

MASTER CHARTER

BLACK SHEEP MINISTRIES

A Pennsylvania Nonprofit Corporation
Organized Under 15 Pa.C.S. § 5101 et seq.
Intended to Qualify Under 26 U.S.C. § 501(c)(3)

SECTION 1: PREAMBLE AND LEGAL IDENTITY

1.1 Formation and Legal Status

Black Sheep Ministries is organized as a nonprofit corporation under the laws of the Commonwealth of Pennsylvania and shall operate in accordance with the Pennsylvania Nonprofit Corporation Law of 1988, as amended.

The organization is formed exclusively for charitable, religious, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any corresponding provision of future federal tax law.

Black Sheep Ministries is a faith-based ministry and nonprofit organization. It is not organized or operated as a church and does not claim church status under federal or state law.

1.2 Nonmember Corporation

Black Sheep Ministries shall have no statutory members. All corporate powers shall be exercised by or under the authority of the Board of Directors as defined herein.

No individual participant, donor, volunteer, advisory member, or affiliate shall acquire voting or governance authority by virtue of participation or financial contribution.

1.3 Tax-Exempt Compliance

The organization shall not engage in any activity that would cause it to lose its status as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Specifically:

- a. No part of the net earnings of the organization shall inure to the benefit of, or be distributable to, any director, officer, employee, or private individual, except for reasonable compensation for services rendered.
- b. The organization shall not participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

c. No substantial part of the activities of the organization shall consist of carrying on propaganda or otherwise attempting to influence legislation, except as permitted under applicable law.

d. The organization shall not operate for the primary purpose of carrying on a trade or business unrelated to its exempt purposes.

1.4 Governing Documents

This Master Charter serves as the foundational governing framework of Black Sheep Ministries.

This Charter shall be implemented and supplemented by:

- Articles of Incorporation
- Bylaws
- Board adopted policies
- Program-specific charters
- A separately adopted Statement of Faith

In the event of conflict between documents, the hierarchy of authority shall be:

1. Articles of Incorporation
2. This Master Charter
3. Bylaws
4. Board adopted policies
5. Program charters

1.5 Geographic Scope

The organization is initially organized to operate within the Commonwealth of Pennsylvania. The Board of Directors may authorize expansion into additional jurisdictions consistent with applicable law and federal tax requirements.

SECTION 2: MISSION, PURPOSE, AND CORE OPERATING OBJECTIVES

2.1 Mission Statement

The mission of Black Sheep Ministries is to advance charitable, religious, and educational purposes by providing trauma informed, community based support, care coordination, mentorship, and restoration oriented services to individuals and families who are underserved, marginalized, or adversely impacted by addiction, family instability, foster care involvement, poverty, social isolation, or related life disruptions, and to do so through programs that are internally governed by Christian biblical principles while remaining accessible to participants without regard to religious belief or affiliation.

2.2 Charitable and Exempt Purpose

Black Sheep Ministries is organized and operated exclusively for purposes that qualify as exempt purposes under Section 501(c)(3) of the Internal Revenue Code. These exempt purposes include, but are not limited to, the following:

2.2.1 Charitable Purposes

The organization shall provide charitable services and supports designed to reduce human suffering, stabilize families, support recovery and reintegration, and improve community wellbeing, including practical assistance and structured support pathways for individuals and families at elevated risk of relapse, system re entry, homelessness, violence, neglect, exploitation, or chronic instability.

2.2.2 Religious Purposes

The organization shall operate as a faith-based ministry. The organization's internal leadership and governance shall be anchored in Christian biblical principles as set forth in the separately adopted Statement of Faith and associated governance documents referenced in this Charter. Religious activities may be offered by the organization, provided they are conducted in a manner consistent with the Participation Standards in Section 2.5 and the Non-Coercion Standards in Section 2.6 of this Charter.

2.2.3 Educational Purposes

The organization shall provide education to the public and to participants through training, instruction, curriculum, mentorship, workshops, and community learning opportunities relating to recovery support, trauma awareness, healthy relationships, parenting support, life skills, discipleship opportunities that are voluntary, and prevention oriented instruction designed to reduce harm and strengthen individual and family capacity.

