming conduct, dereliction of duty, or when irreconcilable differences arise that cannot be resolved through mutual agreement.

1. Any petition to initiate the process of removing the Pastor from office must be submitted to the Clerk of the Board of Directors and be signed by at least twenty-five percent (25%) of the members in good standing.
2. The Board of Directors may initiate the process of removing the Pastor from office by a vote of three-fourths (3/4) of the full Board of Directors.
3. The Clerk shall send a copy of the completed petition or motion of the Board of Directors to the Regional Elder within three (3) days.
4. The Pastor shall remain fully compensated until the final action of the congregation.

## Article IX – Lay Delegate

The church shall elect one (1) lay person for every one hundred (100) Members in good standing, or part thereof, to serve as Lay Delegate. The Lay Delegate shall be a Member in good standing of this church.

A. Election – The Lay Delegate shall be elected at the next regular Congregational Meeting following each General Conference. A majority of the votes cast shall be required to elect.

B. Term of Office - The term of office of Lay Delegate shall be two (2) years.

C. Duties – The duties of the Lay Delegate shall be to represent the congregation at General and Regional Conferences, to communicate with the congregation regarding ELFM concerns and policies, [ \_\_\_\_\_ ].

D. Funding - To the best of its ability, the congregation shall fund the Lay Delegate’s transportation, registration, and per diem at General and Regional Conferences.

### *[OPTION 1 – ALTERNATE LAY DELEGATE]*

*E. Alternate Lay Delegate - The church shall elect one (1) Alternate Lay Delegate. The election, term of office, and funding shall be the same as for Lay Delegate.*

- 1. Notification to Alternate Lay Delegate – When the Lay Delegate is unable or unwilling to perform the duties of Lay Delegate, the Lay Delegate shall immediately inform the Alternate Lay Delegate and the Clerk of the Board of Directors. If the Alternate Lay Delegate is unable to serve, the Board of Directors shall appoint someone to serve in the absence of the Alternate Lay Delegate.*

### *[OPTION 2 – ALTERNATE LAY DELEGATE]*

*E. Alternate Lay Delegate – When the Lay Delegate is unable or unwilling to attend a General or Regional Conference, the Board of Directors shall appoint a member in good standing to serve as Alternate Lay Delegate for that Conference. The funding shall be the same as for Lay Delegate.*

1. Duties – The duties of the Alternate Lay Delegate shall be to stay informed of ELFM concerns and policies and to be prepared to assume the duties of any Lay Delegate who is unable or unwilling to perform the duties of Lay Delegate, including but not limited to representing the congregation at General and Regional Conferences.

*[OPTION 1 – DISCIPLINE]*

*F. Discipline – The church cannot condone disloyalty, unbecoming conduct, or dereliction of duty on the part of any Lay Delegate or Alternate Lay Delegate. Therefore, the Board of Directors may remove by a majority vote of the full Board of Directors any Lay Delegate or Alternate Lay Delegate guilty of the above. A petition presented to the Board of Directors and signed by twenty-five percent (25%) of the Members in good standing of the congregation may also initiate such a procedure.*

*[OPTION 2 – DISCIPLINE]*

*F. Discipline – The church cannot condone disloyalty, unbecoming conduct, or dereliction of duty on the part of any Lay Delegate or Alternate Lay Delegate. Therefore, the congregation may remove any Lay Delegate or Alternate Lay Delegate by a majority vote at a regular or special Congregational Meeting called for that purpose. A petition presented to the Board of Directors and signed by twenty-five percent (25%) of the Members in good standing of the congregation may also initiate such a procedure.*

*[OPTION 1 – APPEAL OF DISCIPLINE]*

1. *Appeal of Discipline – A disciplined Lay Delegate or Alternate Lay Delegate may appeal the action to the congregation at its next regular Congregational Meeting or at a special Congregational Meeting which may be called for this purpose. The decision of the Congregational Meeting is final. Until the Congregational Meeting to consider the appeal, the position held by the disciplined Lay Delegate shall be filled by an Alternate Lay Delegate.*

[OPTION 2 – APPEAL OF DISCIPLINE]

1. Appeal of Discipline – A disciplined Lay Delegate or Alternate Lay Delegate shall not have a right to appeal the decision of the congregation.

**Article X – Church Finances**

A. Authorized Signatures – Any church bank or other financial accounts shall require two signatures for withdrawals. All members of the Board of Directors shall have signature authority.

B. Limit on Expenditures – The Pastor shall have the authority to commit church funds within the approved budget in any amount not to exceed five percent (5%) of the annual budget, whichever is greater; any expenditure greater than that amount requires the approval of the Board of Directors.

The Board of Directors shall have the authority to commit church funds within the approved budget in any amount not to exceed ten percent (10%) of the annual budget, whichever is greater; any expenditure greater than that amount requires congregational approval.

C. Fiscal Year – For the purpose of reporting to ELFM, the fiscal year of the church shall be the calendar year.

D. Church Budget – The Board of Directors shall be responsible for the presentation of an annual operating budget reflecting anticipated receipts and disbursements to the Congregational Meeting for approval. The approved budget may be amended, as needed, by a two-thirds (2/3) vote of the Board of Directors, which shall immediately notify the Members of the Church that such amendment has been made.

1. Budget Year – The annual budget of the church shall cover the period from \_\_\_\_\_ through \_\_\_\_\_ [for example January through December, June through July, or April through March].

E. Assessments – The Board of Directors shall report quarterly the number of members in good standing for each month within the quarter and shall remit the Board of Pensions assessments as set by General Conference. The report and remittance are due to the Board of Pensions on or before the tenth (10<sup>th</sup>) day of the month following the quarter reported. (REQUIRED FOR US CHURCHES ONLY)

F. Tithes – The Board of Directors shall report all church receipts each month to the ELMF , and with that report shall remit a percentage of the funds reported. The percentage of funds to be remitted shall be determined by General Conference.

### **Article XI – Adoption and Amendments**

A. Adoption – These By Laws shall become effective immediately upon adoption by the Congregational Meeting and approval by the Regional Elder.

B. Amendments – These By Laws may be amended or repealed at any duly convened Congregational Meeting. Proposed amendments or repeals shall be submitted in writing to the Board of Directors no later than thirty (30) days prior to the Congregational Meeting the proposal is to be considered. Adoption of the amendment or the repeal shall require approval by a two-thirds (2/3) affirmative vote and is subject to approval by the Regional Elder. Amendments necessitated by amendments made to the ELMF By Laws shall not require approval by the congregation.



## MODEL BY LAWS APPROPRIATE FOR PASTOR SIZE CHURCHES

### Instructions for Using the Model

- f. A blank space [ \_\_\_\_\_ ] within brackets indicates that the matter is completely at local church option.
- g. Language [*shown in italics*] and located within brackets indicates that the local church may choose from among the options presented.
- h. Underscored language indicates a strong recommendation from the Board of Elders, not a requirement.
- i. Language that is not shown in italics or not appearing within brackets is required by ELFM By Laws, unless prohibited by national, state, or provincial law.
- j. Please contact the Elder serving your Region for more information.

### Article I – Name

The name of this church shall be [ \_\_\_\_\_ ] Metropolitan Community Church, also known as [ \_\_\_\_\_ ] ELFM .

### Article II – Affiliation

This church is a member congregation of LOVING ARMS WORLD MINISTRIES & APOSTOLIC COUNCIL OF CHURCHES (ELFM ); ascribes to the government, doctrine, vision, mission, and values of ELFM ; and agrees to abide by the ELFM By Laws and decisions made by General Conference.

A. Successor Corporation - LOVING ARMS WORLD MINISTRIES & APOSTOLIC COUNCIL OF CHURCHES is the not-for-profit organization designated to receive the church's property in the event of dissolution or abandonment of the church or disaffiliation from the ELFM , in accordance with ELFM By Laws.

B. Disaffiliation – A decision to disaffiliate from the ELFM shall require a two-thirds (2/3) vote of the Members present at a Congregational Meeting called for the purpose of disaffiliating and shall be decided in accordance with ELFM By Laws.

### Article III – Purpose

The purpose of this church is Christian fellowship, worship, witness, and service, borne in the cooperation, program development, and implementation of ELFM and local church By Laws, Standard Operating Procedures, and Policies.

### Article IV – Members and Friends

A. Criteria for Membership – Any baptized Christian who has completed a membership class may become a Member by participating in the Rite of Membership. A Member in good standing is a Member who registers his/her attendance, provides identifiable financial support, makes a definite service contribution, and demonstrates interest and loyalty.

4. Membership List – The list of Members in good standing shall be maintained by the Clerk, who shall report changes monthly to the Board of Directors.
  
5. Membership Review – The Board of Directors shall review the membership list in the month of [ \_\_\_\_\_ ] of each year.
  - g. A Member who does not have registered attendance, identified financial support, definite service contribution, and demonstrated interest and loyalty within the preceding period of six (6) months to one (1) year may be removed from the list of Members in good standing and placed on a list of inactive Members.
  - h. The Board of Directors shall notify this Member in writing that the Member has been placed on a list of inactive Members and is not eligible to vote at any business meeting of the church.
  - i. If the inactive Member has not attended, provided identifiable financial support, and demonstrated further interest or loyalty for a period of two (2) months immediately following notification, the Board of Directors shall have the authority, at its discretion, to drop any such Member from the local church membership roll.
  - j. The inactive Member may be restored to the list of Members in good standing by a vote of the Board of Directors without a public reception into membership.
  - k. The inactive Member who is not restored during the period of two (2) months immediately following notification shall be considered a former Member.
  - l. A former Member may be restored to the list of Members in good standing after completing a membership class and participating in the Rite of Membership.

6. Right to Appeal. A decision by the Board of Directors to drop an inactive Member from the local church membership roll may be appealed by the inactive Member to the next regular Congregational Meeting or a Special Congregational Meeting called for that purpose. The decision of the Congregational Meeting is final. Pending the outcome of the appeal, the inactive Member is not eligible to vote at any business meeting of the church.
  - d. Appeal process. The request for an appeal shall be submitted to the Clerk of the Board of Directors within thirty (30) days following the date when the inactive Member was dropped from the local church membership roll.
  - e. The Board of Directors may consider the appeal and reverse its earlier decision without taking the matter to the Congregational Meeting.
  - f. Should the Board of Directors sustain its earlier decision and the inactive Member wishes the appeal to continue, the request shall be included as an agenda item for the next regular Congregational Meeting or a Special Congregational Meeting called for the purpose of considering the appeal.

B. Friends of the Church – A person who, for one reason or another, feels unable to become a Member but who supports the goals of the church and wants to be a part of the work of the church may be designated as a “Friend of the Church.”

3. List of Friends of the Church – The list of Friends of the Church shall be maintained by the Board.
4. Limitations on Friends of the Church – Friends may serve on appointed committees and may participate in all activities of the church. Friends may not vote at Congregational Meetings or serve on the Board of Directors. Friends shall not be considered in determining the number of Lay Delegates.

C. Discipline of Members and Friends – The church cannot condone disloyalty or unbecoming conduct on the part of any Member or Friend. The Board of Directors is empowered to remove by majority vote any Member or Friend or take other appropriate disciplinary action.

2. Right to Appeal – The action of the Board may be appealed to the next regular Congregational Meeting or a Special Congregational Meeting called for that purpose. The decision of the Congregational Meeting is final. Pending the outcome of the appeal of discipline, the disciplined Member or Friend shall remain under discipline and shall retain the right to vote at regular and Special Congregational Meetings, including the Congregational Meeting held to consider the appeal..
  - a. Appeal Process - The request for an appeal shall be submitted to the Clerk of the Board of Directors within thirty (30) days following the date when the inactive Member was dropped from the local church membership roll.
  - b. The Board of Directors may consider the appeal and reverse its earlier decision without taking the matter to the Congregational Meeting.
  - c. Should the Board of Directors sustain its earlier decision and the inactive Member wishes the appeal to continue, the request shall be included as an agenda item for the next regular Congregational Meeting or a Special Congregational Meeting called for the purpose of considering the appeal.

### **Article V – Congregational Meetings**

Government of the church is vested in its Congregational Meeting, which exerts the right to control of its affairs, subject to the provisions of the ELMF Articles of Incorporation, By Laws, or documents of legal organization, and the General Conference.

A. Time and Place – An annual Congregational Meeting shall be held each year in the month of [\_\_\_\_\_]. The time and place of the annual Congregational Meeting shall be determined by the Board of Directors.

B. Notification – The Board of Directors shall notify Members in writing at least two (2) weeks in advance.

C. Voting Rights – Each Member in good standing has the right to vote. Proxy or any other form of absentee voting shall not be allowed.

D. Votes Required for Approval – Decisions, including elections, requires approval by a vote of more than fifty percent (50%) of those Members present and voting, unless otherwise required by ELFM By Laws or otherwise stated in these local church By Laws

E. Quorum – In order to transact business, no less than twenty percent (20%) of the Members in good standing must be present.

F. Agenda – The agenda for Congregational Meetings shall be determined by the Board of Directors.

1. Content – The agenda shall include, but not be limited to, election of members to the Board, election of Lay Delegates in the appropriate year, presentation of financial report, approval of budget, and receiving reports from the Board of Directors and the Pastor.
2. Additions to Agenda – Members may request the Board of Directors to add agenda items by submitting additional agenda items to the Clerk no later than one (1) week prior to the meeting.

G. Elections – All votes for positions shall be taken by secret ballot. Votes of affirmation from the floor are not permitted.

H. Special Congregational Meetings – In addition to the annual Congregational Meeting, special Congregational Meetings may also be held. Special Congregational Meetings are governed by the same rules as those pertaining to the Annual Congregational Meeting.

3. Calling a Special Congregational Meeting – A special Congregational Meeting may be called either by (a) majority vote of the Board, (b) the Pastor, or (c) a petition signed by at least twenty-five percent (25%) of the Members and submitted to the Clerk.
4. The nature and purpose of the special Congregational Meeting shall be stated in the petition and in notices and be written into the agenda.

## Article VI – Local Church Administrative Body

A. Name – The local church administrative body shall be the Board of Directors, which is authorized to provide administrative leadership for [ \_\_\_\_\_ ] ELFM .

B. Responsibilities – The Board of Directors shall be responsible for providing the church with a set of By Laws, which are subject to approval by Congregational Meeting and the Elder serving the Region and for submitting the approved By Laws to the Elder serving the Region. The Board of Directors shall also have charge of all matters pertaining to the documents of legal organization and [incorporation or registration], church property, risk management, and physical and financial affairs of the church. The Board of Directors shall also be responsible for collecting and disbursing funds, keeping adequate church records, and making timely reports to the Congregation and ELFM.

C. Membership – Members of the Board of Directors must be Members in good standing of [ \_\_\_\_\_ ] ELFM .

2. Conflict of Interest – More than one person from a household, family, or committed relationship; someone who is a church employee; or someone who is a Clergy Candidate shall not be eligible to serve on the Board of Directors.

D. Composition – There shall be seven (7) members, including the Pastor who shall serve as Moderator.

E. Term of Office – The term of office for members of the Board of Directors, except the Pastor, shall be two-year staggered terms, with half being elected at each annual Congregational Meeting.

F. Meetings – The Board of Directors shall meet at least once a month no fewer than ten (10) times a year. Except for executive sessions, meetings shall be open to the congregation and to the public to attend as Observers without voice or vote.

2. Minutes – Minutes and financial reports shall be available to Members of the church within two (2) weeks after each meeting. Minutes shall include a record of those present and decisions made. A copy of the minutes shall become part of the permanent church records.

*[OPTION 1 – QUORUM]*

G. Quorum – No less than a majority of the members of the Board of Directors, including the Moderator, must be present in order to transact business. If the Moderator is unable to attend, a meeting of the Board of Directors may be conducted with the consent of the Moderator; in such instance, no less than a majority of the members of the Board of Directors must be present. If the Moderator is incapacitated or otherwise unable to consider granting consent, no less than a majority of the members of the Board of Directors, including the Vice-Moderator, must be present.

*[OPTION 2 – QUORUM]*

G. Quorum – No less than a majority of the members of the Board of Directors must be present in order to transact business.

H. Official Officers – The official officers of the church are Moderator, Vice-Moderator, Clerk, and Treasurer/Trustee.

*[OPTION 1 - ELECTION OF OFFICERS]*

2. Election of Officers – The official officers, except for Moderator, shall be elected at the annual Congregational Meeting. The term of office for officers, except for Moderator, shall be one (1) year, beginning the first of the month following election.

*[OPTION 2 – ELECTION OF OFFICERS]*

2 Election of Officers – During the first meeting following elections to the Board, the Board of Directors shall elect from among its members persons to fill the positions of Vice-Moderator, Clerk, and Treasurer/Trustee . The term of office for officers, except for Moderator, shall be two (2) years.

- a. Duties of Officers:
- i. Moderator – The Pastor shall serve as Moderator of the Board of Directors.
  - i. Vice-Moderator – The Vice-Moderator shall serve as Moderator of the Board in the absence or upon the request of the Pastor.
  - ii. Clerk – The Clerk shall be responsible for ensuring the maintenance of official correspondence and church records, and for ensuring that accurate records are kept of all meetings of the Board of Directors and of the Congregation. The Clerk is the officer authorized to receive petitions submitted to the Board of Directors.
  - iii. Treasurer/Trustee – The Treasurer/Trustee shall be responsible for ensuring the preparation and maintenance of all financial records. This shall include a monthly financial report to the Board and an annual financial report to the Congregation. The monthly and annual financial reports shall reflect receipts, disbursements, and outstanding financial obligations.

I. Vacancies – In the event of a vacancy on the Board of Directors, the Board may appoint a qualified Member to fill the vacancy until the next Congregational Meeting, when an election shall be held to fill the unexpired term.

J. Discipline – The church cannot condone disloyalty, unbecoming conduct, or dereliction of duty on the part of any member of the Board of Directors. Therefore, the Board of Directors may remove by a majority vote of the full Board of Directors any of its members guilty of the above, with the exception of the Pastor who must be disciplined in accordance with the ELMF By Laws. A petition submitted to the Clerk and signed by twenty-five percent (25%) of the Members in good standing of the congregation may also initiate such a procedure.

*[OPTION 1 – RIGHT TO APPEAL]*

2. Right to appeal – A disciplined member of the Board of Directors may appeal the action to the congregation at its next regular Congregational Meeting or at a Special Congregational Meeting which may be called for this purpose. The decision of the Congregational Meeting is final. Until the Congregational Meeting to consider the appeal, the position held by the disciplined member of the Board of Directors shall be considered vacant.



*[OPTION 2 – RIGHT TO APPEAL]*

1. Right to appeal – The decision of the Board of Directors is not subject to appeal.

K. Limitation of Liability – No director or officer of the church shall be liable for any act or failure to act by any other director or officer of the Church or by any employee of the Church. No director or officer of the Church shall be liable for any loss arising from any fault in the title to any property acquired by the Church. No director or officer of the Church shall be liable for any loss arising from any fault in any security in which the Church might invest, or from bankruptcy, insolvency, or wrongful act by any person to whom the Church might entrust any of its property. No director or officer of the church shall be liable for any loss due to error of judgment or oversight on his/her part, or for any other loss whatsoever occurring in the carrying out of the duties of his/her office, unless this loss arises from the director’s or officer’s own willful neglect or fraudulent or criminal actions.

L. Indemnity – The church shall protect every director and officer of the church against all costs arising in relation to his/her relations with the Church, unless they are occasioned by his/her own willful neglect or fraudulent or criminal actions.

**Article VII - Pastor**

A. Role – The Pastor is the ELFM clergy person with a license to practice who has been called by God and elected by the church to be responsible for the duties of teacher, preacher, and spiritual leader until such time that the relationship is terminated. The Pastor shall also fulfill such other roles and responsibilities as are stated in the ELFM By Laws and the policies of the church.

2. Interim Pastoral Leader – In the event that a ELFM clergy person is not available to serve as Pastor, the Board of Directors may request the Regional Elder to appoint an Interim Pastoral Leader, who shall be subject to a background check. The term of office of the Interim Pastoral Leader shall be one (1) year. If the Interim Pastoral Leader is a Member of \_\_\_\_\_ ELFM , then the Interim Pastoral Leader shall have the authority to fulfill all of the roles and responsibilities of Pastor. If the Interim Pastoral Leader is not a Member of \_\_\_\_\_ ELFM , then the Interim Pastoral Leader shall have the authority to fulfill all of the roles and responsibilities of Pastor, except that the Interim Pastoral Leader shall serve as Moderator of the Board of Directors and Congregational Meetings, with voice but no vote.

B. Responsibilities – The Pastor shall have authority for ordering all worship services of the church; determining when other worship services will be held, subject to approval of the Board of Directors; appointing compensated and uncompensated church staff, subject to the approval of the Board of Directors; and determining compensation, vacation periods, and titles of office of the church staff, subject to approval of the Board of Directors. The Pastor shall serve as a voting member of the Board of Directors, Moderator of the Board of Directors and of Congregational Meetings, personnel director, and as the primary spokesperson of the church to the community. The Pastor may delegate such duties as seem wise.

C. Pastoral Covenant – The Board of Directors and Pastor shall develop a covenant between the Pastor and the church. The covenant shall include a job description and address such matters as compensation that is consistent with equitable local standards, benefits, allowances, and leave. All provisions of the covenant shall be subordinate to the By Laws of the ELFM .

1. Conference Expenses – To the best of its ability, the congregation shall fund the Pastor’s transportation, registration, and per diem at General and Regional Conferences.

D. Pastoral Vacancy – In the event of a vacancy in the position of Pastor, a Pastoral Search Committee shall be responsible for presenting a qualified candidate for election at a Congregational Meeting. The Pastoral Search Committee shall develop and implement the pastoral search process, in consultation with the Regional Elder.

*[OPTION 1 – COMPOSITION OF PASTORAL SEARCH COMMITTEE]*

2. Composition of Pastoral Search Committee – The Pastoral Search Committee shall consist of nine (9) members, including the six (6) members of the Board of Directors and three (3) additional members elected at a Congregational Meeting.

*[OPTION 2 – COMPOSITION OF PASTORAL SEARCH COMMITTEE]*

3. Composition of Pastoral Search Committee – The Pastoral Search Committee shall consist of [ \_\_\_\_\_ ] members elected at a Congregational Meeting.

3. Election of Pastor – To be elected, the candidate presented by the Pastoral Search Committee must receive more than seventy percent (70%) of the votes cast during a Congregational Meeting.

E. Termination of Relationship – The Pastor and congregation may choose at any time to terminate their relationship through mutual agreement. Unilateral failure to renew the Pastor’s contract shall not constitute removal of the Pastor from office. No petition for removal of the Pastor based on irreconcilable differences is valid unless preceded by the process of conflict resolution, as referred to in Article VIII.

**Article VIII – Conflict Resolution**

When there are conflicts or difficulty within the church that cannot be resolved, including conflicts between the Pastor and congregation, the Board of Directors, the Pastor, any Lay Delegate, or a petition signed by a minimum of thirty-three percent (33%) of the Members in good standing may invite intervention by the Regional Elder to resolve the conflict, in accordance with ELFM By Laws.

A. Removing the Pastor from Office – The church shall follow the process as outlined in the ELFM By Laws for removing the Pastor from office for disloyalty, unbecoming conduct, dereliction of duty, or when irreconcilable differences arise that cannot be resolved through mutual agreement.

5. Any petition to initiate the process of removing the Pastor from office must be submitted to the Clerk of the Board of Directors and be signed by at least twenty-five percent (25%) of the members in good standing.
6. The Board of Directors may initiate the process of removing the Pastor from office by a vote of three-fourths (3/4) of the full Board of Directors.
7. The Clerk shall send a copy of the completed petition or motion of the Board of Directors to the Regional Elder within three (3) days.
8. The Pastor shall remain fully compensated until the final action of the congregation.

## Article IX – Lay Delegate

The church shall elect one (1) lay person for every one hundred (100) Members in good standing, or part thereof, to serve as Lay Delegate. The Lay Delegate shall be a Member in good standing of this church.

A. Election – The Lay Delegate shall be elected at the next regular Congregational Meeting following each General Conference. A majority of the votes cast shall be required to elect.

B. Term of Office - The term of office of Lay Delegate shall be two (2) years.

C. Duties – The duties of the Lay Delegate shall be to represent the congregation at General and Regional Conferences, to communicate with the congregation regarding ELFM concerns and policies, [ \_\_\_\_\_ ].

D. Funding - To the best of its ability, the congregation shall fund the Lay Delegate’s transportation, registration, and per diem at General and Regional Conferences.

E. Alternate Lay Delegate - The church shall elect one (1) Alternate Lay Delegate for each Lay Delegate elected. The election, term of office, and funding shall be the same as for Lay Delegate.

2. Duties – The duties of the Alternate Lay Delegate shall be to stay informed of ELFM concerns and policies and to be prepared to assume the duties of any Lay Delegate who is unable or unwilling to perform the duties of Lay Delegate, including but not limited to representing the congregation at General and Regional Conferences.
3. Notification to Alternate Lay Delegate – When a Lay Delegate is unable or unwilling to perform the duties of Lay Delegate, the Lay Delegate shall immediately inform his/her Alternate Lay Delegate and the Clerk of the Board of Directors. If the Alternate Lay Delegate is unable to serve, the Board of Directors shall appoint someone to serve in the absence of the Alternate Lay Delegate.

*[OPTION 1 – DISCIPLINE]*

*F. Discipline – The church cannot condone disloyalty, unbecoming conduct, or dereliction of duty on the part of any Lay Delegate or Alternate Lay Delegate. Therefore, the Board of Directors may remove by a majority vote of the full Board of Directors any Lay Delegate or Alternate Lay Delegate guilty of the above. A petition presented to the Board of Directors and signed by twenty-five percent (25%) of the Members in good standing of the congregation may also initiate such a procedure.*

*[OPTION 2 – DISCIPLINE]*

*F. Discipline – The church cannot condone disloyalty, unbecoming conduct, or dereliction of duty on the part of any Lay Delegate or Alternate Lay Delegate. Therefore, the congregation may remove any Lay Delegate or Alternate Lay Delegate by a majority vote at a regular or special Congregational Meeting called for that purpose. A petition presented to the Board of Directors and signed by twenty-five percent (25%) of the Members in good standing of the congregation may also initiate such a procedure.*

*[OPTION 1 – APPEAL OF DISCIPLINE]*

2. *Appeal of Discipline – A disciplined Lay Delegate or Alternate Lay Delegate may appeal the action to the congregation at its next regular Congregational Meeting or at a special Congregational Meeting which may be called for this purpose. The decision of the Congregational Meeting is final. Until the Congregational Meeting to consider the appeal, the position held by the disciplined Lay Delegate shall be filled by an Alternate Lay Delegate.*

*[OPTION 2 – APPEAL OF DISCIPLINE]*

2. *Appeal of Discipline – A disciplined Lay Delegate or Alternate Lay Delegate shall not have a right to appeal the decision of the congregation.*

## **Article X – Church Finances**

A. Authorized Signatures – Any church bank or other financial accounts shall require two signatures for withdrawals, one of which shall be that of a church officer; all members of the Board of Directors shall have signature authority.

B. Limit on Expenditures – The Pastor shall have the authority to commit church funds within the approved budget in any amount not to exceed five percent (5%) of the annual budget; any expenditure greater than that amount requires the approval of the Board of Directors.

The Board of Directors shall have the authority to commit church funds within the approved budget in any amount not to exceed ten percent (10%) of the annual budget; any expenditure greater than that amount requires congregational approval.

C. Fiscal Year – For the purpose of reporting to ELFM , the fiscal year of the church shall be the calendar year.

D. Church Budget – The Board of Directors shall be responsible for the presentation of an annual operating budget reflecting anticipated receipts and disbursements to the Congregational Meeting for approval. The approved budget may be amended, as needed, by a two-thirds (2/3) vote of the Board of Directors, which shall immediately notify the Members of the Church that such amendment has been made.

1. Budget Year – The annual budget of the church shall cover the period from \_\_\_\_\_ through \_\_\_\_\_ [*for example January through December, June through July, or April through March*].

E. Assessments – The Board of Directors shall report quarterly the number of members in good standing for each month within the quarter and shall remit the Board of Pensions assessments as set by General Conference. The report and remittance are due to the Board of Pensions on or before the tenth (10<sup>th</sup>) day of the month following the quarter reported. (REQUIRED FOR US CHURCHES ONLY)

F. Tithes – The Board of Directors shall report all church receipts each month to the ELFM , and with that report shall remit a percentage of the funds reported. The percentage of funds to be remitted shall be determined by General Conference.

### **Article XI – Adoption and Amendments**

A. Adoption – These By Laws shall become effective immediately upon adoption by the Congregational Meeting and approval by the Regional Elder.

B. Amendments – These By Laws may be amended or repealed at any duly convened Congregational Meeting. Proposed amendments or repeals shall be submitted in writing to the Board of Directors no later than thirty (30) days prior to the Congregational Meeting the proposal is to be considered. Adoption of the amendment or the repeal shall require approval by a two-thirds (2/3) affirmative vote and is subject to approval by the Regional Elder. Amendments that are necessitated by amendments made to the ELFM By Laws shall not require approval by the congregation.

## Model By-Laws Appropriate For Program Churches

### Instructions for Using the Model

- k. A blank space [ \_\_\_\_\_ ] within brackets indicates that the matter is completely at local church option.
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- o. Please contact the Elder serving your Region for more information.

### Article I – Name

The name of this church shall be [ \_\_\_\_\_ ] Metropolitan Community Church, also known as [ \_\_\_\_\_ ] ELFM .

### Article II – Affiliation

This church is a member congregation of LOVING ARMS WORLD MINISTRIES & APOSTOLIC COUNCIL OF CHURCHES (ELFM ); ascribes to the government, doctrine, vision, mission, and values of ELFM ; and agrees to abide by the ELFM By Laws and decisions made by General Conference.

A. Successor Corporation - LOVING ARMS WORLD MINISTRIES & APOSTOLIC COUNCIL OF CHURCHES is the not-for-profit organization designated to receive the church's property in the event of dissolution or abandonment of the church or disaffiliation from the ELFM , in accordance with ELFM By Laws.



B. Disaffiliation – A decision to disaffiliate from the ELFM shall require a two-thirds (2/3) vote of the Members present at a Congregational Meeting called for the purpose of disaffiliating and shall be decided in accordance with ELFM By Laws.

### **Article III – Purpose**

The purpose of this church is Christian fellowship, worship, witness, and service, borne in the cooperation, program development, and implementation of ELFM and local church By Laws, Standard Operating Procedures, and Policies.

### **Article IV – Members and Friends**

A. Criteria for Membership – Any baptized Christian who has completed a membership class may become a Member by participating in the Rite of Membership. A Member in good standing is a Member who registers his/her attendance, provides identifiable financial support, makes a definite service contribution, and demonstrates interest and loyalty.

#### *[OPTION 1 – MEMBERSHIP LIST]*

7. Membership List – The list of Members in good standing shall be maintained by the Clerk, who shall report changes monthly to the Board of Directors.

#### *[OPTION 2 – MEMBERSHIP LIST]*

1. Membership List – The list of Members in good standing shall be maintained by the church staff, who shall report changes [monthly or quarterly or every six months] to the Board of Directors.
2. Membership Review – The Board of Directors shall review the membership list in the month of [                    ] of each year.
  - m. A Member who does not have registered attendance, identified financial support, definite service contribution, and demonstrated interest and loyalty within the preceding period of six (6) months to one (1) year may be removed from the list of Members in good standing and placed on a list of inactive Members.
  - n. The Board of Directors shall notify this Member in writing that the Member has been placed on a list of inactive Members and is not eligible to vote at any business meeting of the church.

- o. If the inactive Member has not attended, provided identifiable financial support, and demonstrated further interest or loyalty for a period of two (2) months immediately following notification, the Board of Directors shall have the authority, at its discretion, to drop any such Member from the local church membership roll.
- p. The inactive Member may be restored to the list of Members in good standing by a vote of the Board of Directors without a public reception into membership.
- q. The inactive Member who is not restored during the period of two (2) months immediately following notification shall be considered a former Member.
- r. A former Member may be restored to the list of Members in good standing after completing a membership class and participating in the Rite of Membership.

*[OPTION 1 – RIGHT TO APPEAL]*

- 3. Right to Appeal. A decision by the Board of Directors to drop an inactive Member from the local church membership roll may be appealed by the inactive Member to the next regular Congregational Meeting or a Special Congregational Meeting called for that purpose. The decision of the Congregational Meeting is final. Pending the outcome of the appeal, the inactive Member is not eligible to vote at any business meeting of the church.
  - g. Appeal process. The request for an appeal shall be submitted to the Clerk of the Board of Directors within thirty (30) days following the date when the inactive Member was dropped from the local church membership roll.
  - h. The Board of Directors may consider the appeal and reverse its earlier decision without taking the matter to the Congregational Meeting.
  - i. Should the Board of Directors sustain its earlier decision and the inactive Member wish the appeal to continue, the request shall be included as an agenda item for the next regular Congregational Meeting or a Special Congregational Meeting called for the purpose of considering the appeal.

*[OPTION 2 – RIGHT TO APPEAL]*

- 3. *Right to Appeal. A decision by the Board of Directors to drop an inactive Member from the local church membership roll is not subject to appeal.*

B. Friends of the Church – A person who, for one reason or another, feels unable to become a Member but who supports the goals of the church and wants to be a part of the work of the church may be designated as a “Friend of the Church.”

*[OPTION 1 – LIST OF FRIENDS OF THE CHURCH]*

5. *List of Friends of the Church – The list of Friends of the Church shall be maintained by the Board.*

*[OPTION 2 – LIST OF FRIENDS OF THE CHURCH]*

1. *List of Friends of the Church – The list of Friends of the Church shall be maintained by church staff.*

*[OPTION 3 – LIST OF FRIENDS OF THE CHURCH]*

1. *The church shall not maintain a list of Friends of the Church.*
6. *Limitations on Friends of the Church – Friends may serve on appointed committees and may participate in all activities of the church. Friends may not vote at Congregational Meetings or serve on the Board of Directors. Friends shall not be considered in determining the number of Lay Delegates.*

C. *Discipline of Members and Friends – The church cannot condone disloyalty or unbecoming conduct on the part of any Member or Friend. The Board of Directors is empowered to remove by majority vote any Member or Friend or take other appropriate disciplinary action.*

3. Right to Appeal – The action of the Board may be appealed to the next regular Congregational Meeting or a Special Congregational Meeting called for that purpose. The decision of the Congregational Meeting is final. Pending the outcome of the appeal of discipline, the disciplined Member or Friend shall remain under discipline and shall retain the right to vote at regular and Special Congregational Meetings, including the Congregational Meeting held to consider the appeal..
  - a. Appeal Process - The request for an appeal shall be submitted to the Clerk of the Board of Directors within thirty (30) days following the date when the inactive Member was dropped from the local church membership roll.
  - b. The Board of Directors may consider the appeal and reverse its earlier decision without taking the matter to the Congregational Meeting.
  - c. Should the Board of Directors sustain its earlier decision and the inactive Member wishes the appeal to continue, the request shall be included as an agenda item for the next regular Congregational Meeting or a Special Congregational Meeting called for the purpose of considering the appeal.

## Article V – Congregational Meetings

Government of the church is vested in its Congregational Meeting, which exerts the right to control of its affairs, subject to the provisions of the ELFM Articles of Incorporation, By Laws, or documents of legal organization, and the General Conference.

A. Time and Place – An annual Congregational Meeting shall be held each year in the month of [\_\_\_\_\_]. The time and place of the annual Congregational Meeting shall be determined by the Board of Directors.

B. Notification – The Board of Directors shall notify Members in writing at least [two (2) weeks or one (1) month] in advance.

C. Voting Rights – Each Member in good standing has the right to vote. Proxy or any other form of absentee voting shall not be allowed.

D. Votes Required for Approval – Decisions, including elections, requires approval by a vote of more than fifty percent (50%) of those Members present and voting, unless otherwise required by ELFM By Laws or otherwise stated in these local church By Laws

E. Quorum – In order to transact business, no less than [fifteen percent (15%) or twenty percent (20%)] of the Members in good standing must be present.

F. Agenda – The agenda for Congregational Meetings shall be determined by the Board of Directors.

1. Content – The agenda shall include, but not be limited to, election of members to the Board, election of Lay Delegates in the appropriate year, presentation of financial report, approval of budget, and receiving reports from the Board of Directors and the Pastor.

2. Additions to Agenda – Members may request the Board to of Directors to add agenda items by submitting additional agenda items to the Clerk no later than one (1) week prior to the meeting.

G. Elections – All votes for positions shall be taken by secret ballot. Votes of affirmation from the floor are not permitted.

H. Special Congregational Meetings – In addition to the annual Congregational Meeting, special Congregational Meetings may also be held. Special Congregational Meetings are governed by the same rules as those pertaining to the Annual Congregational Meeting.

5. Calling a Special Congregational Meeting – A special Congregational Meeting may be called either by (a) majority vote of the Board, (b) the Pastor, or (c) a petition signed by at least [fifteen percent (15%) or twenty-five percent (25%)] of the Members and submitted to the Clerk.
6. The nature and purpose of the special Congregational Meeting shall be stated in the petition and in notices and written into the agenda.

#### **Article VI – Local Church Administrative Body**

A. Name – The local church administrative body shall be the Board of Directors, which is authorized to provide administrative leadership for [ \_\_\_\_\_ ] ELFM , subject to approval of the Congregational Meeting.

*[OPTION 1 – RESPONSIBILITIES]*

*B. Responsibilities – The Board of Directors shall be responsible for providing the church with a set of By Laws, which are subject to approval by Congregational Meeting and the Elder serving the Region and for submitting the approved By Laws to the Elder serving the Region. The Board of Directors shall also have charge of all matters pertaining to the documents of legal organization and [incorporation or registration], church property, risk management, and physical and financial affairs of the church. The Board of Directors shall also be responsible for collecting and disbursing funds, keeping adequate church records, and making timely reports to the Congregation and ELFM.*

*[OPTION 2 – RESPONSIBILITIES – If this option is selected, then the model Article for the Board of Trustees (optional Article VII) must be used]*

*B. Responsibilities – The Board of Directors shall be responsible for providing the church with a set of By Laws, which are subject to approval by Congregational Meeting and the Elder serving the Region and for submitting the approved By Laws to the Elder serving the Region. The Board of Directors shall also have charge of all matters pertaining to the documents of legal organization and [incorporation or registration], risk management, and physical and financial affairs of the church. The Board of Directors shall also be responsible for collecting and disbursing funds, keeping adequate church records, and making timely reports to the Congregation and ELMF. The Board of Directors shall appoint a separate Board of Trustees to be responsible for all matters pertaining to the acquisition, maintenance, [usage,] and disposal of church property, subject to approval of the Congregational Meeting.*

*[OPTION 1 – QUALIFICATIONS]*

*C. Qualifications – Members of the Board of Directors must be Members in good standing of [ \_\_\_\_\_ ] ELMF .*

*[OPTION 2 – QUALIFICATIONS]*

*C. Qualifications – Members of the Board of Directors must be Members in good standing of [ \_\_\_\_\_ ] ELMF for at least six (6) months and have experience in the areas of financial planning, administration, and policy development.*

- 3. Conflict of Interest – More than one person from a household, family, or committed relationship; someone who is a church employee; or someone who is a Clergy Candidate shall not be eligible to serve on the Board of Directors.*

*D. Composition – There shall be nine (9) members, including the Pastor who shall serve as Moderator.*

*E. Term of Office – The term of office for members of the Board of Directors, except the Pastor, shall be two-year staggered terms, with half being elected at each annual Congregational Meeting.*

*F. Meetings – The Board of Directors shall meet at least once a month no fewer than ten (10) times a year. Except for executive sessions, meetings shall be open to the congregation and to the public to attend as Observers without voice or vote.*

3. Minutes – Minutes and financial reports shall be available to Members of the church within two (2) weeks after each meeting. Minutes shall include a record of those present and decisions made. A copy of the minutes shall become part of the permanent church records.

*[OPTION 1 – QUORUM]*

*G. Quorum – No less than a majority of the members of the Board of Directors, including the Moderator, must be present in order to transact business. If the Moderator is unable to attend, a meeting of the Board of Directors may be conducted with the consent of the Moderator; in such instance, no less than a majority of the members of the Board of Directors must be present. If the Moderator is incapacitated or otherwise unable to consider granting consent, no less than a majority of the members of the Board of Directors, including the Vice-Moderator, must be present.*

*[OPTION 2 – QUORUM]*

*G. Quorum – No less than a majority of the members of the Board of Directors must be present in order to transact business.*

*H. Official Officers – The official officers of the church are Moderator, Vice-Moderator, Clerk, and Treasurer/Trustee .*

*[OPTION 1 - ELECTION OF OFFICERS]*

3. *Election of Officers – The official officers, except for Moderator, shall be elected at the annual Congregational Meeting. The term of office for officers, except for Moderator, shall be one (1) year, beginning the first of the month following election.*

*[OPTION 2 – ELECTION OF OFFICERS]*

- 3 *Election of Officers – During the first meeting following elections to the Board, the Board of Directors shall elect from among its members persons to fill the positions of Vice-Moderator, Clerk, and Treasurer/Trustee . The term of office for officers, except for Moderator, shall be two (2) years.*

- a. Moderator – The Pastor shall serve as Moderator of the Board of Directors.
- b. Vice-Moderator – The Vice-Moderator shall serve as Moderator of the Board in the absence or upon the request of the Pastor.

- c. Clerk – The Clerk shall be responsible for ensuring the maintenance of official correspondence and church records, and for ensuring that accurate records are kept of all meetings of the Board of Directors and of the Congregation. The Clerk is the officer authorized to receive petitions submitted to the Board of Directors.
- d. Treasurer/Trustee – The Treasurer/Trustee shall be responsible for ensuring the preparation and maintenance of all financial records. This shall include a monthly financial report to the Board and an annual financial report to the Congregation. The monthly and annual financial reports shall reflect receipts, disbursements, and outstanding financial obligations.

I. Vacancies – In the event of a vacancy on the Board of Directors, the Board may appoint a qualified Member to fill the vacancy until the next Congregational Meeting, when an election shall be held to fill the unexpired term.

J. Discipline – The church cannot condone disloyalty, unbecoming conduct, or dereliction of duty on the part of any member of the Board of Directors. Therefore, the Board of Directors may remove by a majority vote of the full Board of Directors any of its members guilty of the above, with the exception of the Pastor who must be disciplined in accordance with the ELMF By Laws. A petition submitted to the Clerk and signed by [*twenty percent (20%) or twenty-five percent (25%)*] of the Members in good standing of the congregation may also initiate such a procedure.

*[OPTION 1 – RIGHT TO APPEAL]*

- 3. *Right to appeal – A disciplined member of the Board of Directors may appeal the action to the congregation at its next regular Congregational Meeting or at a Special Congregational Meeting which may be called for this purpose. The decision of the Congregational Meeting is final. Until the Congregational Meeting to consider the appeal, the position held by the disciplined member of the Board of Directors shall be considered vacant.*

*[OPTION 2 – RIGHT TO APPEAL]*

- 1. *Right to appeal – The decision of the Board of Directors is not subject to appeal.*

K. Limitation of Liability – No director or officer of the church shall be liable for any act or failure to act by any other director or officer of the Church or by any employee of the Church. No director or officer of the Church shall be liable for any loss arising from any fault in the title to any property acquired by the Church. No director or officer of the Church shall be liable for any loss arising from any fault in any security in which the Church might invest, or from bankruptcy, insolvency, or wrongful act by any person to whom the Church might entrust any of its property.



No director or officer of the church shall be liable for any loss due to error of judgment or oversight on his/her part, or for any other loss whatsoever occurring in the carrying out of the duties of his/her office, unless this loss arises from the director's or officer's own willful neglect or fraudulent or criminal actions.

L. Indemnity – The church shall protect every director and officer of the church against all costs arising in relation to his/her relations with the Church, unless they are occasioned by his/her own willful neglect or fraudulent or criminal actions.

***[OPTIONAL Article VI – Board of Trustees]***

*A. Responsibilities – The Board of Trustees is responsible for all matters pertaining to the acquisition, maintenance, [usage,] and disposal of church property, subject to approval of the Congregational Meeting. The Board of Trustees shall keep adequate records and make timely reports to the Congregation and ELFM.*

*B. Qualifications – Members of the Board of Trustees must be Members in good standing of [ \_\_\_\_\_ ] ELFM for at least six (6) month and have experience in the areas of property management, administration, and policy development.*

*1. Conflict of Interest – More than one person from a household, family, or committed relationship; someone who is a church employee; or someone who is a Clergy Candidate shall not be eligible to serve on the Board of Trustees.*

*C. Composition – There shall be five (5) members of the Board of Trustees appointed by the Board of Directors.*

*D. Term of Office – The term of office for members of the Board of Trustees shall be two-year staggered terms, with half being elected at each annual Congregational Meeting.*

*E. Meetings – The Board of Trustees shall meet at least four (4) times a year. Except for executive sessions, meetings shall be open to the congregation and to the public to attend as Observers without voice or vote.*

*1. Minutes – Minutes and financial reports shall be available to Members of the church within two (2) weeks after each meeting. Minutes shall include a record of those present and decisions made. A copy of the minutes shall become part of the permanent church records.*

*F. Quorum – No less than a majority of the members of the Board of Trustees must be present in order to transact business.*

*G. Officers – The official officers of the Board of Trustees are Chairperson, Vice-Chairperson, and Secretary/Treasurer/Trustee and shall be designated by the Board of Directors.*

- 1. Chairperson – The Chairperson shall moderate meetings of the Board of Trustees.*
- 2. Vice-Chairperson – The Vice-Chairperson shall moderate meetings of the Board of Trustees in the absence or upon the request of the Chairperson.*
- 3. Secretary/Treasurer/Trustee – The Secretary/Treasurer/Trustee shall be responsible for ensuring the maintenance of official correspondence, church records, and financial records related to church property, and for ensuring that accurate records are kept of all meetings of the Board of Trustees. This shall include a quarterly report to the Board and an annual report to the Congregation. The quarterly and annual reports shall reflect receipts, disbursements, and outstanding financial obligations.*

*I. Vacancies – In the event of a vacancy on the Board of Trustees, the Board may appoint a qualified Member to fill the unexpired term.*

*J. Discipline – The church cannot condone disloyalty, unbecoming conduct, or dereliction of duty on the part of any member of the Board of Trustees. Therefore, the Board of Trustees may recommend by a majority vote of the full Board of Trustees that the Board of Directors remove any member of the Board of Trustees. Action by the Board of Directors or a petition submitted to the Clerk and signed by [twenty percent (20%) or twenty-five percent (25%)] of the Members in good standing of the congregation may also initiate such a procedure.*

*[OPTION 1 – RIGHT TO APPEAL]*

- 1. Right to appeal – A disciplined member of the Board of Trustees may appeal the action to the congregation at its next regular Congregational Meeting or at a Special Congregational Meeting which may be called for this purpose. The decision of the Congregational Meeting is final. Until the Congregational Meeting to consider the appeal, the position held by the disciplined member of the Board of Trustees shall be considered vacant.*

*[OPTION 2 – RIGHT TO APPEAL]*

- 1. Right to appeal – The decision of the Board of Directors is not subject to appeal.*

*K. Limitation of Liability – No member of the Board of Trustees shall be liable for any act or failure to act by any director, officer of the Church, other member of the Board of Trustees, or any employee of the Church. No member of the Board of Trustees shall be liable for any loss arising from any fault in the title to any property acquired by the Church. No member of the Board of Trustees shall be liable for any loss arising from any fault in any security in which the Church might invest, or from bankruptcy, insolvency, or wrongful act by any person to whom the Church might entrust any of its property.*

*No member of the Board of Trustees shall be liable for any loss due to error of judgment or oversight on his/her part, or for any other loss whatsoever occurring in the carrying out of the duties of his/her office, unless this loss arises from the member's own willful neglect or fraudulent or criminal actions.*

*L. Indemnity – The church shall protect every member of the Board of Trustees against all costs arising in relation to his/her relations with the Church, unless they are occasioned by his/her on willful neglect or fraudulent or criminal actions.*

### **Article VII or VIII – Pastor**

A. Role – The Pastor is the ELFM clergy person with a license to practice who has been called by God and elected by the church to be responsible for the duties of teacher, preacher, and spiritual leader until such time that the relationship is terminated. The Pastor shall also fulfill such other roles and responsibilities as are stated in the ELFM By Laws and the policies of the church.

3. Interim Pastoral Leader – In the event that a ELFM clergy person is not available to serve as Pastor, the Board of Directors may request the Regional Elder to appoint an Interim Pastoral Leader, who shall be subject to a background check. The term of office of the Interim Pastoral Leader shall be one (1) year. If the Interim Pastoral Leader is a Member of \_\_\_\_\_ ELFM , then the Interim Pastoral Leader shall have the authority to fulfill all of the roles and responsibilities of Pastor. If the Interim Pastoral Leader is not a Member of \_\_\_\_\_ ELFM , then the Interim Pastoral Leader shall have the authority to fulfill all of the roles and responsibilities of Pastor, except that the Interim Pastoral Leader shall serve as Moderator of the Board of Directors and Congregational Meetings, with voice but no vote.

B. Responsibilities – The Pastor shall have authority for ordering all worship services of the church; determining when other worship services will be held, subject to approval of the Board of Directors; appointing compensated and uncompensated church staff, subject to the approval of the Board of Directors; and determining compensation, vacation periods, and titles of office of the church staff, subject to approval of the Board of Directors. The Pastor shall serve as a voting member of the Board of Directors, Moderator of the Board of Directors and of Congregational Meetings, personnel director, and as the primary spokesperson of the church to the community. The Pastor may delegate such duties as seem wise, including but not limited to the duty of serving as Moderator of the Board of Directors and of Congregational Meetings.



## **Article VIII or IX – Conflict Resolution**

When there are conflicts or difficulty within the church that cannot be resolved, including conflicts between the Pastor and congregation, the Board of Directors, the Pastor, any Lay Delegate, or a petition signed by a minimum of thirty-three percent (33%) of the Members in good standing may invite intervention by the Regional Elder to resolve the conflict, in accordance with ELFM By Laws.

A. Removing the Pastor from Office – The church shall follow the process as outlined in the ELFM By Laws for removing the Pastor from office for disloyalty, unbecoming conduct, dereliction of duty, or when irreconcilable differences arise that cannot be resolved through mutual agreement.

9. Any petition to initiate the process of removing the Pastor from office must be submitted to the Clerk of the Board of Directors and be signed by at least twenty-five percent (25%) of the members in good standing.
10. The Board of Directors may initiate the process of removing the Pastor from office by a vote of three-fourths (3/4) of the full Board of Directors.
11. The Clerk shall send a copy of the completed petition or motion of the Board of Directors to the Regional Elder within three (3) days.
12. The Pastor shall remain fully compensated until the final action of the congregation.

## **Article IX or X – Lay Delegate**

The church shall elect one (1) lay person for every one hundred (100) Members in good standing, or part thereof, to serve as Lay Delegate. The Lay Delegate shall be a Member in good standing of this church.

A. Election – The Lay Delegate shall be elected at the next regular Congregational Meeting following each General Conference. A majority of the votes cast shall be required to elect.

B. Term of Office - The term of office of Lay Delegate shall be two (2) years.

C. Duties – The duties of the Lay Delegate shall be to represent the congregation at General and Regional Conferences, to communicate with the congregation regarding ELFM concerns and policies, [and to \_\_\_\_\_].

D. Funding - To the best of its ability, the congregation shall fund the Lay Delegate's transportation, registration, and per diem at General and Regional Conferences.

*[OPTION 1 – ALTERNATE LAY DELEGATE]*

*E. Alternate Lay Delegate - The church shall elect one (1) Alternate Lay Delegate for each Lay Delegate elected. The election, term of office, and funding shall be the same as for Lay Delegate.*

- 4. Notification to Alternate Lay Delegate – When a Lay Delegate is unable or unwilling to perform the duties of Lay Delegate, the Lay Delegate shall immediately inform his/her Alternate Lay Delegate and the Clerk of the Board of Directors. If the Alternate Lay Delegate is unable to serve, the Board of Directors shall appoint another person to serve in the absence of the Alternate Lay Delegate.*

*[OPTION 2 – ALTERNATE LAY DELEGATE]*

*E. Alternate Lay Delegate – The church shall elect two (2) Alternate Lay Delegates. The election, term of office, and funding shall be the same as for Lay Delegates.*

- 1. Notification to Alternate Lay Delegate – When a Lay Delegate is unable or unwilling to perform the duties of Lay Delegate, the Lay Delegate shall immediately inform he Clerk of the Board of Directors. The Board of Directors shall select which of the Alternate Lay Delegates shall serve in the absence of the Lay Delegate. If the an Alternate Lay Delegate is unable to serve, the Board of Directors shall appoint another person to serve in the absence of the Lay Delegate.*

- 5. Duties – The duties of the Alternate Lay Delegate shall be to stay informed of ELFM concerns and policies and to be prepared to assume the duties of any Lay Delegate who is unable or unwilling to perform the duties of Lay Delegate, including but not limited to representing the congregation at General and Regional Conferences.*

*[OPTION 1 – DISCIPLINE]*

*F. Discipline – The church cannot condone disloyalty, unbecoming conduct, or dereliction of duty on the part of any Lay Delegate or Alternate Lay Delegate. Therefore, the Board of Directors may remove by a majority vote of the full Board of Directors any Lay Delegate or Alternate Lay Delegate guilty of the above. A petition presented to the Board of Directors and signed by twenty-five percent (25%) of the Members in good standing of the congregation may also initiate such a procedure.*

*[OPTION 2 – DISCIPLINE]*

F. Discipline – The church cannot condone disloyalty, unbecoming conduct, or dereliction of duty on the part of any Lay Delegate or Alternate Lay Delegate. Therefore, the congregation may remove any Lay Delegate or Alternate Lay Delegate by a majority vote at a regular or special Congregational Meeting called for that purpose. A petition presented to the Board of Directors and signed by twenty-five percent (25%) of the Members in good standing of the congregation may also initiate such a procedure.

*[OPTION 1 – APPEAL OF DISCIPLINE]*

3. Appeal of Discipline – A disciplined Lay Delegate or Alternate Lay Delegate may appeal the action to the congregation at its next regular Congregational Meeting or at a special Congregational Meeting which may be called for this purpose. The decision of the Congregational Meeting is final. Until the Congregational Meeting to consider the appeal, the position held by the disciplined Lay Delegate shall be filled by an Alternate Lay Delegate.

*[OPTION 2 – APPEAL OF DISCIPLINE]*

3. Appeal of Discipline – A disciplined Lay Delegate or Alternate Lay Delegate shall not have a right to appeal the decision of the congregation.

**Article X or XI – Church Finances**

A. Authorized Signatures – Any church bank or other financial accounts shall require two signatures for withdrawals, one of which shall be that of a church officer; all members of the Board of Directors and designated staff members shall have signature authority, as determined by the Board of Directors.

B. Limit on Expenditures – The Pastor shall have the authority to commit church funds within the approved budget in any amount not to exceed five percent (5%) of the annual budget; any expenditure that is greater than that amount requires the approval of the Board of Directors.

The Board of Directors shall have the authority to commit church funds within the approved budget in any amount not to exceed ten percent (10%) of the annual budget; any expenditure greater than that amount requires congregational approval.

C. Fiscal Year – For the purpose of reporting to ELFM, the fiscal year of the church shall be the calendar year.

D. Church Budget – The Board of Directors shall be responsible for presenting to the Congregational Meeting for approval an annual operating budget that reflects anticipated receipts and disbursements. The approved budget may be amended, as needed, by a two-thirds (2/3) vote of the Board of Directors, which shall immediately notify the Members of the Church that such amendment has been made.

1. Budget Year – The annual budget of the church shall cover the period from \_\_\_\_\_ through \_\_\_\_\_ [*for example January through December, June through July, or April through March*].

E. Assessments – The Board of Directors shall report quarterly to the ELFM the number of members in good standing for each month within the quarter and shall remit the Board of Pensions assessments as set by General Conference. The report and remittance are due to the Board of Pensions on or before the tenth (10<sup>th</sup>) day of the month following the quarter reported. (REQUIRED FOR US CHURCHES ONLY)

F. Tithes – The Board of Directors shall report all church receipts each month to the ELFM , and with that report shall remit a percentage of the funds reported. The percentage of funds to be remitted shall be determined by General Conference.

#### **Article XI or XII – Adoption and Amendments**

A. Adoption – These By Laws shall become effective immediately upon adoption by the Congregational Meeting and approval by the Regional Elder.

B. Amendments – These By Laws may be amended or repealed at any duly convened Congregational Meeting. Proposed amendments or repeals shall be submitted in writing to the Board of Directors no later than thirty (30) days prior to the Congregational Meeting the proposal is to be considered. Adoption of the amendment or the repeal shall require approval by a two-thirds (2/3) affirmative vote and is subject to approval by the Regional Elder. Amendments that are necessitated by amendments made to the ELFM By Laws shall not require approval by the congregation.



## Model By-Laws Appropriate For Corporate Churches

### Instructions for Using the Model

- p. A blank space [ \_\_\_\_\_ ] within brackets indicates that the matter is completely at local church option.
- q. Language [*shown in italics*] and located within brackets indicates that the local church may choose from among the options presented.
- r. Underscored language indicates a strong recommendation from the Board of Elders, not a requirement.
- s. Language that is not shown in italics or not appearing within brackets is required by ELM By Laws, unless prohibited by national, state, or provincial law.
- t. Please contact the Elder serving your Region for more information.

### Article I – Name

The name of this church shall be [ \_\_\_\_\_ ] Metropolitan Community Church, also known as [ \_\_\_\_\_ ] LAWM/LACC/OAFA.

### Article II – Affiliation

This church is a member congregation of LOVING ARMS WORLD MINISTRIES & APOSTOLIC COUNCIL OF CHURCHES (LAWM/LACC/OAFA); ascribes to the government, doctrine, vision, mission, and values of LAWM/LACC/OAFA; and agrees to abide by the ELM By Laws and decisions made by General Conference.

A. Successor Corporation - LOVING ARMS WORLD MINISTRIES & APOSTOLIC COUNCIL OF CHURCHES is the not-for-profit organization designated to receive the church's property in the event of dissolution or abandonment of the church or disaffiliation from the ELM , in accordance with ELM By Laws.

B. Disaffiliation – A decision to disaffiliate from the ELM shall require a two-thirds (2/3) vote of the Members present at a Congregational Meeting called for the purpose of disaffiliating and shall be decided in accordance with ELM By Laws.

### Article III – Purpose

The purpose of this church is Christian fellowship, worship, witness, and service, borne in the cooperation, program development, and implementation of ELFM and local church By Laws, Standard Operating Procedures, and Policies.

#### **Article IV – Members and Friends**

##### *[OPTION 1 – CRITERIA FOR MEMBERSHIP]*

*A. Criteria for Membership – Any baptized Christian who has completed a membership class may become a Member by participating in the Rite of Membership. A Member in good standing is a Member who registers his/her attendance, provides identifiable financial support, makes a definite service contribution, and demonstrates interest and loyalty.*

##### *[OPTION 2 – CRITERIA FOR MEMBERSHIP]*

*A. Criteria for Membership – Any baptized Christian who has completed a membership class may become a Member by participating in the Rite of Membership. A Member in good standing is a Member who attends, contributes financially, and demonstrates interest and loyalty.*

##### *[OPTION 1 – MEMBERSHIP LIST]*

8. Membership List – The list of Members in good standing shall be maintained by the Clerk, who shall report changes monthly to the Board of Directors.

##### *[OPTION 2 – MEMBERSHIP LIST]*

4. Membership List – The list of Members in good standing shall be maintained by a member of the church staff, who shall report changes [monthly or quarterly or every six months or once a year] to the Board of Directors.

[OPTION 1 – MEMBERSHIP REVIEW]

5. Membership Review – The Board of Directors shall review the membership list in the month of [ ] of each year.
  - s. A Member who does not have registered attendance, identified financial support, definite service contribution, and demonstrated interest and loyalty within the preceding period of six (6) months to one (1) year may be removed from the list of Members in good standing and placed on a list of inactive Members.
  - t. The Board of Directors shall notify this Member in writing that the Member has been placed on a list of inactive Members and is not eligible to vote at any business meeting of the church.
  - u. If the inactive Member has not attended, provided identifiable financial support, and demonstrated further interest or loyalty for a period of two (2) months immediately following notification, the Board of Directors shall have the authority, at its discretion, to drop any such Member from the local church membership roll.
  - v. The inactive Member may be restored to the list of Members in good standing by a vote of the Board of Directors without a public reception into membership.
  - w. The inactive Member who is not restored during the period of two (2) months immediately following notification shall be considered a former Member.
  - x. A former Member may be restored to the list of Members in good standing after completing a membership class and participating in the Rite of Membership.

[OPTION 2 – MEMBERSHIP REVIEW]

2. Membership Review – A Member shall continue in membership until such time as the Member requests to be removed from the list of Members in good standing, until death, or until action by the Board of Directors to remove the Member to remove the Member from membership. Such action by the Board of Directors shall be done in accordance with the procedure as shown below:
  - a. A Member who does not have registered attendance, identified financial support, definite service contribution, and demonstrated interest and loyalty within the preceding period of one (1) year may be removed from the list of Members in good standing and placed on a list of inactive Members.
  - b. The Board of Directors shall ensure that this Member is notified in writing that the Member has been placed on a list of inactive Members and is not eligible to vote at any business meeting of the church.
  - c. If the inactive Member has not attended, provided identifiable financial support, and demonstrated further interest or loyalty for a period of two (2) months immediately following notification, the Board of Directors shall have the authority, at its discretion, to drop any such Member from the local church membership roll.
  - d. The inactive Member may be restored to the list of Members in good standing by a vote of the Board of Directors without a public reception into membership.

- e. The inactive Member who is not restored during the period of two (2) months immediately following notification shall be considered a former Member.
- f. A former Member may be restored to the list of Members in good standing after completing a membership class and participating in the Rite of Membership.

*[OPTION 1 – RIGHT TO APPEAL]*

- 6. Right to Appeal. A decision by the Board of Directors to drop an inactive Member from the local church membership roll may be appealed by the inactive Member to the next regular Congregational Meeting or a Special Congregational Meeting called for that purpose. The decision of the Congregational Meeting is final. Pending the outcome of the appeal, the inactive Member is not eligible to vote at any business meeting of the church.
- j. Appeal process. The request for an appeal shall be submitted to the Clerk of the Board of Directors within thirty (30) days following the date when the inactive Member was dropped from the local church membership roll.
- k. The Board of Directors may consider the appeal and reverse its earlier decision without taking the matter to the Congregational Meeting.
- l. Should the Board of Directors sustain its earlier decision and the inactive Member wish the appeal to continue, the request shall be included as an agenda item for the next regular Congregational Meeting or a Special Congregational Meeting called for the purpose of considering the appeal.

*[OPTION 2 – RIGHT TO APPEAL]*

- 3. Right to Appeal. A decision by the Board of Directors to drop an inactive Member from the local church membership roll is not subject to appeal.

B. Friends of the Church – A person who, for one reason or another, feels unable to become a Member but who supports the goals of the church and wants to be a part of the work of the church may be designated as a “Friend of the Church.”

*[OPTION 1 – LIST OF FRIENDS OF THE CHURCH]*

- 7. List of Friends of the Church – The list of Friends of the Church shall be maintained by the Board.

*[OPTION 2 – LIST OF FRIENDS OF THE CHURCH]*

- 1. List of Friends of the Church – The list of Friends of the Church shall be maintained by church staff.

*[OPTION 3 – LIST OF FRIENDS OF THE CHURCH]*

1. *The church shall not maintain a list of Friends of the Church.*
  
  8. Limitations on Friends of the Church – Friends may serve on appointed committees and may participate in all activities of the church. Friends may not vote at Congregational Meetings or serve on the Board of Directors. Friends shall not be considered in determining the number of Lay Delegates.
- C. Discipline of Members and Friends – The church cannot condone disloyalty or unbecoming conduct on the part of any Member or Friend. The Board of Directors is empowered to remove by majority vote any Member or Friend or take other appropriate disciplinary action.
4. Right to Appeal – The action of the Board may be appealed to the next regular Congregational Meeting or a Special Congregational Meeting called for that purpose. The decision of the Congregational Meeting is final. Pending the outcome of the appeal of discipline, the disciplined Member or Friend shall remain under discipline and shall retain the right to vote at regular and Special Congregational Meetings, including the Congregational Meeting held to consider the appeal.
    - a. Appeal Process - The request for an appeal shall be submitted to the Clerk of the Board of Directors within thirty (30) days following the date when the inactive Member was dropped from the local church membership roll.
    - b. The Board of Directors may consider the appeal and reverse its earlier decision without taking the matter to the Congregational Meeting.
    - c. Should the Board of Directors sustain its earlier decision and the inactive Member wishes the appeal to continue, the request shall be included as an agenda item for the next regular Congregational Meeting or a Special Congregational Meeting called for the purpose of considering the appeal.

**Article V – Congregational Meetings**

Government of the church is vested in its Congregational Meeting, which exerts the right to control of its affairs, subject to the provisions of the ELMF Articles of Incorporation, By Laws, or documents of legal organization, and the General Conference.

A. Time and Place – An annual Congregational Meeting shall be held each year in the month of [\_\_\_\_\_]. The time and place of the annual Congregational Meeting shall be determined by the Board of Directors.

*[OPTION 1 – NOTIFICATION]*

*B. Notification – The Board of Directors shall ensure that Members are notified in writing at least [two (2) weeks or one (1) month] in advance.*

*[OPTION 2 – NOTIFICATION]*

*B. Notification – The Board of Directors shall ensure that an announcement of an upcoming Congregational Meeting is made at each worship service for at least one (1) month in advance of the meeting.*

C. Voting Rights – Each Member in good standing has the right to vote. Proxy or any other form of absentee voting shall not be allowed.

D. Votes Required for Approval – Decisions, including elections, requires approval by a vote of more than fifty percent (50%) of those Members present and voting, unless otherwise required by ELFM By Laws or otherwise stated in these local church By Laws

E. Quorum – In order to transact business, no less than [ten percent (10%) or fifteen percent (15%)] of the Members in good standing must be present.

F. Agenda – The agenda for Congregational Meetings shall be determined by the Board of Directors.

1. Content – The agenda shall include, but not be limited to, election of members to the Board, election of Lay Delegates in the appropriate year, presentation of financial report, approval of budget, and receiving reports from the Board of Directors and the Pastor.
2. Additions to Agenda – Members may request the Board of Directors to add agenda items by submitting additional agenda items to the Clerk no later than two (2) weeks prior to the meeting.

G. Elections – All votes for positions shall be taken by secret ballot. Votes of affirmation from the floor are not permitted.

H. Special Congregational Meetings – In addition to the annual Congregational Meeting, special Congregational Meetings may also be held. Special Congregational Meetings are governed by the same rules as those pertaining to the Annual Congregational Meeting.

7. Calling a Special Congregational Meeting – A special Congregational Meeting may be called either by (a) majority vote of the Board, (b) the Pastor, or (c) a petition signed by at least [ten percent (10%) or fifteen percent (15%)] of the Members and submitted to the Clerk.
8. The nature and purpose of the special Congregational Meeting shall be stated in the petition and in announcements and be written into the agenda.

#### **Article VI – Local Church Administrative Body**

A. Name – The local church administrative body shall be the Board of Directors, which is authorized to provide administrative leadership for [ \_\_\_\_\_ ] ELFM , subject to approval of the Congregational Meeting.

*[OPTION 1 – RESPONSIBILITIES]*

*B. Responsibilities – The Board of Directors shall be responsible for providing the church with a set of By Laws, which are subject to approval by Congregational Meeting and the Elder serving the Region and for submitting the approved By Laws to the Elder serving the Region. The Board of Directors shall also have charge of all matters pertaining to the documents of legal organization and [incorporation or registration], church property, risk management, and physical and financial affairs of the church. The Board of Directors shall also be responsible for collecting and disbursing funds, keeping adequate church records, and making timely reports to the Congregation and ELFM.*

*[OPTION 2 – RESPONSIBILITIES – If this option is selected, then the model Article for the Board of Trustees (optional Article VII) must be used]*

*B. Responsibilities – The Board of Directors shall be responsible for providing the church with a set of By Laws, which are subject to approval by Congregational Meeting and the Elder serving the Region and for submitting the approved By Laws to the Elder serving the Region.*

The Board of Directors shall also have charge of all matters pertaining to the documents of legal organization and [incorporation or registration], risk management, and physical and financial affairs of the church. The Board of Directors shall also be responsible for collecting and disbursing funds, keeping adequate church records, and making timely reports to the Congregation and ELMF. The Board of Directors shall appoint a separate Board of Trustees to be responsible for all matters pertaining to the acquisition, maintenance, [usage,] and disposal of church property, subject to approval of the Congregational Meeting.

*[OPTION 1 – QUALIFICATIONS]*

C. *Qualifications – Members of the Board of Directors must be Members in good standing of [ \_\_\_\_\_ ] ELMF.*

*[OPTION 2 – QUALIFICATIONS]*

C. *Qualifications – Members of the Board of Directors must be Members in good standing of [ \_\_\_\_\_ ] ELMF for at least six (6) months and have experience in the areas of financial planning, administration, and policy development.*

4. Conflict of Interest – More than one person from a household, family, or committed relationship; someone who is a church employee; or someone who is a Clergy Candidate shall not be eligible to serve on the Board of Directors.

D. *Composition – There shall be [nine (9)] members, including the Pastor who shall serve as Moderator.*

E. *Term of Office – The term of office for members of the Board of Directors, except the Pastor, shall be two-year staggered terms, with half being elected at each annual Congregational Meeting.*

F. *Meetings – The Board of Directors shall meet at least once a month no fewer than ten (10) times a year. Except for executive sessions, meetings shall be open to the congregation and to the public to attend as Observers without voice or vote.*

4. *Minutes – Minutes and financial reports shall be available to Members of the church within two (2) weeks after each meeting. Minutes shall include a record of those present and decisions made. A copy of the minutes shall become part of the permanent church records.*



*[OPTION 1 – QUORUM]*

G. Quorum – No less than a majority of the members of the Board of Directors, including the Moderator, must be present in order to transact business. If the Moderator is unable to attend, a meeting of the Board of Directors may be conducted with the consent of the Moderator; in such instance, no less than a majority of the members of the Board of Directors must be present. If the Moderator is incapacitated or otherwise unable to consider granting consent, no less than a majority of the members of the Board of Directors, including the Vice-Moderator, must be present.

*[OPTION 2 – QUORUM]*

G. Quorum – No less than a majority of the members of the Board of Directors must be present in order to transact business.

H. Official Officers – The official officers of the church are Moderator, Vice-Moderator, Clerk, and Treasurer/Trustee .

*[OPTION 1 - ELECTION OF OFFICERS]*

4. Election of Officers – The official officers, except for Moderator, shall be elected at the annual Congregational Meeting. The term of office for officers, except for Moderator, shall be one (1) year, beginning the first of the month following election.

*[OPTION 2 – ELECTION OF OFFICERS]*

4 Election of Officers – During the first meeting following elections to the Board, the Board of Directors shall elect from among its members persons to fill the positions of Vice-Moderator, Clerk, and Treasurer/Trustee . The term of office for officers, except for Moderator, shall be two (2) years.

- a. Moderator – The Pastor shall serve as Moderator of the Board of Directors.
- b. Vice-Moderator – The Vice-Moderator shall serve as Moderator of the Board in the absence or upon the request of the Pastor.
- c. Clerk – The Clerk shall be responsible for ensuring the maintenance of official correspondence and church records, and for ensuring that accurate records are kept of all meetings of the Board of Directors and of the Congregation. The Clerk is the officer authorized to receive petitions submitted to the Board of Directors.
- d. Treasurer/Trustee – The Treasurer/Trustee shall be responsible for ensuring the preparation and maintenance of all financial records. This shall include a monthly financial report to the Board and an annual financial report to the Congregation. The monthly and annual financial reports shall reflect receipts, disbursements, and outstanding financial obligations.

I. Vacancies – In the event of a vacancy on the Board of Directors, the Board may appoint a qualified Member to fill the vacancy until the next Congregational Meeting, when an election shall be held to fill the unexpired term.

J. Discipline – The church cannot condone disloyalty, unbecoming conduct, or dereliction of duty on the part of any member of the Board of Directors. Therefore, the Board of Directors may remove by a majority vote of the full Board of Directors any of its members guilty of the above, with the exception of the Pastor who must be disciplined in accordance with the ELMF By Laws. A petition submitted to the Clerk and signed by [fifteen percent (15%) or twenty percent (20%)] of the Members in good standing of the congregation may also initiate such a procedure.

*[OPTION 1 – RIGHT TO APPEAL]*

4. *Right to appeal – A disciplined member of the Board of Directors may appeal the action to the congregation at its next regular Congregational Meeting or at a Special Congregational Meeting which may be called for this purpose. The decision of the Congregational Meeting is final. Until the Congregational Meeting to consider the appeal, the position held by the disciplined member of the Board of Directors shall be considered vacant.*

*[OPTION 2 – RIGHT TO APPEAL]*

1. *Right to appeal – The decision of the Board of Directors is not subject to appeal.*

K. Limitation of Liability – No director or officer of the church shall be liable for any act or failure to act by any other director or officer of the Church or by any employee of the Church. No director or officer of the Church shall be liable for any loss arising from any fault in the title to any property acquired by the Church. No director or officer of the Church shall be liable for any loss arising from any fault in any security in which the Church might invest, or from bankruptcy, insolvency, or wrongful act by any person to whom the Church might entrust any of its property. No director or officer of the church shall be liable for any loss due to error of judgment or oversight on his/her part, or for any other loss whatsoever occurring in the carrying out of the duties of his/her office, unless this loss arises from the director's or officer's own willful neglect or fraudulent or criminal actions.

L. Indemnity – The church shall protect every director and officer of the church against all costs arising in relation to his/her relations with the Church, unless they are occasioned by his/her own willful neglect or fraudulent or criminal actions.

***[OPTIONAL Article VI – Board of Trustees]***

*A. Responsibilities – The Board of Trustees is responsible for all matters pertaining to the acquisition, maintenance, [usage,] and disposal of church property, subject to approval of the Congregational Meeting. The Board of Trustees shall keep adequate records and make timely reports to the Congregation and ELFM.*

*B. Qualifications – Members of the Board of Trustees must be Members in good standing of [\_\_\_\_\_] ELFM for at least six (6) month and have experience in the areas of property management, administration, and policy development.*

- 2. Conflict of Interest – More than one person from a household, family, or committed relationship; someone who is a church employee; or someone who is a Clergy Candidate shall not be eligible to serve on the Board of Trustees.*

*D. Composition – There shall be [five (5) or seven (7)] members of the Board of Trustees appointed by the Board of Directors.*

*E. Term of Office – The term of office for members of the Board of Trustees shall be two-year staggered terms, with half being elected at each annual Congregational Meeting.*

*F. Meetings – The Board of Trustees shall meet at least four (4) times a year. Except for executive sessions, meetings shall be open to the congregation and to the public to attend as Observers without voice or vote.*

- 2. Minutes – Minutes and financial reports shall be available to Members of the church within two (2) weeks after each meeting. Minutes shall include a record of those present and decisions made. A copy of the minutes shall become part of the permanent church records.*

*G. Quorum – No less than a majority of the members of the Board of Trustees must be present in order to transact business.*

H. Officers – The official officers of the Board of Trustees are Chairperson, Vice-Chairperson, and Secretary/Treasurer/Trustee and shall be designated by the Board of Directors.

4. Chairperson – The Chairperson shall moderate meetings of the Board of Trustees.
5. Vice-Chairperson – The Vice-Chairperson shall moderate meetings of the Board of Trustees in the absence or upon the request of the Chairperson.
6. Secretary/Treasurer/Trustee – The Secretary/Treasurer/Trustee shall be responsible for ensuring the maintenance of official correspondence, church records, and financial records related to church property, and for ensuring that accurate records are kept of all meetings of the Board of Trustees. This shall include a quarterly report to the Board and an annual report to the Congregation. The quarterly and annual reports shall reflect receipts, disbursements, and outstanding financial obligations.

I. Vacancies – In the event of a vacancy on the Board of Trustees, the Board may appoint a qualified Member to fill the unexpired term.

J. Discipline – The church cannot condone disloyalty, unbecoming conduct, or dereliction of duty on the part of any member of the Board of Trustees. Therefore, the Board of Trustees may recommend by a majority vote of the full Board of Trustees that the Board of Directors remove a member from the Board of Trustees. Action by the Board of Directors or a petition submitted to the Clerk and signed by [fifteen percent (15%) or twenty percent (20%)] of the Members in good standing of the congregation may also initiate such a procedure.

[OPTION 1 – RIGHT TO APPEAL]

1. Right to appeal – A disciplined member of the Board of Trustees may appeal the action to the congregation at its next regular Congregational Meeting or at a Special Congregational Meeting which may be called for this purpose. The decision of the Congregational Meeting is final. Until the Congregational Meeting to consider the appeal, the position held by the disciplined member of the Board of Trustees shall be considered vacant.

[OPTION 2 – RIGHT TO APPEAL]

1. Right to appeal – The decision of the Board of Directors is not subject to appeal.

K. Limitation of Liability – No member of the Board of Trustees shall be liable for any act or failure to act by any director, officer of the Church, other member of the Board of Trustees, or any employee of the Church. No member of the Board of Trustees shall be liable for any loss arising from any fault in the title to any property acquired by the Church. No member of the Board of Trustees shall be liable for any loss arising from any fault in any security in which the Church might invest, or from bankruptcy, insolvency, or wrongful act by any person to whom the

Church might entrust any of its property. No member of the Board of Trustees shall be liable for any loss due to error of judgment or oversight on his/her part, or for any other loss whatsoever occurring in the carrying out of the duties of his/her office, unless this loss arises from the member's own willful neglect or fraudulent or criminal actions.

L. Indemnity – The church shall protect every member of the Board of Trustees against all costs arising in relation to his/her relations with the Church, unless they are occasioned by his/her own willful neglect or fraudulent or criminal actions.

### **Article VII or VIII – Pastor**

A. Role – The Pastor is the ELFM clergy person with a license to practice who has been called by God and elected by the church to be responsible for the duties of teacher, preacher, and spiritual leader until such time that the relationship is terminated. The Pastor shall also fulfill such other roles and responsibilities as are stated in the ELFM By Laws and the policies of the church.

4. Interim Pastoral Leader – In the event that a ELFM clergy person is not available to serve as Pastor, the Board of Directors may request the Regional Elder to appoint an Interim Pastoral Leader, who shall be subject to a background check. The term of office of the Interim Pastoral Leader shall be one (1) year. If the Interim Pastoral Leader is a Member of \_\_\_\_\_ ELFM , then the Interim Pastoral Leader shall have the authority to fulfill all of the roles and responsibilities of Pastor. If the Interim Pastoral Leader is not a Member of \_\_\_\_\_ ELFM , then the Interim Pastoral Leader shall have the authority to fulfill all of the roles and responsibilities of Pastor, except that the Interim Pastoral Leader shall serve as Moderator of the Board of Directors and Congregational Meetings, with voice but no vote.

B. Responsibilities – The Pastor shall have authority for ordering all worship services of the church; determining when other worship services will be held, subject to approval of the Board of Directors; appointing compensated and uncompensated church staff, subject to the approval of the Board of Directors; and determining compensation, vacation periods, and titles of office of the church staff, subject to approval of the Board of Directors. The Pastor shall serve as a voting member of the Board of Directors, Moderator of the Board of Directors and of Congregational Meetings, personnel director, and as the primary spokesperson of the church to the community. The Pastor may delegate such duties as seem wise, including but not limited to the duty of serving as Moderator of the Board of Directors and of Congregational Meetings.

C. Pastoral Covenant – The Board of Directors and Pastor shall develop a covenant between the Pastor and the church. The covenant shall include a job description and address such matters as compensation that is consistent with equitable local standards, benefits, allowances, and leave. All provisions of the covenant shall be subordinate to the By Laws of the ELFM .

1. Conference Expenses – To the best of its ability, the congregation shall fund the Pastor’s transportation, registration, and per diem at General and Regional Conferences.

D. Pastoral Vacancy – In the event of a vacancy in the position of Pastor, a Pastoral Search Committee shall be responsible for presenting a qualified candidate for election at a Congregational Meeting. The Pastoral Search Committee shall develop and implement the pastoral search process, in consultation with the Regional Elder.

*[OPTION 1 – COMPOSITION OF PASTORAL SEARCH COMMITTEE]*

6. Composition of Pastoral Search Committee – The Pastoral Search Committee shall consist of thirteen (13) members, including the eight (8) members of the Board of Directors and five (5) additional members elected at a Congregational Meeting.

*[OPTION 2 – COMPOSITION OF PASTORAL SEARCH COMMITTEE]*

5. *Composition of Pastoral Search Committee – The Pastoral Search Committee shall consist of [ \_\_\_\_\_ ] members elected at a Congregational Meeting.*

7. Election of Pastor – To be elected, the candidate presented by the Pastoral Search Committee must receive more than seventy percent (70%) of the votes cast during a Congregational Meeting.

E. Termination of Relationship – The Pastor and congregation may choose at any time to terminate their relationship through mutual agreement. Unilateral failure to renew the Pastor’s contract shall not constitute removal of the Pastor from office. No petition for removal of the Pastor based on irreconcilable differences is valid unless preceded by the process of conflict resolution, as referred to in Article [VIII or IX].

**Article [VIII or IX] – Conflict Resolution**

When there are conflicts or difficulty within the church that cannot be resolved, including conflicts between the Pastor and congregation, the Board of Directors, the Pastor, any Lay Delegate, or a petition signed by a minimum of thirty-three percent (33%) of the Members in good standing may invite intervention by the Regional Elder to resolve the conflict, in accordance with ELFM By Laws.

A. Removing the Pastor from Office – The church shall follow the process as outlined in the ELFM By Laws for removing the Pastor from office for disloyalty, unbecoming conduct, dereliction of duty, or when irreconcilable differences arise that cannot be resolved through mutual agreement.

13. Any petition to initiate the process of removing the Pastor from office must be submitted to the Clerk of the Board of Directors and be signed by at least twenty-five percent (25%) of the members in good standing.
14. The Board of Directors may initiate the process of removing the Pastor from office by a vote of three-fourths (3/4) of the full Board of Directors.
15. The Clerk shall send a copy of the completed petition or motion of the Board of Directors to the Regional Elder within three (3) days.
16. The Pastor shall remain fully compensated until the final action of the congregation.

### **Article IX or X – Lay Delegate**

The church shall elect one (1) lay person for every one hundred (100) Members in good standing, or part thereof, to serve as Lay Delegate. The Lay Delegate shall be a Member in good standing of this church.

A. Election – The Lay Delegate shall be elected at the next regular Congregational Meeting following each General Conference. A majority of the votes cast shall be required to elect.

B. Term of Office - The term of office of Lay Delegate shall be two (2) years.

C. Duties – The duties of the Lay Delegate shall be to represent the congregation at General and Regional Conferences, to communicate with the congregation regarding ELMF concerns and policies, [and to \_\_\_\_\_].

D. Funding - To the best of its ability, the congregation shall fund the Lay Delegate’s transportation, registration, and per diem at General and Regional Conferences.

#### *[OPTION 1 – ALTERNATE LAY DELEGATE]*

*E. Alternate Lay Delegate - The church shall elect one (1) Alternate Lay Delegate for each Lay Delegate elected. The election, term of office, and funding shall be the same as for Lay Delegate.*

- 6. Notification to Alternate Lay Delegate – When a Lay Delegate is unable or unwilling to perform the duties of Lay Delegate, the Lay Delegate shall immediately inform his/her Alternate Lay Delegate and the Clerk of the Board of Directors. If the Alternate Lay Delegate is unable to serve, the Board of Directors shall appoint another person to serve in the absence of the Alternate Lay Delegate.*

*[OPTION 2 – ALTERNATE LAY DELEGATE]*

*E. Alternate Lay Delegate – The church shall elect two (2) Alternate Lay Delegates. The election, term of office, and funding shall be the same as for Lay Delegates.*

*1. Notification to Alternate Lay Delegate – When a Lay Delegate is unable or unwilling to perform the duties of Lay Delegate, the Lay Delegate shall immediately inform the Clerk of the Board of Directors. The Board of Directors shall select which of the Alternate Lay Delegates shall serve in the absence of the Lay Delegate. If the Alternate Lay Delegate is unable to serve, the Board of Directors shall appoint another person to serve in the absence of the Lay Delegate.*

*7. Duties – The duties of the Alternate Lay Delegate shall be to stay informed of ELFM concerns and policies and to be prepared to assume the duties of any Lay Delegate who is unable or unwilling to perform the duties of Lay Delegate, including but not limited to representing the congregation at General and Regional Conferences.*

*[OPTION 1 – DISCIPLINE]*

*F. Discipline – The church cannot condone disloyalty, unbecoming conduct, or dereliction of duty on the part of any Lay Delegate or Alternate Lay Delegate. Therefore, the Board of Directors may remove by a majority vote of the full Board of Directors any Lay Delegate or Alternate Lay Delegate guilty of the above. A petition presented to the Board of Directors and signed by twenty-five percent (25%) of the Members in good standing of the congregation may also initiate such a procedure.*

*[OPTION 2 – DISCIPLINE]*

*F. Discipline – The church cannot condone disloyalty, unbecoming conduct, or dereliction of duty on the part of any Lay Delegate or Alternate Lay Delegate. Therefore, the congregation may remove any Lay Delegate or Alternate Lay Delegate by a majority vote at a regular or special Congregational Meeting called for that purpose. A petition presented to the Board of Directors and signed by twenty-five percent (25%) of the Members in good standing of the congregation may also initiate such a procedure.*



[OPTION 1 – APPEAL OF DISCIPLINE]

4. Appeal of Discipline – A disciplined Lay Delegate or Alternate Lay Delegate may appeal the action to the congregation at its next regular Congregational Meeting or at a special Congregational Meeting which may be called for this purpose. The decision of the Congregational Meeting is final. Until the Congregational Meeting to consider the appeal, the position held by the disciplined Lay Delegate shall be filled by an Alternate Lay Delegate.

[OPTION 2 – APPEAL OF DISCIPLINE]

4. Appeal of Discipline – A disciplined Lay Delegate or Alternate Lay Delegate shall not have a right to appeal the decision of the congregation.

**Article X or XI – Church Finances**

A. Authorized Signatures – Any church bank or other financial accounts shall require two signatures for withdrawals, one of which shall be that of a designated member of the church staff. The Board of Directors shall grant signature authority at its discretion.

B. Limit on Expenditures – The Pastor shall have the authority to commit church funds within the approved budget in any amount not to exceed five percent (5%) of the annual budget; any expenditure greater than that amount requires the approval of the Board of Directors.

The Board of Directors shall have the authority to commit church funds within the approved budget in any amount not to exceed ten percent (10%) of the annual budget; any expenditure greater than that amount requires congregational approval.

C. Fiscal Year – For the purpose of reporting to ELFM , the fiscal year of the church shall be the calendar year.

D. Church Budget – The Board of Directors shall be responsible for presenting to the Congregational Meeting for approval an annual operating budget that reflects anticipated receipts and disbursements. The approved budget may be amended, as needed, by a two-thirds (2/3) vote of the Board of Directors, which shall immediately notify the Members of the Church that such amendment has been made.

1. Budget Year – The annual budget of the church shall cover the period from \_\_\_\_\_ through \_\_\_\_\_ [for example *January through December, June through July, or April through March*].

E. Assessments – The Board of Directors shall report quarterly to the ELFM the number of members in good standing for each month within the quarter and shall remit the Board of Pensions assessments as set by General Conference. The report and remittance are due to the Board of Pensions on or before the tenth (10<sup>th</sup>) day of the month following the quarter reported. (REQUIRED FOR US CHURCHES ONLY)

F. Tithes – The Board of Directors shall report all church receipts each month to the ELFM , and with that report shall remit a percentage of the funds reported. The percentage of funds to be remitted shall be determined by General Conference.

#### **Article XI or XII – Adoption and Amendments**

A. Adoption – These By Laws shall become effective immediately upon adoption by the Congregational Meeting and approval by the Regional Elder.

B. Amendments – These By Laws may be amended or repealed at any duly convened Congregational Meeting. Proposed amendments or repeals shall be submitted in writing to the Board of Directors no later than thirty (30) days prior to the Congregational Meeting the proposal is to be considered. Adoption of the amendment or the repeal shall require approval by a two-thirds (2/3) affirmative vote and is subject to approval by the Regional Elder. Amendments that are necessitated by amendments made to the ELFM By Laws shall not require approval by the congregation.

RISK MANAGEMENT AUDIT 20XX  
FOR CHURCHES IN THE US AND CANADA

### Employment (Paid and Volunteer)

	Yes	No	Don't Know	Comment
Does each Clergyperson (paid or volunteer) who is doing an active, authorized and accountable ministry in your church have a current employment contract/covenant?				
Do you have a sexual harassment policy?				
Have background checks been done on all persons (paid or volunteer) who are involved in children, youth or counseling ministries?				
Do you have personnel policies concerning the handling of employee records that address the privacy issues involved?				
Do you have personnel policies approved by the Board to promptly and thoroughly investigate allegations of misconduct by employees?				
Do you adequately orient new employees/volunteers concerning employer policies and procedures?				
What ongoing training is provided by church employees/volunteers to help them perform their duties in light of changing national and local laws?				
Are all employees and volunteers supervised to reduce their risk of negligence and misconduct?				
Does the church issue the appropriate Internal Revenue Service income tax forms to all church staff and others who have been receiving financial compensation from the church during the previous year?				

### Financial Management

	Yes	No	Don't Know	Comment
Are all signature authorities reviewed and updated at least annually and are all checks and other bank instructions signed by two signatories?				
Are at least two persons present during the counting of church offerings and are these persons rotated periodically?				
Are offerings promptly deposited in a church bank account?				
Are monthly bank statements reconciled with recorded income and expenses?				
Are monthly written financial reports provided promptly to Board members?				
Does the congregation approve your annual budget prior to the beginning of the new financial year?				
Does the Board keep to the budget approved by the congregation and is there a procedure in place for reporting exceptions?				
Do you comply with all donor restrictions on designated contributions?				

## Insurance

	Yes	No	Don't Know	Comment
Do you provide Worker's Compensation Insurance for all paid staff?				
Do you have general liability insurance with minimum coverage of \$1 million and director's insurance? Please submit a copy of the declaration page indicating the amounts.				
Do you annually review your insurance policies and other possible coverage and is this documented in your Board of Directors' minutes?				
Do you have proper documentation of church assets?				
Do you contact your insurance agent as soon as a loss occurs or an allegation of negligence or misconduct is made?				
Do you comply with all conditions specified in your insurance policies?				
Who annually inspects your properties and grounds to identify risk areas that require correction?	-----	-----		

### Church Records

	Yes	No	Don't Know	Comment
Do you have a copy of your By Laws kept in a safe place outside of the church/pastor's office?				
Is your church incorporated?				
Have you filed all annual reports required by the State?				
Have all changes to your By Laws been approved by the Regional Elder?				
Do you have a records retention policy that specifies how long church records are to be kept?				
Are legal documents such as Board of Directors Meetings Minutes and Congregational Meeting Minutes kept readily available?				
Where do you maintain your important legal records such as deeds, rent agreements, etc.?	-----	-----		
Are Minutes and financial reports posted so that church members can view them?				

**Copyright and Publications**

	Yes	No	Don't Know	Comment
Do you have a license that allows you to reproduce music? (i.e., CCLI license)				
Do you include proper citations in your bulletin and other written materials when copyrighted materials are used?				

**Board of Directors**

	Yes	No	Don't Know	Comment
Do you adequately train new Board members?				
When was the most recent Board training?				
Do you provide ongoing training of Board members, including officers?				



**PASTORAL CONTRACTS BY CHURCH SIZE  
PASTORAL CONTRACT FAMILY SIZE (SAMPLE)**

The parties to this agreement are Metropolitan Community church \_\_\_\_\_ and \_\_\_\_\_ herein referred to as church and Pastor.

ELFM \_\_\_\_\_ is a Church in the ELMF and therefore this agreement is subject to the By Laws of the ELMF and the By Laws and Standard Operating Procedures of the local church. (the Pastor is elected by the congregation and works in conjunction with the Board of Directors and congregation of ELMF \_\_\_\_\_.)

RESPONSIBILITIES

ELFM \_\_\_\_\_ hereby contracts with \_\_\_\_\_, Pastor, to perform the usual pastoral duties and responsibilities including, but not limited to the following:

1. The Pastor is being initially paid for \_\_\_\_\_ hours per week for the performance of Pastoral duties and responsibilities. It is the hope of all parties for the Pastor's hours to increase as the budget allows. (Work hours include sermon preparation and Sunday worship.) Salary will be based on the Labor Statistics for your area.
2. The Pastor shall direct the ordering of all worship services of the church as set forth in the By-laws of the ELMF . The Pastor shall officiate and participate in the regularly scheduled weekly Sunday worship service, except when on vacation or authorized leave.
3. The Pastor shall direct the performance of the Sacraments of Baptism and Holy Communion, as set forth in the By Laws of ELMF .
4. The Pastor shall perform, at her/his discretion, the rites of Holy Union or Holy Matrimony.
5. The Pastor shall direct the performance of the rite of attaining membership in ELMF \_\_\_\_\_.
6. The Pastor shall perform, at his/her discretion, the rite of Funeral or Memorial Service, the rite of Laying on of Hands, and the rite of Blessing, as set forth in the ELMF By Laws.
7. The Pastor shall be the spiritual and administrative leader of the church and shall work in a spirit of cooperation with the Board of Directors.
8. The Pastor shall direct the spiritual education program of the church.
9. After the Pastor's weekly work hours have increased to at least 20 or more per week the church will actively support the Pastor in serving the ELMF . The Pastor may then accept one (1)

denominational or network task at any one time without the affirmation of the Board of Directors provided that the responsibility can be performed within the confines of this contract, and will not require the Pastor to miss more than seven work days from the church per year. Any time, including travel time, spent away from this church on Network or ELFM activities shall be considered normal time worked. Prior to working twenty hours per week any denominational work would be considered volunteer time and not paid by the church.

10. The Pastor shall attend some church social events as part of his/her work schedule. All expenses charged by the church for the event shall be waived for the Pastor and their spouse. (I.e. entry fee and food)

11. The Pastor will personally perform very few hospital, jail, and home visitation until work hours are increased to 20 or more per week. The Pastor shall organize and supervise a pastoral care program to see to the pastoral needs of the congregation.

12. If there are planned worship services or events the Pastor shall not ordinarily take the following as time off: Easter, Pentecost, Christmas Eve or Day, Good Friday and Thanksgiving.

13. The Pastor shall serve as personnel director of all paid and volunteer staff.

14. The Pastor shall serve as Moderator of the Board of Directors in accordance with ELFM By Laws.

15. The Pastor shall be responsible for the performance of such other duties and responsibilities as may be set forth and agreed to between the Pastor and ELFM \_\_\_\_\_.

16. The Pastor agrees that she/he will at all times faithfully and to the best of her/his ability perform all the duties herein described.

17. The Pastor agrees to serve in accordance with the ELFM Code of Conduct.

## TERMS OF EMPLOYMENT

1. In order to balance the needs of the congregation and the needs of the Pastor, the Pastor shall be entitled to the following leave:

a. One Sunday off every quarter, this allows for others to preach and for the Pastor to work other hours from time to time. The Pastor will ensure that the pulpit is filled during any absence.

b. Four weeks paid vacation annually, dates to be affirmed by the Board of Directors. (A week is based on the current number of contracted hours per week.) No more than one week may be carried over to the next year.

c. The Pastor shall accrue one health day every two months, one per month when hours are increased to 20 or more per week. Said time shall be accrued and be accumulative for the duration of this contract, or any extension, but shall not exceed ninety days. (Said time may not be used in conjunction with vacation time. Further, such time shall not be reimbursed at termination of employment.)

d. After the Pastor's hours are increased to 20 or more per week the following holidays will be given: All federal holidays, Good Friday, Easter, and the day after Christmas and Easter. Should the holiday fall on a church function day or a scheduled day off, the pastor shall receive another day off in its place.

e. After each five years of service the Pastor will be given a paid sabbatical of 90 days. This time is for reflection, education, writing, and renewal.

f. Should the Pastor become ill or disabled to the extent that the Pastor cannot perform her/his customary pastoral duties and responsibilities for two weeks or accumulated health leave, whichever is greater. To return to work the Pastor must have a written doctor's consent. If the Pastor requires more time away from the church, the Board of Directors in consultation with the Region will consider continuing the sick leave benefits.

i. In the event the Pastor shall, during the term of this contract, become totally disabled, which disability lasts or is expected to last, for a period of at least six months, either party shall have the option to terminate this contract, after consultation with and approval of the Network Elder. Such option shall be exercised by either party giving written notice to the other party of at least thirty days.

ii. For the purposes of this contract, the Pastor shall be deemed to have become totally disabled if, in the opinion of two or more physicians who have examined the Pastor, she/he is not able to perform her/his duties by virtue of illness or injury, and such inability is expected by said physicians to last for six months. The opinion of the physicians shall be presented to the Network Elder and Board of Directors in writing. During any such period of disability, the Network Elder may appoint another person as pastor.

g. After the Pastor's hours have been increased to 20 per week or more the Pastor shall be entitled to 5 days for emergency leave in the event of a death occurring within her/his or her/his spouse's immediate family. This time shall not be charged against vacation time and shall not be carried over to the next year if unused.

h. After the Pastor's hours have been increased to 20 or more per week the Pastor shall be entitled to five days annually to pursue continuing education. This time shall not be charged against vacation time and shall not be carried over to the next year if unused. A stipend as set forth in the budget will be given the Pastor for expenses incurred for continuing education.

i. After the Pastors hours have increased to 20 or more per week the Pastor may have 3 personal business days annually. This time shall not be charged against vacation time and shall not be carried over to the next year if unused.

2. Review - It is understood that open and honest feedback will be shared with the Pastor within the monthly Board of Directors meetings. The Board of Directors will conduct a written annual Board performance review; this will include a review of all Board positions.

3. Compensation and Benefits - The Pastor's compensation shall be established through the church's budgetary process and will be negotiated between the Pastor and the Board of Directors. The church will base the compensation on ELFM standards.

a. The Pastor shall be paid every two weeks.

b. When the Pastor's hours reach twenty or more per week ELFM \_\_\_\_\_ shall pay the Pastor's health insurance at a fair and negotiable rate if the Pastor is not currently insured through other employment.

c. After the Pastor's hours reach twenty per week ELFM \_\_\_\_\_ shall pay the Pastor's continuing professional education expenses up to the amount set forth in the budget.

d. ELFM \_\_\_\_\_ shall pay all normal and reasonable conference expenses incurred by the Pastor for attendance at authorized ELFM General, Network and Leadership conferences. These expenses shall include the following: transportation, lodging, meals, registration fees and incidentals. The dollar amount will be established in the budgetary process.

e. The Pastor shall be reimbursed all professional expenses. The dollar limits shall be set during the budgetary process and a receipt must verify each expense.

f. The Pastor shall receive additional benefits as may be approved during the budgetary process and set forth in the budget.

g. Any benefits that accrue and are paid out at the time a pastor leaves, must be banked and held by the church. (i.e. If a month's salary is going to be given for every year served, that amount needs to be accrued in each year's budget and held until the time comes when the pastor leaves. This is a legal requirement. Additionally, without holding this money in the bank, the church could be placed in financial jeopardy when the pastor leaves.)

h. Future considerations – retirement plan, life insurance, etc.

4. ELFM Ordination (If not ELFM Ordained) - It is understood that the Pastor will seek ordination in ELFM in 20\_\_\_. Failure to do so successfully may result in not renewing the re-appointment of the person as Pastor.

5. Resignation - Should the Pastor resign from her/his duties she/he shall give a minimum of one month written notice to both the Board of Directors and the Network Elder. If she/he gives the required notice and has worked for more than one year she/he will receive all salary and benefits due up to the effective date of resignation.

6. Termination - In the event that the church or Network Elder should remove or not renew the appointment of the Pastor, remove the approval of the Pastor in a Church or the Pastor is removed pursuant to the By Laws of ELFM , employment may be terminated without notice.

7. Any dispute regarding this agreement will be heard and the Network Elder will make final determination.

TERMS OF EMPLOYMENT

The hours, salary and benefits will be negotiated and modified as part of the budgetary process of the church. All salary and benefits are to be paid by ELFM \_\_\_\_\_.

On this \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_ all parties, in Christian love and mutual respect, set forth their signatures as acceptance of the above terms and conditions.

\_\_\_\_\_ Date \_\_\_\_\_

Pastor

\_\_\_\_\_ Date \_\_\_\_\_

Clerk, on behalf of the Board of Directors of ELFM

## **PASTOR SIZE PASTORAL CONTRACT (SAMPLE)**

### **CHURCH NAME PASTOR'S EMPLOYMENT AGREEMENT**

This agreement is made between X Metropolitan Community Church, Inc., a congregation of LOVING ARMS WORLD MINISTRIES & APOSTOLIC COUNCIL OF CHURCHES (ELFM ), a religious non-profit corporation, herein referred to as XELFM and Reverend X, Pastor.

### **RESPONSIBILITIES**

XELFM hereby employs the Pastor to perform the usual pastoral duties and responsibilities including, but not limited to the following.

- a.** The Pastor shall be available at least forty (40) hours per week for the performance of pastoral duties and responsibilities. Each week the Pastor shall have up to three (3) days of her choosing, excluding Sunday, off from her formal pastoral duties. These days off may be taken consecutively. The Pastor's work time shall include but not be limited to sermon preparation, evening meetings, and a reasonable amount of professional education related to her job.
- b.** The Pastor shall direct the ordering of all worship services of the church as set forth in the By-laws of the ELFM . The Pastor shall officiate and/or participate in the regularly scheduled weekly Sunday worship service, except when on vacation or authorized leave.
- c.** The Pastor shall direct the performance of the Sacraments of Baptism and Holy Communion, as set forth in the SOP's of XELFM and the By-Laws of ELFM .
- d.** The Pastor shall direct the performance of the rite of attaining membership to XELFM as set forth in said By-Laws.
- e.** The Pastor shall perform, or may delegate at her discretion, the rites of Holy Union or Holy Matrimony, the rites of Funeral or Memorial Service, the rite of Laying on of Hands, and the rite of Blessing, as set forth in said By-Laws.
- f.** The Pastor shall be the spiritual and administrative leader of the church.
- g.** The Pastor shall direct the spiritual education of the congregation including but not limited to an ongoing program of Christian education.
- h.** This church acknowledges its responsibility to share its Pastor with the ELFM . The Pastor may accept appointments or election to ELFM offices or tasks, provided that

it/they can be performed within the confines of this contract, and will not require her to miss more than five (5) consecutive work days from this church. Any time, including travel time, spent away from this church on Network or Fellowship activities shall be considered normal time worked. Should an appointment or election exceed these limits, the Pastor may not accept nomination to any Network or Fellowship office without the prior approval of the Board of Directors.

**i.** The Pastor shall attend an appropriate number of church events which members may regard as social, but which entail work for the Pastor, such as picnics, church dances, church dinners, variety shows, and game night, by way of example. Depending on the Pastor's schedule, she is expected to attend a majority of these events [more than 50% of those scheduled by the church]. The Pastor's direct expenses to such events shall be paid for by the church (for example: bowling fees, banquet fees and parking, but not the food she buys while bowling). Admission to all events at the church shall be free of charge to the Pastor. Attendance at these events shall be regarded as time worked.

**j.** The Pastor will be responsible for all hospital, jail, and home visitation, but may not personally perform all such visitations. The Pastor shall have the discretion to determine whom she shall appoint to perform visitations which she does not perform personally, and shall insure that the appropriate visitation does take place.

**k.** The Pastor shall not ordinarily take a Sunday off for the Sundays of Easter, Christmas Eve, or Christmas Day. The Pastor shall have the right to have the Christmas Holidays off (traditionally the fourth Sunday of Advent, Christmas Eve, and Christmas Day) and Easter as part of her regular vacation and/or those Sundays off once every three years of her employment, but not two Christmases or Easters in succession unless there is illness in her family or her spouse's family.

**l.** The Pastor shall be responsible for the performances of such other and additional duties and responsibilities as may be set forth and agreed to between the Pastor and XELFM, including those pastoral responsibilities set forth in said SOP's.

**m.** The Pastor agrees that she will at all times faithfully and to the best of her ability perform all the duties herein described and required of her.



**COMPENSATION**

- a. The Pastor shall be paid an annual salary of *enter amount here*.
- b. The Pastor will be provided with 3 weeks of PTO/year.
- c. The Pastor will be provided a medical insurance package.

\_\_\_\_\_

Rev. X

\_\_\_\_\_

Date

\_\_\_\_\_

Moderator of the Board

\_\_\_\_\_

Date

PROGRAM SIZE PASTORAL CONTRACT (SAMPLE)  
**Terms of Employment Between**  
**Sr. Pastor and *enter church name***

**I. Employment Details**

It is the intention of the Board of Directors to provide a fair and equitable compensation package. Listed below are the specifics as they relate to your employment.

**OVERVIEW**

- ✓ Effective Date            *enter dates here*
- ✓ Yearly Salary                *enter salary here*
- ✓ Classification                Full Time Exempt Employee / 40 hours per week
- ✓ Core Office Hours            Flexible based on schedule & commitments
- ✓ Normal Days Off                Friday & Saturday
- ✓ Paid Time Off                200 hours (25 work days / 5 weeks)
- ✓ Professional Development    40 hours (5 work days / 1 week)

**ADDITIONAL DETAILS OF AGREEMENT**

Salary

Details relating to pastor's salary are included in the *enter church name* Annual Operating Budget, as prepared by the Board of Directors and approved by the Congregation. This agreement will be updated each year and signed by the Board of Directors to include updated figures. In the event that the allocation of housing allowance changes, Board Meeting Minutes must reflect an official vote to approve the change, and must include language specified by the Governmental Taxing Authority.

### Additional Benefits

This agreement does include full health insurance benefits as provided in our group policy. This agreement also allows for one Sunday off every quarter and reimbursement for professional development expenses based on budget allocations. Professional development funds (i.e., pastor's education) allocated in the budget are to be used at the pastor's discretion; all unused funds at the end of a calendar year or at the termination of this agreement are considered assets of *enter church name*. The costs associated with attending any network or ELFM training and conferences are fully reimbursable according to budget allocations. In addition, annual license fees associated with keeping the pastor's credentials current will be covered by *enter church name* and included in the annual budget.

### Leave Time

*Paid Time Off.* 20 Days has been allotted for Paid Time Off (PTO). This time should be used for vacation, sick time, and time to attend to personal matters. You may carryover to the next year no more than 5 unused days. The Board however, encourages you to fully utilize your days off especially in the area of vacation time. The PTO days can also be taken in half day (4 hours) increments. Unless otherwise noted in this agreement, *enter church name* Personnel Policy and Guidelines Manual will provide appropriate guidance about designated holidays. In as much as possible, the Board of Directors shall be notified in advance about scheduling time off.

*Sabbatical.* After 5 years of service, negotiations will be held to provide an intentional paid 3 month sabbatical.

*Professional Development.* 5 days per year have been allocated for your professional leave of absence for continuing education and leadership development.

### Termination of Agreement

It is mutually agreed that a minimum 30 day written notification will be granted by either *enter church name* or Rev. *enter pastor's name* of the intent to terminate the employment relationship. In the event of the former, *enter church name* will comply with all relevant ELFM By Laws and procedures related to removal of a pastor.

**II.**

### **Job Description**

**Basic Responsibilities:**

1. Act as the spiritual and administrative leader of the congregation.
2. Be available to the people for pastoral care. Serve as a presence to the community for healing through phone calls, emails, and face-to-face dialog.
3. Work closely with the Worship Planning Team to plan, design, and execute weekly Sunday worship and special worship services (i.e. Christmas Eve). This includes preaching a minimum of at least 3 times a month.
4. Perform ELM sacraments of Baptism and Holy Communion.
5. Perform, at her discretion, the ELM rites of Holy Union, Matrimony, Membership, Funeral or Memorial Services, Laying on of Hands, and the Rite of Blessing.
6. Lead the Ministry Leader Team (MLT).
7. Moderate the Board of Directors.
8. Lead the delivery of the Orientation / Membership classes.
9. Act as Personnel Director for all paid and unpaid staff.
10. Attend Congregational meetings and forums.

**Strategic Responsibilities (Joint Development of Activities between *enter pastor's name* & BOD):**

1. Lead *enter church name* with implementing our Vision, Mission, and Core Values.
2. Develop and implement new ministry areas and train appropriate leadership.
3. Design, develop and implement an education program.
4. Lead strategic planning, development and implementation.
5. Partner in developing our awareness and relationship with our local and global community.

**III. Miscellaneous Items of Mutual Agreement**

The Board of Directors of *enter church name* and Rev. *enter pastor's name* agree to the following:

1. Flextime is supported to handle emergencies and unplanned activities.
2. Church meeting time, including Board of Director meetings, is considered part of the normal workweek.
3. The Board supports and encourages Pastoral participation at the Network and Fellowship levels. Time to attend ELFM Trainings and Conferences is considered part of the normal work week. Additional involvement requiring time away will be negotiated with the Board of Directors in advance.
4. Emergencies after hours will be dealt with on a case by case basis working in tandem with the Congregational Care team.
5. Unless otherwise stated in this agreement, *enter church name* Personnel Policy and Guidelines Manual will provide appropriate guidance on matters not addressed by this agreement. This includes guidelines for the reimbursement for mileage on official church business.

Regular verbal feedback on performance and activities will be provided.

6. At least once a year, a formal written evaluation based on this agreement will be conducted.
7. A monthly written Pastor's report will be submitted to the Board of Directors.
8. It is expected that the Pastor will support and abide by all of *enter church name's* Policies, SOP's, Guidelines, and Code of Ethics.

\_\_\_\_\_  
Rev. *insert pastor's name here*

\_\_\_\_\_  
Date

\_\_\_\_\_  
*Insert BOD moderator's name here*

\_\_\_\_\_  
Date

Corporate Size Pastoral Contract

EMPLOYMENT AGREEMENT

This Employment Agreement, dated *enter date*, (the “Agreement”) is between the *X* Metropolitan Community Church of *X CITY AND X STATE*, Inc., a non-profit corporation registered in the State of *X* (the “Church”) and the Reverend *enter pastor’s name*, an ordained clergy person (the “Pastor”) authorized by the Universal Fellowship of Metropolitan Churches (“ELFM”) to administer the rites and sacraments of the ELFM .

WHEREAS, the Church, having conducted a search in compliance with its By-Laws and the By-Laws of the ELFM , hereby offers to employ the Pastor in the position of “Senior Pastor” and the Pastor hereby accepts such employment under the terms and conditions set forth below,

NOW THEREFORE, the parties, wishing to be mutually bound, hereby agree as follows:

I. Employment

The Church hereby employs the Pastor for the Term, as defined below, as Senior Pastor of the Church, to perform the duties and pursue the goals set forth in paragraph II, for the Compensation, as defined in Paragraph IV below, subject to all terms and conditions set forth herein and to the By-Laws of the Church and the ELFM and the Pastor (hereafter referred to as “Senior Pastor”) hereby accepts such employment.

## II. Duties and Goals

### 1. The duties of the Senior Pastor shall be to:

- (a) act as the spiritual and administrative leader of the Church, working in a spirit of cooperation and collaboration with the Board of Directors (the “Board”), staff and Congregation of the Church (the “Board”);
  - (b) conduct her/his ministry in a manner consistent with the Church’s Guiding Documents, Core Values and *enter the name of church’s guiding documents*.
  - (c) develop and maintain excellence in the worship services of the Church, and shall work collaboratively with the worship team in planning services;
  - (d) serve as Moderator of the Board and as moderator for all congregational meetings and forums;
  - (e) attend worship services and meetings and, to a reasonable extent, Church fundraisers and other events;  
act as the manager of the personnel employed by, or working with the Church, hiring, terminating and, with Board approval, establishing compensation, job descriptions and other benefits or privileges for such employees and other workers.
  - (f) provide direction, mentoring and teaching as needed to develop and empower new leadership in the Church;
  - (g) work with the Board, staff and lay leadership of the Church to develop and implement a five (5) year strategic plan for the Church;
  - (h) maintain mutual cooperation and collaboration with, between and among the Board, the staff and the Church’s lay leadership.
- ### 2. The goals of the Senior Pastor, towards which the Senior Pastor will work diligently and in concert with the Board and membership of the Church, include increasing the diversity in the membership of the Church, with specific emphasis on multicultural and multi-age group outreach.

## III. Work Schedule

1. The Senior Pastor will be entitled to two (2) days off of her/his choosing (not to include Sunday) each week. The Senior Pastor will assure coverage of Church administrative affairs on her/his days off, and, to the extent possible, will be available when needed to minister to emergency pastoral needs of the Church. The Senior Pastor will not participate in the practice of accruing compensatory (comp) time.
2. Days or portions of days attending ELFM conferences, as well as travel days to and from such conferences, will be considered working days for the Senior Pastor.

3. The Senior Pastor will be entitled to paid holidays as follows:

- personal birthday
- New Year's Day
- Martin Luther King Jr. Day
- Memorial Day
- Independence Day
- Labor Day
- Veteran's Day
- Thanksgiving Day
- Christmas Day

4. If there are planned worship services or events on the following days, the Senior Pastor shall not take time off: Easter, Pentecost, Christmas Eve, Christmas Day, Good Friday and Thanksgiving.

#### IV. Performance Evaluation

1. This contract will be in effect for three (3) calendar years, with a start date *enter date* and end date of *enter date*. The Pastor will be evaluated by a 360-degree evaluation that will occur yearly on the anniversary of the start date of this agreement. There will be measurable written goals set at the beginning of each year of this contract that will be written and agreed upon by both the Senior Pastor and the Board of Directors. Those goals will be used as the evaluation standards for the annual reviews. This evaluation and review process will proceed as follows: The Pastor will choose five individuals within the pastoral areas of ministry to evaluate her/him. All staff will evaluate the Pastor. The Board of Directors will additionally choose five individuals who are lay leaders in the congregation (members) to evaluate the Pastor on general pastoral duties. The Pastor will also do a self-evaluation. Finally, the Board of Directors will do a full evaluation. All of these evaluations will be compiled by the Vice-Moderator and one additional Board member (results and key points/ideas will be shared with the Pastor during a formal evaluation between the Pastor and the Board of Directors). The Pastor will likewise evaluate the Board of Directors. The results of such evaluation will be treated as confidential unless, and only to the extent that, the Senior Pastor consents to disclosure of such results. These evaluations will be placed in the Pastor's personnel file and a copy given to the Pastor, both of which will be signed by the Pastor and Vice-Moderator of the Board of Directors. There will be quarterly "check-ins" between the Vice-Moderator and the Pastor that will occur on or around April 15, July 15 and October 15 of each year of the agreement. This will be accomplished by an informal poll of the Board of directors (and staff) by the Vice-moderator in regard to the accomplishment of meeting tasks and goals as set out in this contract.

#### V. Compensation and Benefits



1. The Senior Pastor will be paid an annual salary (“Salary”) of \$X (X dollars) a year (inclusive of Housing Allowance). The Salary will increase based on merit as determined by the Board of Directors. Merit will be determined by evaluation of the measurable written goals as set in the beginning of the contract year. These goals will be mutually developed by the Senior Pastor and the Board of Directors.
2. Upon the development of a budget for the X fiscal year, the Board will entertain the possibility of providing the Senior Pastor with a contribution to a 403(b) retirement fund. The Senior Pastor understands that any amount for contribution to the 403(b) retirement fund will depend on the income of the church at the time the budget is developed and the ability of the budget to sustain such a line item.
3. The Church will pay, on the Senior Pastor’s behalf, the income and employment taxes due on the Housing Allowance, up to a maximum amount of \$X a year, by issuing a check quarterly for such taxes payable to the Governmental Taxing Authority.
4. The Senior Pastor will receive the following employment benefits:
  - (a) a Housing Allowance to be paid at the beginning of each calendar month, the amount of which will be determined mutually between the Board and the Senior Pastor.
  - (b) Major medical and dental insurance (deductibles and co-pays to be paid by senior pastor)
  - (c) two \$100,000 term life insurance policies, one of which will name the Church as beneficiary and the other to name a beneficiary of the Senior Pastor’s designation
  - (d) paid vacation time, to be accrued at the rate of one (1) week for every ten (10) weeks of service. No more than two (2) weeks of accrued vacation may be taken consecutively without prior approval from the Board of Directors. No more than two (2) weeks of accrued vacation shall remain for more than 30 days (inclusive of yearly carry-over vacation).
  - (e) Payment of actual moving expenses up to maximum of \$ X (X dollars), payment to be made within one (1) business week of submission by the Senior Pastor to the Church of proof of such expenses.

#### VI. Conferences and Professional Expenses

1. The Church will pay all registration fees, transportation, lodging and per diem (in an amount established by the Board from time to time) for the Senior Pastor’s attendance at network, general and other conferences of the ELFM .

## VII. Term and Termination

This Agreement will be effective from the date hereof and, unless terminated under this Paragraph VI, will remain in effect for a period of (3) years (the “Term”) and may be renewed by agreement of the parties, for two (2) successive terms of one (1) year each and shall be subject to renegotiation at the end of each period or by mutual agreement at any other time.

1. Either party may terminate this Agreement in the event of a material breach by the other party of any obligation undertaken by such party under this Agreement, provided that the breaching party is first informed of the breach and fails to correct such breach for a period of thirty (30) days from the date of such notice.

a. Except in the case of (i) termination of the Senior Pastor based on intentional wrongdoing, or (ii) voluntary resignation of the Senior Pastor, the Senior Pastor will be entitled to payment on termination of an amount equal to one month compensation for salary and housing.

2. Notwithstanding the foregoing Paragraph VI 3, if the Church elects to terminate this Agreement within one year hereof, and such termination is not based on intentional wrongdoing by the Senior Pastor, the Senior Pastor will be paid no less than two (2) weeks Salary as severance.

## Miscellaneous

1. *Precedence.* To the extent that any term of this Agreement is inconsistent with any provision of the By-Laws of the Church, the By-Laws will govern to the extent of such inconsistency. To the extent that any term of this Agreement, not inconsistent with the By-Laws, conflicts with any term of the General Operating Procedures and Personnel Policies of the Church, this Agreement will control to the extent of such conflict.

2. *Entire Agreement.* This Agreement constitutes the entire agreement between the Church and the Senior Pastor with respect to the subject matter hereof. This Agreement may not be changed except in a writing signed by both parties.

a. *Governing Law.* This Agreement will be governed by the law of the State of *enter state here*, without application of conflict of laws principles that could result in the application of the law of any other jurisdiction.

WHEREFORE, the parties, having agreed, hereby execute this Employment Agreement by affixing their respective signatures below, effective on the date first above written.

The *enter church name* Metropolitan Community Church of *city, state*, Inc.

By: \_\_\_\_\_ By: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_ Title: \_\_\_\_\_

\_\_\_\_\_  
Rev. *enter pastor's name*    *enter clerk's name*    *enter vice-moderator's name*  
Senior Pastor                      Clerk                      Vice-Moderator

## SEXUAL MISCONDUCT POLICY SAMPLE

Since its founding, ELFM has offered a counter voice to the sex negativity of Judeo-Christian culture. Therefore, the ELFM Sexual Misconduct Policy must, on the one hand, acknowledge the risk of sexual misconduct, while on the other hand avoid the risk of the disembodiment of leaders who are called to model health and wholeness, including sexual wholeness.

Let it be affirmed that sex is a gift from God. The divine value of sex includes but is not limited to pleasure, procreation, intimate communications, grace, and love. God's gift of sexuality is to be responsibly embraced by all people, whether partnered or single, lay or clergy. A complete and responsible sexual ethic extends beyond traditional heterosexual responses to embrace the beauty of relationships among people of many sexual orientations and gender identities.

A positive sexual ethic balances desire within the embodied framework of our emotional, physical, sexual and spiritual selves, while preserving and honoring mutuality and consent.

Following are some examples of certain behaviors that could constitute a sexual misconduct:

1. Sexual contact with a minor is sexual misconduct; or
2. Sexual abuse or sexual molestation of any person, including but not limited to any sexual involvement or sexual contact with a person who is legally incompetent; or
3. Sexual harassment of any person, including those in relationships in which there is an employment, mentor, or colleague relationship between the persons involved, including but not limited to sexually oriented humor or language; questions or comments about sexual behavior or preference unrelated to employment qualifications; undesired physical contact; inappropriate comments about clothing or physical appearance; or repeated requests for social engagements; or
4. Using one's position, whether clergy or lay, for sexual exploitation is sexual misconduct. Sexual exploitation is the development of, or the attempts to develop a sexual relationship with a person with whom s/he has a pastoral or supervisory relationship.

A "pastoral relationship" is defined as a relationship between a clergy person, employee or volunteer and person receiving direct supervision, individual spiritual and/or pastoral counseling and providing confidential and/or privileged information to the clergy person, employee or volunteer.

At times, a clergy person, employee, or pastoral leader may develop an appropriate sexual relationship within the context of ELFM ministry, including the congregation in which a person is serving. Such relationships are to be entered into with those which there is no direct

supervision or individual spiritual counseling. Such relationships are to be entered into with extreme caution and a spirit of discernment.

Clergy in Metropolitan Community Churches are required to affirm this code of conduct with a signature. The following form is offered to clergy as an online option to sign their name electronically.

By completing the form below, you are stating an intent to make the following statement: “With my signature I pledge to uphold the ELFM Code of Conduct, Sexual Misconduct Policy as printed above on this page.”

---

**SIGNATURE**

## **RESOURCES FOR BACKGROUND CHECKS FOR U.S. ELFM CHURCHES**

"It is vital that churches engage in a practice of screening employees and volunteers. The mere fact that a church has such practices in place can steer a potential violator away from your ministries. Conducting background checks can eliminate those who have ever been convicted of crimes that would disqualify them from working with children and youth." -- Richard Hammar, Church Law & Tax Report

Many churches requested information on how to perform background checks on student clergy, employees, and church volunteers.

As such, we offer the following information that provides criminal and sex offender screening for \$17 USD - less than half the cost of what most background screening companies charge.

Metropolitan Community Churches requires background checks on all student clergy and strongly recommends that churches conduct criminal and sex offender checks on all church employees and volunteers- especially volunteers who work with minors.

Many of us share a critique of America's criminal justice system and our cultural obsession with security. As spiritual and organizational leaders, however, we are morally and legally responsible for performing due diligence.

A criminal background check is usually performed separately from a sex offender search. Your church should always request both types of searches. Many states in the US have searchable online sex offender and felony registries that are free of charge. Your search should include nationwide databases- or at minimum all counties in which the person has resided.

Metropolitan Community Churches has contracted with Trak-1 technology services to provide our member churches with special discounted pricing on background screening. More information on Trak-1 is available online at [www.lovingarmsworldmin.org](http://www.lovingarmsworldmin.org)

A service agreement form is available upon request by writing to

To sign up simply complete the agreement and return it via fax to Trak-1.

Trak-1 Features:

- Instant On-Line Results
- Includes a national search for felonies, misdemeanors, convictions from every state that has a database and available on-line instantly.
- User Friendly System
- Full Tech Support
- No Monthly Minimums
- Set-up fee waived as a ELFM member congregation

For more information, or for specific questions about this system please contact:

XXX-XXX-XXXX

### **Other Background Check Resources**

Church-Screening.com

PO Box 1408

Visalia, CA 93279

800-392-4811

Fax: 559-553-8869

Secure Point – National Church Safety Program - Choice Point

13950 Ballantyne Corporate Place, suite 200

Charlotte, NC 28277-2712

1-800-403-4750

The Safe Churches Project

Background Information Systems, Inc.

10501 N. Central

Suite 309

Dallas, Texas 75231

[www.safechurches.com](http://www.safechurches.com)

Other Resources:

Faith Trust Institute

[www.faithtrustinstitute.org](http://www.faithtrustinstitute.org)

Offers training, curriculum, and articles related to sex abuse in churches and domestic violence in the home.

ELFM Judiciary Process and ELFM Code of Conduct- details ELFM 's reporting procedures for clergy misconduct.



YOUR ELFM  
STANDARD OPERATING PROCEDURE EMPLOYEE RECORDS

Table of Contents

I. Types of Records

- A. Purpose
- B. Scope
- C. Authority
- D. Overview

II. Submitting Documents to Records

- A. Purpose
- B. Scope
- C. Authority
- D. Procedure

III. Records Access

- A. Purpose
- B. Scope
- C. Authority
- D. Response Time for Requests / Charges
- E. Public Information
- F. Confidential Information

Addenda

Addendum A            Request and Certification by Your ELFM  
Employee for Routine Access to Personnel Records  
(Note: 2 sided)

Addendum B    An Agreement for Release of Confidential Information

Addendum C            Personal Authorization for Release of Confidential Information

**YOUR ELFM**  
**STANDARD OPERATING PROCEDURE EMPLOYEE RECORDS**

Employee Records

I. Types of Records

A. Purpose

This section describes the types of records that reside in the Employee Records Unit and the contents found in each type of record.

B. Scope

This section applies to the official personnel records and position records for the Church's classified and partially-exempt executive branch service.

C. Authority

Your Bylaw Reference

D. Overview

1. Two types of records reside in the Employee Records Unit.

a. Personnel Records

1) Non-medical

2) Medical

b. Position Records

2. The contents for each record type consist of the following:

a. Personnel Records

1) Non-medical

- Personnel Actions (PAs)
- Performance Evaluations
- Nepotism Waivers
- Training Course Completion Notices
- Kudos
- Disciplinary Actions
- I-9 Forms
- Applicant Profiles
- Job Qualification Summaries
- Drug Free Workplace Act Forms
- Office Technology Policy Forms
- Applicant Certification Forms
- Memos for approved leaves and absences

## 2) Medical

- Workers' Compensation Forms
- Workers' Compensation Correspondence
- Medical Reports
- Doctors' Notes
- Certification of Health Provider Forms
- Confidential information regarding an employee's medical history

### b. Position Records

- Allocation memos
- Position Descriptions (PDs)
- Flex Training Plans
- Other historical accounts of PCNs and job classes

NOTE: Confidential information is excluded from these files.

## II. Submitting Documents to Files

### A. Purpose

The purpose of this section is to provide requirements for submitting documents to the Employee's Record.

### B. Scope

This section applies to the documents defined in Section I of this SOP.

### C. Authority

Your Bylaw or SOP Reference

### D. Procedure

#### 1. Personnel Documents

Steps for submitting documents:

##### a. Non-medical documents

- 1) The Church's Human Resource Contact submits original documents to the Employee's Record.
- 2) Incoming documents are reviewed for appropriateness, completeness, and applicable attachments.
- 3) Completed documents are filed.
- 4) Incomplete or non-applicable information is returned to the initiating person.

##### b. Medical Documents

- 1) Medical files are maintained.
- 2) Upon an employee's separation Human Resource's archives the entire file per the document retention policy.
- 3) Medical Files MUST be maintained separately from the personnel files.

### III. Records Access

#### A. Purpose

The purpose of this section is to provide requirements for access to public and confidential information contained in the Employee's Record.

#### B. Scope

This section applies to the official personnel records of current and former employees of the Church

#### C. Authority

Your Church By Laws or SOP's

#### D. Response Time for Requests/Charges (if applicable)

1. Every effort will be made to honor appropriate requests for records. When an immediate response is not practical, the records will be provided as soon as possible but not later than the 10th working day after the Church receives the request. The response time may vary according to the availability of staff and the difficulty in locating and compiling the requested information.
2. A fee of \$.25 per page will be charged for copying documents available for public inspection. However, the copying fee may be waived for fees of less than \$5.00.

#### E. Public information

1. Public Information in personnel records, as defined in our SOP's consists of:
  - a. Non-medical
    - The names and position titles of all Church employees;
    - The position held by a Church employee;
    - Prior positions held by a Church employee;
    - The dates of employment/appointment and separation of a Church employee;
    - The compensation authorized for a Church employee.
  - b. Medical

- No information is public

## 2. Position Records

- Position descriptions
- Allocation memoranda
- Flexible staffing training plans
- Organizational charts

## 3. Access to Public Records

Public information will be provided to any person upon request, within a reasonable period of time. A request for public information may be made in person, writing, electronically, or by telephone.

## F. Confidential Information

Confidential information is released only under appropriate circumstances to authorized individuals.

### 1. Personnel Records

#### a. Non-medical

- All information is confidential except that which is specified in E (1) (a) above.

#### b. Medical

- All information is confidential.

### 2. Position Records

- No information is confidential

### 3. Routine Access to Confidential Records

Routine access is limited to those employees who must use Church personnel records in order to perform their regular ongoing assigned job duties.

#### a. Employees who may be granted routine access include:

- 1) Human Resource
- 2) Staff
- 3) Board or others with a certified need
- 4) Other Church agencies (ELFM ) in accordance with your By Laws or SOP's

NOTE: The Board needs to be contacted if there is an employee-initiated litigation.

b. Steps for obtaining routine access:

- 1) The employee obtains and completes a REQUEST AND CERTIFICATION FOR ROUTINE ACCESS TO PERSONNEL RECORDS form (Addendum A).
- 2) Employee submits completed form to Human Resource Manager.
- 3) The Human Resource Manager signs the completed form and sends it to the
- 4) The Pastor who either approves or denies the routine access.
- 5) The Human Resource Manager maintains the original completed form.

4. Special Access to Confidential Records

Other agencies may obtain authorized access through statutes or regulations on the State or Federal level.

a. This group includes:

- 1) Department of Labor/Division of Employment Security
- 2) Department of Revenue/Division of Child Support Enforcement
- 3) Human Rights Commission
- 4) Legislative Audit
- 5) Federal Bureau of Investigations

b. Steps for obtaining special access:

- 1) The requesting agency completes an AGREEMENT FOR RELEASE OF CONFIDENTIAL RECORDS form (Addendum B)
- 2) The agency submits the completed form to Human Resource Manager.
- 3) Human Resources either approves or denies the special access.
- 4) Human Resources maintains a copy of the current forms.

5. One-time Access to Confidential Records

Any employee or former employee or applicant for employment has the right to examine their own personnel and may request that any other person be granted access to their files. If Addendums B and C are used, access will be granted for no longer than 45 days from the date of the authorization unless specified for a longer period by the person whose records are being accessed.

- a. Examples of those that may request access under this section:
- 1) Other government authorities
  - 2) Worker's Compensation Insurance Adjuster
  - 3) Personal Representative
- b. Steps for obtaining one-time access:
- 1) Access with Written Authorization
    - i) An employee, former employee, or applicant for employment must provide a signed written consent to Human Resources.
    - ii) Human Resources either approves or denies the one-time access.
    - iii) Copies of consent forms are maintained by Human Resources.
  - 2) Access with a Release
    - i) The requesting agency must submit to Human Resources either: a PERSONAL AUTHORIZATION FOR RELEASE OF CONFIDENTIAL RECORDS form (Addendum C) or a release containing the following information to Human Resources:
      - What information is being accessed
      - Employee signature and date
      - A statement releasing the employer/records keeper from liability for releasing information
      - If photocopy is presented, there must be a statement that the copy carries the full authority of the original
      - If there is no time period of validity of the release stated on the form, then one year from the date the employee signs the release will serve as the expiration date.
    - ii) Human Resources either approves or denies access with a release.
    - iii) A copy of the release is maintained in the Employee's Record.
  - 3) Access with a Court Order
    - i) The requesting agency must submit to Human Resource Manager either:
      - a release form containing the information identified in 5 (b) (2) or
      - Addendum C and a subpoena that the agency is authorized by law.

NOTE: The Board must be promptly consulted if a subpoena is received without a release, including a subpoena from a court. The time frames for responding to such subpoenas is often short, and the Board may need to correspond with the party who requested the subpoena or lodge an objection. However, the Attorney General has determined that the Church must honor grand jury subpoenas for personnel records. If a federal grand jury subpoena is received, the agency should consult Board immediately. It should be noted that notification of the employee may not be permitted in this situation.

- ii) The Moderator of the Board verifies the subpoena.
- iii) The Human Resource Manager approves or denies access with a subpoena.
- iv) The Church will make every reasonable effort to notify any individual whose file has been accessed by a subpoena, where applicable.
- v) A copy of the subpoena is maintained in the Employee's Record.

## 6. Authorization with a Court Order

Employees of certain agencies may require special access.

Steps for obtaining access:

- 1) The requesting agency must contact the Human Resource Manager
- 2) The Pastor verifies the Court Order. (Board is contacted)
- 3) The Pastor either approves or denies authorization with a court order.
- 4) The Pastor will make every reasonable effort to notify any individual whose file has been accessed by a court order (unless such notification will cause harm to the State or the United States)
- 5) The Employee Records Unit maintains copies of court orders



Addendum A  
 Certification for Routine Access  
 To Employee Records

I, \_\_\_\_\_ certify that, in the course of my employment with YOUR  
 ELFM , my duties require me to have access to, and to use, personnel records  
 maintained in the Church Office..I understand that personnel records contain confidential  
 information that is protected from public disclosure. Furthermore, I  
 realize that a willful violation of the confidentiality requirements constitutes a misdemeanor and  
 that upon conviction I must forfeit my position. I request that my name be placed on the list of  
 those who are granted routine access to personnel records maintained in the Church Office

I agree to protect all information from public disclosure that is not designated as public.

\_\_\_\_\_  
 Printed Name    Signature    Date

\_\_\_\_\_  
 Job Title    Ministry

Approve

Disapprove

\_\_\_\_\_  
 Personnel Human Resource Manager    Date  
 Department of Administration

NOT VALID UNLESS PAGE 2 IS ATTACHED

Personnel Records Confidential;

Exceptions

(a) State personnel records, including employment applications and examination materials, are confidential and are not open to public inspection except as provided in this section.

(b) The following information is available for public inspection, subject to reasonability of the time and manner of inspection:

- (1) the names and position titles of all employees;
- (2) the position held by an employee;
- (3) prior positions held by an employee;
- (4) the dates of appointment and separation of an employee; and;
- (5) the compensation authorized for an employee.

(c) An employee has the right to examine the employee's own personnel files and may authorize others to examine those files.

(d) In addition to any access to personnel records authorized under (b) of this section, personnel records shall promptly be made available to child support enforcement agency or the child support enforcement agency of another state. If the record is prepared or maintained in an electronic data base, it may be supplied by providing the requesting agency with access to the data base or a copy of the information in the data base and a statement certifying its contents. The agency receiving information under this subsection may use the information only for child support purposes authorized under law.

Addendum B

AGREEMENT FOR RELEASE OF CONFIDENTIAL RECORDS

Indicate the type of Personnel record and/or the name(s) of the person(s) whose records you have requested and the purpose of the request.

Type: \_\_\_\_\_

Names \_\_\_\_\_

Purpose \_\_\_\_\_

\*\*\*\*\*

I understand that the records and/or lists and/or other information I have requested contain confidential information that is protected from disclosure, and by the Personnel Rules. This authorization is effective for 30 days from the date I sign it unless I specifically indicated a different period of time.

I certify that the confidential records I have requested will be used only for the above purpose. The content of the files released pursuant to this request will not, under any circumstances, except by order of a court of competent jurisdiction, become public in whole or in part.

I realize that a willful violation of the confidentiality requirements imposed and/or the Personnel Rules constitutes a misdemeanor, and that provides that upon conviction a employee immediately forfeits his or her office or position.

\_\_\_\_\_  
Name of Requestor (print)                      Agency/Telephone                      Date

\_\_\_\_\_  
SIGNATURE    SIGNATURE (Approving Official)

\_\_\_\_\_  
Notification made to employee(s) of files access.

Addendum C

PERSONAL AUTHORIZATION for RELEASE OF CONFIDENTIAL RECORDS

I hereby authorize the Director of Personnel to release from my personnel file the following records.

ALL RECORDS

ONLY THOSE RECORDS INDICATED:

I understand that my records may contain confidential information which would be protected from disclosure under the Personnel Rules, if I had not executed this release.

This authorization is effective for 30 days from the date I sign it unless I specifically indicated a different period of time.

.....  
Name of person to whom records are to be released:

AGENCY/TEL:

ADDRESS:

\_\_\_\_\_  
Name of Employee (print)

\_\_\_\_\_  
Agency/Telephone

\_\_\_\_\_  
Date

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
SIGNATURE (Approving Official)

## **ANNUAL BUILDING/PROPERTY RISK MANAGEMENT CHECKLISTS (SAMPLE)**

Whether your buildings are mega sized or modest, sublime or simple, there's a lot you can do to keep them safe and protected.

The following checklists will help you look for fire hazards, hire a contractor, increase security, and protect your building from weather-related problems.

Complete this section to learn what to watch for, what to avoid, and what you can do to protect your ministry's property investment.

- [Building Security](#)
- [Property Inventory](#)
- [Fire Safety](#)
- [Arson Prevention](#)

# BUILDING SECURITY CHECKLIST

## Building Security Checklist

	Yes	Needs Attention
Do you keep a record of everyone who has a key or security code to the building and use a system for tracking keys or changing security codes as volunteers/employees leave your organization?		
Do you have adequate outdoor lighting near doors, in parking lots, and at rear entrances?		
Is your outdoor lighting on a timer, a light-sensitive switch, or a motion-sensitive switch?		
Does your building have adequate indoor lighting that is on a timer so that it comes on even when the facility is not in use?		
Is your outdoor landscaping trimmed and maintained just below window level so it doesn't provide hiding places for vandals or burglars?		
Is the neighborhood surrounding your property also clean and well maintained?		
Does your ministry enlist the help of the community surrounding your property and/or participate in a neighborhood watch program to help keep the area safe from crime?		
Do you lock the doors of interior offices, classrooms, and supply rooms when they are not in use and restrict access to unused parts of the building?		
Do you ask a church representative to open the church building for guests, monitor the events, and secure the building when they leave rather than give the guests full access to your building?		
Do you lock petty cash, small valuables, keys, and important documents in a safe? Do you secure larger valuables, such as laptop computers, DVD players, and musical equipment?		
Do you maintain an inventory of your building's property?		

Notes:

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Completed by: \_\_\_\_\_

Date: \_\_\_\_\_

**PROPERTY INVENTORY Page 1 of 3**

Property Inventory

Category	Value	Subtotal
<b>Furniture</b>		
Sanctuary chairs (instead of attached pews)	\$ 1.00	
Unattached blackboard	\$ -	
Unattached carpeting and rugs	\$ -	
Unattached chairs, desks, and tables	\$ -	
Unattached cupboards and cabinets	\$ -	
		\$ 1.00
<b>Owned Musical Instruments</b>		
Free standing organ/keyboards	\$ 2.00	
Pianos	\$ -	
Bells/free standing chimes	\$ -	
Drums	\$ -	
Bass	\$ -	
Guitar	\$ -	
		\$ 2.00
<b>Electronics</b>		
Calculators	\$ -	
Computer hardware and software	\$ -	
Overhead projectors and screens	\$ -	
Radios and televisions	\$ -	
Radio broadcasting equipment	\$ 3.00	
Sound and video recording equipment	\$ -	
Stereo equipment	\$ -	
Tapes, records, and compact discs	\$ -	
		\$ 3.00
<b>Office Equipment</b>		
Computers (entire system)	\$ -	
Major phone system	\$ -	
Duplicating and photocopy machines	\$ -	
Typewriters	\$ 4.00	
Telephones and fax machines	\$ -	
Maps and globes	\$ -	
Files and filing cabinets	\$ -	
		\$ 4.00
<b>Outdoor Equipment</b>		
Lawn and snow equipment	\$ -	

# FIRE SAFETY CHECKLIST

## Fire Safety Checklist

	Yes	Needs Attention
Is your heating, ventilation, and air-conditioning system professionally cleaned and inspected annually?		
Do you hire a professional to analyze the electrical system for adequacy, replace equipment like frayed, worn, or dried-out extension cords, and check		
Do you ensure that combustibles, like paint supplies and other flammable liquids, are not stored in the same room as the furnace or boiler?		
Are all exits clearly marked and free of storage items and furniture so that someone could easily access them in the event of an emergency?		
Do you have smoke alarms installed throughout your building?		
Does your building have fire extinguishers in easily accessible locations on every floor?		
Are fire extinguishers checked by a professional on a regular basis to make sure they're in working order?		
Does your building have sprinkler systems installed to automatically extinguish fires as soon as they're detected?		
Has your ministry worked with a professional to install a lightning and surge protection system?		
Do your staff and volunteers know that they should turn off electrical items when they are not in use?		
Does your ministry have a well-designed, comprehensive, and practiced evacuation plan for fires or other emergencies?		

Notes:

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Completed by: \_\_\_\_\_

Date: \_\_\_\_\_

*This is a sample document only. Your organization is responsible for compliance with all applicable laws. Accordingly, this form should not be used or adopted by your organization without first being reviewed and approved by an attorney.*



# ARSON PREVENTION CHECKLIST

## Arson Prevention Checklist

Arson is the leading cause of church fires. Churches are particularly vulnerable to fire damage because they're often unoccupied for long periods of time. According to the U.S. Fire Administration, fire strikes about 1,300 churches annually in the United States, causing millions of dollars in damage. Many of these losses can be reduced or prevented with effective fire prevention and evacuation plans.

	Yes	Needs Attention
Are all outside entrances to your building well-lit?		
Do you keep trees and shrubs around your building trimmed and well maintained?		
Do you store flammable liquids in approved containers, either away from church property or under lock and key in a secure area within the church?		
Do you store exterior trash containers away from the building to prevent a trash fire from spreading?		
Do you regularly test your building's alarm system and train ministry staff in its operation?		
Do you maintain a good record of who knows your alarm system's security code?		
Do you change your alarm system's security code on a regular basis?		
Do you secure all windows, basement entries, and external stairways on your building?		

Notes:

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Completed by: \_\_\_\_\_

Date: \_\_\_\_\_

*This is a sample document only. Your organization is responsible for compliance with all applicable laws. Accordingly, this form should not be used or adopted by your organization without first being reviewed and approved by an attorney.*

## DOCUMENT RETENTION POLICY (SAMPLE1)

Some documents and business records of a nonprofit should be maintained permanently, such as:

- Articles of Incorporation
- Determination Letter from the IRS
- insurance policies
- minutes of meetings
- corporate resolutions

Just as removing emails from your inbox on a regular basis is good housekeeping, and so is discarding non-essential paperwork from old file cabinets. But what if you inadvertently throw out something critical? How will your staff know what to discard and what to save? Having a document retention/destruction policy will give everyone guidance on what to save, what to archive, and what to shred – and when.

The IRS explains why it asks about document retention policies on the Form 990:

"A document retention and destruction policy identifies the record retention responsibilities of staff, volunteers, board members, and outsiders for maintaining and documenting the storage and destruction of the organization's documents and records." *Source: [Instructions to the Form 990](#) page 20*

The *Sarbanes-Oxley Act's* prohibition of the destruction of documents that are subject to review in litigation provides an additional rationale for every nonprofit adopting a document retention policy. This will create a regular business practice of systematic document destruction in accordance with an approved schedule. Having a written policy, and regular business practice of document destruction according to a schedule, lets people know what documents to retain (and for how long). Such a policy is not only a prudent practice but also sound risk management.

The process of developing a document retention policy involves: (1) Identifying what types of paperwork (and electronic files) your nonprofit generates; (2) Determining the appropriate (and legal) length of time to retain them; and (3) Recording those retention times on a written schedule.

**DOCUMENT RETENTION AND DESTRUCTION POLICY SAMPLE**  
Courtesy of the American Institute of Certified Public Accountants

**PURPOSE OF THIS TOOL:** Certain federal laws prohibit the destruction of certain documents. Not-for-profit organizations should have a written, mandatory document retention and periodic destruction policy. Policies such as this will eliminate accidental or innocent destruction. In addition, it is important for administrative personnel to know the length of time records should be retained to be in compliance.

**Document Destruction**

The Document Retention and Destruction Policy identifies the record retention responsibilities of staff, volunteers, members of the board of directors, and outsiders for maintaining and documenting the storage and destruction of the organization’s documents and records.

The organization’s staff, volunteers, members of the board of directors, committee members and outsiders (independent contractors via agreements with them) are required to honor the following rules:

- a. Paper or electronic documents indicated under the terms for retention in the following section will be transferred and maintained by (fill in the blank based on the organization’s practices);
- b. All other paper documents will be destroyed after three years;
- c. All other electronic documents will be deleted from all individual computers, data bases, networks, and back-up storage after one year;
- d. No paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation (check with legal counsel or the human resources department for any current or foreseen litigation if employees have not been notified); and
- e. No paper or electronic documents will be destroyed or deleted as required to comply with government auditing standards (Single Audit Act).

**Record Retention**

The following table\* indicates the minimum requirements and is provided as guidance to customize in determining your organization’s document retention policy. Because statutes of limitations and state and government agency requirements vary from state to state, each organization should carefully consider its requirements and consult with legal counsel before adopting a Document Retention and Destruction Policy. In addition, federal awards and other government grants may provide for a longer period than is required by other statutory requirements.

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently

\* Adapted from National Council of Nonprofits.

Type of Document	Minimum Requirement
Bank reconciliations	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes, and leases (expired)	7 years
Contracts (still in effect)	Contract period
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense analyses/expense distribution schedules	7 years
Year-end financial statements	Permanently
Insurance records, current accident reports, claims, policies, and so on (active and expired)	Permanently
Internal audit reports	3 years
Inventory records for products, materials, and supplies	3 years
Invoices (to customers, from vendors)	7 years
Minute books, By Laws, and charter	Permanently
Patents and related papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

## DOCUMENT RETENTION QUICK REFERENCE GUIDE

*Retention of documents related to lawsuits is one of only two provisions of Sarbanes-Oxley that are applicable to nonprofits. Nationally recognized nonprofit attorney [Tom Silk](#) wrote this Model Document Retention Policy on a pro bono basis or [CompassPoint Nonprofit Services](#) to use and to make available for all nonprofits.*

This document management policy is designed to conform with the charitable laws of states which, like California, given the Attorney General an unusually long statute of limitations (10 years) within which to bring an action for breach of charitable trust.

Three items to note in particular: First, think about this as part of document management, rather than simply document retention; holding on to documents too long is an unnecessary expense. Second, there may be some documents that are worth saving for the community's sake or for the sake of clients that go beyond these legal guidelines. And third, remember that e-mail messages are documents that should conform to these guidelines.

### DOCUMENT MANAGEMENT POLICY

*For each document, add its location or where it is stored.*

Accounts payable ledgers and schedules: 10 years

Accounts receivable ledgers and schedules: 10 years

Audit reports of accountants: Permanently

Bank statements: 10 years

Capital stock and bond records: Ledgers, transfer payments, stubs showing issues, record of interest coupon, options, etc.: Permanently

Cash books: 10 years

Checks (canceled, with exception below): 10 years

Checks (canceled, for important payments; i.e., taxes, purchase of property, special contracts, etc. [checks should be filed with the papers pertaining to the underlying transaction]): Permanently

Contracts and leases (expired): 10 years

Contracts and leases still in effect: Permanently

Correspondence, general: 4 years

Correspondence (legal and important matters): Permanently

Depreciation schedules: 10 years

Donation records of endowment funds and of significant restricted funds: Permanently

Donation records, other: 10 years

[Note: Donation records include a written agreement between the donor and the charity with regard to any contribution, an email communication or notes of or recordings of an oral discussion between the charity and the donor where the representative of the charity made representations to the donor with regard to the contribution on which the donor may have relied in making the gift.]

Duplicate deposit slips: 10 years

Employee personnel records (after termination): 7 years

Employment applications: 3 years

Expense analyses and expense distribution schedules (includes allowance and reimbursement of employees, officers, etc., for travel and other expenses: 10 years

Financial statements (end-of-year): Permanently

General ledgers and end-of-year statements: Permanently

Insurance policies (expired): Permanently

Insurance records, current accident reports, claims, policies, etc.: Permanently

Internal reports, miscellaneous: 3 years

Inventories of products, materials, supplies: 10 years

Invoices to customers: 10 years

Invoices from vendors: 10 years

Journals: 10 years

Minute books of Board of Directors, including By Laws and Articles of Incorporation: Permanently

Payroll records and summaries, including payments to pensioners: 10 years

Purchase orders: 3 years

Sales records: 10 years

Scrap and salvage records: 10 years

Subsidiary ledgers: 10 years

Tax returns and worksheets, revenue reports, and other documents relating to determination of tax liability: Permanently

Time sheets and cards: 10 years

Voucher register and schedules: 10 years

Volunteer records: 3 years

**Warning:** All permitted document destruction shall be halted if the organization is being investigated by a governmental law enforcement agency, and routine destruction shall not be resumed without the written approval of legal counsel or the Chief Executive Officer.

[Note: this language, which is not typically included in document management policies from accounting firms, provides important additional guidance and protection for the organization.]

Note that organizations that see patients or clients may also have special document retention and privacy policies related to patient and client information.

**THE MINISTRY OF CHURCH ADMINISTRATION  
ELFM BOARD OF DIRECTORS TRAINING OUTLINE**

Welcome and Introductions

The Board is a Spiritual Community

How a Board Functions

Size

Relationship Style

Developmental Stage

Leadership Structure

The Pastor/Board Partnership

Relationship Guidelines



**BOARD OF DIRECTORS ORIENTATION**  
**ROLE AND RESPONSIBILITIES OF THE PASTOR**

1. Teacher, preacher, and spiritual leader
2. Orders all worship services
3. Serves as a voting members of the Board of Directors and Chief Executive Officer of the corporation
4. Serves as the Moderator of the Board of Directors and of the Congregational Meeting
5. Serves as the Personnel Director of the church, providing oversight and supervision of all staff positions, both compensated and uncompensated
6. Accountable to the Congregational Meeting

**OVERALL BOARD ROLES AND RESPONSIBILITIES**

**1. Ensure that the church has By Laws that have been approved by the Elder and has structures and systems that are appropriate for the church's size and cultural context.**

Model By Laws for Local Church Governance are available on the ELFM web site. It is best for the Board to review the church's By Laws at least once a year. In conducting such a review, it is wise to request input from the Elder before any changes are proposed to the Congregational Meeting for approval. Each time that the church's By Laws are amended, send a copy of the final document to the Elder for final approval.

**2. Ensure adequate resources**

As a primary responsibility, the Board of Directors should be familiar with possible levels and sources of income within the congregation and community, and should institute plans for effective fund-raising. This will include initiatives ranging from stewardship programs to capital fund campaigns.

**3. Ensure effective management of the church's funds and other assets**

The Board of Directors must ensure effective management of current income and protection of accumulated assets. In addition to setting the church's annual budget, the board should require and review regular financial reports, including, at minimum, monthly financial reports consisting of at least a balance sheet and statement of revenue and expense. Board members should be aware of generally accepted accounting practices, federal tax regulations and other laws which might affect the assets of the church. The Board of Directors must also ensure that adequate records are maintained which document all board actions (motions) and all relevant reports.

#### **4. Ensure sound risk management policies**

Board members should be aware of the potential risks of lawsuits or other liabilities to which the church could be vulnerable. Obtaining the proper levels and kinds of insurance and developing preventive measures are primary responsibilities of the Board of Directors.

#### **5. Support the selection of the candidate to be elected by the congregation as Pastor**

Some members of the Board of Directors may serve on the pastoral search committee upon the event of a pastoral vacancy. Additional members of the congregation may be elected or appointed to this committee. When the committee has chosen a suitable qualified candidate, they shall present the name to the congregation for approval.

The Board ensures that the pastoral search committee has the resources (space, finances, access to the congregation) that it needs to do their work. Once the new Pastor is elected, the Board is responsible for preparing the employment covenant.

#### **6. Support the Pastor and provide constructive feedback**

Although the board does not have the responsibility of performance review for the Pastor, it should provide the Pastor with frequent and constructive feedback.

Sometimes, a Pastor may choose to establish a performance evaluation or feedback process which involves the Board.

#### **7. Advise and consent with the Pastor on personnel appointments**

The Board of Directors is responsible for the approval of the Pastor's appointments of key personnel including Deacons, Student Clergy, Associate and/or Assistant Pastor(s), and other personnel (compensated or uncompensated).

#### **8. Consult with the Pastor on personnel matters as requested by the Pastor**

A clear understanding of the Pastor's role as personnel director combined with thorough written personnel policies and grievance protocols will greatly reduce the board's need to adjudicate personnel disputes. The time may come, however, when the Pastor's action will be questioned. At such a time, the collective wisdom of the Board of Directors can be of immense support and counsel to the Pastor.

## **9. Understand and support the church's mission and purposes**

With the Pastor and other church leadership, the Board of Directors should participate in the development of a mission statement consistent with the purposes, vision and mission of the ELFM , as well as the vision, values and philosophy of ministry of the local church. A mission statement usually consists of one paragraph stating the organization's goals, means and primary constituents served; it succinctly articulates what the organization is, represents and does.

## **10. Participate with the Pastor and other church leadership in strategic planning**

Every church would benefit from a process of strategic planning at least every three to five years. While the Pastor and staff usually are responsible for implementing such a process, board involvement and ownership of the plan are vital to its success. Moreover, the Board of Directors should insist that such planning is done to support justification for the annual budget.

## **11. Assess the performance of the Board of Directors**

It is helpful for the Board of Directors to review its own performance once every three to five years. Such an evaluation can survey individual board members to identify needs, determine effectiveness and set new priorities. It is often helpful to select a qualified third-party facilitator for such a process.

### **Responsibilities of Individual Board Members**

#### **1. Know the church's mission, purposes, goals, policies, programs, strengths, and needs.**

Be thoroughly knowledgeable with ELFM By-Laws, District By-Laws and Standard

Operating Procedures, and with local church By-Laws and/or Standard Operating Procedures.

#### **2. Represent and serve the church as a whole rather than any special interest group or constituency.**

As a member of the board speak only for yourself, not for any other individual or group. Avoid the "people are saying" trap. Own your stated position and state only your own position on each decision or vote. Always remember that you represent the entire congregation as a board member.

**3. Work toward consensus as often as possible; this requires persuasion and compromise.**

The Board of Directors should be able to reach consensus on most issues. An individual who usually sees things clearly in "either/or" terms tends to find difficulty in the compromise necessary to reach consensus, and frequently is not effective as a member of the board. There will be times when your convictions lead you to disagree with other members of the board; but most of the time, strive for consensus and support the result.

**4. Avoid prejudiced judgments on the basis of information received from individuals, and urge those with grievances to follow established policies and procedures.**

It is not uncommon for board members or a Board of Directors to be drawn into grievances by or about church staff members. The Pastor serves as personnel director, however, and it is not the role of the Board of Directors to adjudicate such matters. Board members can serve a constructive role by facilitating contact with the Pastor when individuals raise such concerns. Board members can also support the Pastor when she or he seeks their counsel on personnel issues.

**5. Do not surprise other board members or the Pastor by raising difficult or conflictive issues without prior consultation.**

No one likes unpleasant or embarrassing surprises. Board members with complaints or sensitive information concerning the staff, Pastor or other board members should consult with the individual(s) involved prior to raising the matter with the Board of Directors. If the issue is a personnel matter, it should be resolved with the Pastor as personnel director, if possible.

**6. Prepare for and participate in board meetings, asking timely and substantive questions consistent with your conscience, convictions and need for information to make decisions.**

Become thoroughly familiar with all documents that are prepared for each board meeting; keep a personal file of documents of previous meetings, especially minutes, reports and financial statements. Hold yourself, other board members and the Pastor accountable for promises made, for obligations of office, and for good board process.

**7. Carefully review the church's financial statements and ask questions or seek clarification as appropriate to fulfill the board's fiduciary obligation.**

It is helpful for each board member to gain some familiarity with generally accepted accounting practices. At minimum, each board member should understand the format and content of the regular financial statements. Also, each board member should be aware of basic required reporting of federal tax information.

**8. Maintain confidentiality of the board's executive sessions.**

Executive sessions, or "closed" board meetings, should be infrequent and limited to sensitive personnel issues or legal matters. All other board meetings should be open to members of the congregation. The information in executive sessions should be maintained by each board member as confidential. Action taken by the board in executive session should be recorded in minutes, or preferably such action should be deferred until the board is in an open session.

**9. Avoid even the appearance of a conflict of interest.**

A conflict of interest is anything that inures to the personal financial benefit of a board member, his or her family, or household. Do not accept gifts from or offer gifts to anyone who does business with the church. If you are a board member and have any relationship with the church for which you or someone close to you receives financial benefit (with the exception for reimbursement for actual expenses in connection with your church duties) that is a conflict of interest. In such cases, board members should recuse themselves (disclose/announce the conflict of interest and exempt themselves from debate and vote) from any decision on that matter. A more subtle and ambiguous type of conflict sometimes occurs when two members of a family serve on the same board. While not technically a conflict of interest in the legal sense, such a relationship sometimes gives occasion to other internal conflicts.

**10. Support the pastor with timely information or feedback on matters and issues of importance to the well-being of the church. Counsel with the pastor to offer support in the event of his or her difficult relationships with groups or individuals.**

Building trust requires continuous healthy communication. Frequent contact between the Pastor and each board member can provide the feedback necessary to enhance the Pastor's effectiveness and facilitate actions needed for the church's success. On occasion such contact can provide an opportunity for the Pastor to receive counsel and support in dealing with sensitive or difficult issues.

## **OFFICER ROLES AND RESPONSIBILITIES**

### **Moderator**

1. Serve as the President and Chief Executive Officer of the corporation.
2. Create a sense of structure for the Board.
3. Help Board members to determine the other officers.
4. Facilitate discussion and dialogue during meetings of the Board of Directors and of Congregational Meetings with the intent of reaching consensus on issues in an unhurried fashion.
5. Ensure that all ELMF , local, state, and federal reports are completed in a timely fashion.
6. Moderator Congregational Meetings and Congregational Forums.

### **Vice-Moderator**

1. Moderate Board meetings in the absence of or upon the request of the Moderator.
2. Moderate Congregational Meetings in the absence of or upon the request of the Moderator.
3. In the absence of the Pastor, the Vice-Moderator assumes the responsibilities of the Moderator and is in charge of the day-to-day operations of the church.
4. Ensure that the Pastor's review is conducted.
5. Present a written Board of Directors Report to the Congregational Meeting.
6. Receive any concerns from other Board members that might lead to a Board member being disciplined.
7. Develop a relationship of mutual respect, openness, trust, and honesty with the Moderator.

### **Clerk**

1. In the absence of the Moderator and Vice-Moderator, moderate meetings of the Board.
2. In the absence of the Moderator and Vice-Moderator, moderating Congregational Meetings.
3. In cooperation with the Moderator, prepare the agenda for Board meetings.
4. In cooperation with the Moderator, prepare the agenda for Congregational Meetings.
5. Serve as the official signature of the corporation, signing all contracts, financial agreements, etc.
6. Record the Minutes of each Board meeting for approval at the following Board meeting and for presentation to the congregation.
7. Maintain the official documents of the corporation (contracts, important correspondence, and approved meeting Minutes and supporting documents).
8. Maintain the membership list.

## **Treasurer/Trustee**

All members of the Board of Directors (Board) share equal responsibility for the financial operations of the Corporation and church. The Treasurer/Trustee , as an elected officer within the body of the Board, has the specific responsibility of managing and safeguarding the financial resources of the local church by bringing forth accurate, up to date financial information to the Board for review, analysis and decision making, and by ensuring that sound fiscal practices and procedures are followed in compliance with the church's Financial Operating Procedures (FOP) and the financial requirements of the ELFM .

Qualifications: The Treasurer/Trustee should have or be able to develop a familiarity with the church finances in general and the local church's FOP.

Accountability: The Treasurer/Trustee is accountable to the congregation, through the Board of Directors.

Duties: The Treasurer/Trustee 's responsibilities include, but are not limited to, the following:

### Weekly/Bi-weekly

- 1) Ensures that payroll information is submitted in a timely manner to the church's payroll processing service, if applicable.
- 2) Ensures that invoices, check request forms, and checks are processed in accordance with the church's FOP.
- 3) Ensures that qualified counters are available each Sunday and for every event in which an offering is collected or income is received.
- 4) Ensures that deposits are made or properly secured in accordance with FOP.

### Monthly

- 1) Ensures that bank statements are reconciled
- 2) Ensures that an up to date analysis of the current financial position of the church is available for review at each Board meeting, including bank account balances, fund balances, and detailed actual versus budgeted income/expense analysis of the Operating Fund.
- 3) Oversees the preparation and submission of the monthly ELFM Tithe Report to the ELFM .

### Quarterly

- 1) In the event that payroll is handled within the church, the Treasurer/Trustee ensures that the following items are completed in a timely basis:
  - a) Submits quarterly withholding taxes to the IRS or an approved agent
  - b) Submits quarterly IRS Form 941 (Employer's Quarterly Federal Tax Report) to the IRS
- 2) Oversees the preparation and submission of quarterly Pension Fund reports to the ELFM Board of Pensions (USA only).

### Annually

- 1) Ensures that IRS Form W-3 (Transmittal of Wage and Tax Statements) and IRS Form 1096 (Annual Summary and Transmittal of U.S. Information Returns) are filed with the appropriate government agency.
- 2) Develops or works in conjunction with a budget committee to develop the proposed operating fund budget for submission to the Board and approval by the congregation.
- 3) Oversees preparation of financial reports for presentation at congregational meetings and forums.
- 4) In the event that payroll is handled within the church, the Treasurer/Trustee ensures the following items are completed in a timely basis:
  - a) Prepares year end IRS Form W-2 (Wage and Tax Statement) for each employee
  - b) Prepares year end IRS Form 1099-MISC (Miscellaneous Income) for anyone who received over \$600 during the year for providing services to the church
  - c) Prepares IRS Form 1099-INT (Interest Income) for individuals who received interest from the church on monies borrowed or held by the church.
- 5) Submits sales tax statement and/or pay applicable sales tax to the local jurisdiction for any items sold during the year, in accordance with the jurisdiction's time frames.
- 6) Ensures that end of year giving summaries are provided to all donors in accordance with the church's FOP.
- 7) Ensures that bank signature cards are updated and in alignment with current Board membership.
- 8) Arranges for audit or review of church financial records and practices.
- 9) Prepares financial statements for presentation to the Annual Congregational Meeting and for annual submission to ELFM .

### Regularly

- 1) In the event that payroll is handled within the church, the Treasurer/Trustee shall ensure the following items are completed in a timely basis:
  - a) Processing of payroll payments.
  - b) Ensure that an IRS Form W-4 is on file for each employee for tax withholding purposes.
- 2) Conducts official business with the church's financial institution(s).
- 3) Maintains a positive working relationship with the Bookkeeper, if applicable.
- 4) Provides the Board and the Congregation with periodic status reports on the operating fund's status. Makes recommendation regarding options for addressing potential budget shortfalls and recommendations for addressing unexpected expenses.



**REPORTING REQUIREMENTS FOR CHURCHES**  
**WITHIN THE UNITED STATES**

Each church should use a competent certified public accountant (CPA) who is well acquainted with tax laws as they relate specifically to churches. Each church should also use an attorney who is familiar with the law as it applies to churches. *This cannot be stressed strongly enough!*

**Metropolitan Community Churches**

**Tithes** –Each local church submits a monthly report of attendance, membership, and income; the tithe payment is to be enclosed. The current tithing rate is 13% of all income, except for money that the church receives for the Building Fund, funds to meet the needs of persons in distress, bequests, and conference expenses. The tithe payment and report are due to ELFM Offices by the 10<sup>th</sup> of the following month.

**Board of Pensions Assessments** – Each local church in the U.S. submits a quarterly report of membership to the Board of Pensions. Along with the report, each church pays seventy-five cents (\$.75) for each member during each month of the quarter. The quarterly report and payment are due on 10<sup>th</sup> of January, April, July, and September.

**Annual Affiliation Report** – Each local church in ELFM submits an annual report to ELFM. The annual report is to be completed by the Pastor and Board and submitted to the ELFM Offices. The report is sent to the churches at the end of each year or the beginning of the following year.

Mailing Address for ELFM Reports

[www.lovingarmsworldmin.org](http://www.lovingarmsworldmin.org)

## **Governments**

Although it may seem that the government places a lot of burdensome rules and regulations on churches, it should all be kept in perspective. On balance, no other nation in the world provides as many benefits and exemptions for religious organizations as does the United States. Sometimes we forget some of the freedoms granted to our churches.

Christ certainly recognized the distinction between political and spiritual responsibilities when he said, “Give to Caesar what is Caesar’s, and to God what is God’s (Mt. 22:21 NIV). As long as the laws do not inhibit clear and unmistakable biblical teaching regarding the mission and mandate of the local church, churches need to cooperate with the government and obey the rules.

**County/City** – It may be necessary to comply with county or local property tax laws if you have been exempted from property tax. This is normally done on an annual basis.

**State** – Many states require churches to file a form on an annual basis informing them of the names of the church’s officers as well as the individual to contact for legal purposes. This is often done through the State Corporation Commission or Secretary of State. Other requirements for churches could involve Worker’s Compensation Insurance. However, in most states the church is exempt from paying unemployment taxes. Further, state disability taxes vary from state to state. There may be additional forms to file if your employees are subject to state (and/or city and county) income taxes.

**Federal** – If the church is an employer, it is subject to state and federal labor, withholding, and other tax laws. Compliance is required; it is not an option. Protection as a “church” is not assured. Church financial leaders need to be familiar with several forms that relate to the area of federal taxation.

<b>IRS Form #</b>	<b>Purpose</b>
8274	This deals with social security tax for church employers.
4361	This form relates to Social Security and ministers.
941 or 941SS	These forms are for the reporting of city, state, or federal tax withholding. If the church is exempt from Social Security, 941SS is to be submitted.
W-4	Pertains to all employees and some minister employees.
W-2	Statement of earnings provided by the church to employees.
W-3	This form is sent to the Social Security Administration and, in some instances, to the state.
W-9	Needs to be completed by a visiting minister or other independent contractor in the event a Form 1099 should be required for these people at a later date.
I-9	The Department of Homeland Security requires this to be on file for every employee.
1099 MISC	Statement of earnings issued to self-employed individuals and to any individual who is paid \$600 or more during the year (including guest preachers).
1099 INT	Statement of earnings issued to anyone to whom the church paid interest of more than \$10 in a calendar year.
1096	This is a transmittal form for all 1099 forms. The church should determine state requirements.
5578	Every 501(c)(3) organization operating a private school must file this form annually.
8283	This form is submitted to the IRS for donations of non-cash items in excess of \$500 or less than \$5,000.
8282	This is to be completed by the church only if non-cash items are sold.

<b>IRS Form #</b>	<b>Purpose</b>
8300	If a church (or any other ministry) receives \$10,000 or more in cash in any business or trade transaction (e.g., rental of property or revenue from a parking lot), it would need to be reported on this form.
990	A local church is not obligated to submit this form; it is submitted by ELFM on behalf of all local churches in the U.S.
990T	A church that receives \$1,000 or more in gross income from an unrelated trade or business must file this form.
1040ES	This form is to be filled out by clergy on a quarterly basis for their estimated federal income and SECA taxes.

Churches should seek the advice of a qualified CPA in these matters, since most of these forms and the requirements change from time to time and require further in-depth understanding. There may also be additional requirements.