2.3 Core Organizational Purpose

Black Sheep Ministries exists to operate as a parent ministry and nonprofit organization that establishes, governs, and supports multiple programmatic initiatives. Each program shall operate under a Board approved program charter that is subordinate to this Master Charter and the Bylaws. The organization's purpose is to create durable, accountable program infrastructure that remains available beyond the closure of court cases, agency involvement, or time limited services, with the intent to reduce relapse, reduce reentry into public systems, and strengthen long term stability.

2.4 Primary Operating Objectives

To eliminate ambiguity regarding what the organization is intended to do, Black Sheep Ministries adopts the following primary operating objectives, each of which shall be pursued

only to the extent consistent with the organization's available resources, safeguarding requirements, and legal compliance obligations:

2.4.1 Community Support Infrastructure

The organization shall establish recurring, structured, and supervised community based support environments, including peer support settings and mentorship oriented gatherings, designed to provide consistent relational support, accountability, and resource navigation.

2.4.2 Care Coordination and Resource Navigation

The organization shall provide non-custodial support through resource coordination, referral support, and practical navigation assistance, including coordination with licensed providers and community agencies when appropriate. The organization shall not represent itself as a governmental authority, a licensed treatment provider unless separately authorized, or a custodial decision maker for any participant.

2.4.3 Family Stabilization and Foster and Kinship Support

The organization shall provide supports aimed at family stabilization and family restoration, including support for foster parents, kinship caregivers, and families navigating child welfare involvement, and support for reunification oriented goals where consistent with safety, lawful boundaries, and partner agency requirements.

2.4.4 Recovery Community Support

The organization shall provide structured recovery support and community integration services that may include mentorship, accountability structures, life skill development, and supportive relationships, while maintaining clear boundaries that the organization is not a substitute for licensed clinical treatment unless a specific program is separately structured, staffed, insured, and authorized to provide such services.

2.4.5 Volunteer Mobilization Under Safeguarding Controls

The organization shall recruit, train, and deploy volunteers in roles that are lawful, supervised, and consistent with written safeguarding policies. Volunteers shall not be used as substitutes for licensed professionals where licensure is required.

2.4.6 Public Benefit and Community Partnership

The organization may collaborate with community partners, including secular agencies, faith based organizations, courts, and service providers, provided that partnerships do not compromise the organization's mission, legal compliance, safeguarding standards, or doctrinal governance.

2.5 Participant Access and Participation Standards

Black Sheep Ministries shall provide program access without requiring participants to affirm a Statement of Faith, attend religious services, engage in prayer, participate in Bible study, or adopt any religious belief as a condition of receiving charitable services.

Participation may be limited or declined only on lawful, objective, and program relevant grounds, including capacity limitations, safety and safeguarding concerns, inability to meet program boundaries, failure to comply with conduct standards necessary to protect others, or conflicts of interest that prevent impartial oversight as addressed in Section 2.9.

2.6 Non-Coercion Standard

The organization shall not use the provision of services, resources, material assistance, referrals, or participation eligibility as leverage to compel or pressure religious participation or religious affirmation.

If religious programming, discipleship opportunities, prayer gatherings, or Bible studies are offered, they shall be clearly designated as voluntary, separately scheduled when feasible, and communicated to participants as optional.

2.7 Non-Discrimination and Equal Dignity Standard

Black Sheep Ministries shall treat all participants with dignity and respect. The organization shall not deny charitable services based solely on a participant's religious belief or non-belief.

The organization's internal leadership standards and governance requirements may include religious criteria consistent with the Statement of Faith and applicable law, while participant access remains governed by Sections 2.5 and 2.6.

2.8 Political Neutrality

The organization shall operate as apolitical. The organization shall not endorse candidates for public office and shall not engage in political campaign intervention.

The organization may engage in limited issue education consistent with its exempt purposes, provided such activity remains nonpartisan and lawful, and provided further that the organization does not engage in lobbying as a substantial part of its activities except as permitted by law.

2.9 Conflicts of Interest Affecting Participant Services

To protect participant integrity, confidentiality, and impartial administration, the organization shall maintain boundaries regarding participants who have direct personal involvement with directors, officers, or key program leadership.

If a participant's involvement creates a material conflict of interest, the organization shall take one or more of the following actions as determined by the Board or its authorized designee under policy:

2.9.1 Recusal and Confidentiality Wall

The conflicted director, officer, or leader shall be recused from oversight and denied access to confidential participant information relating to that individual.

2.9.2 External Referral

If impartial administration cannot be reasonably maintained, the organization shall refer the individual to external resources and shall not accept the individual into the program.

2.10 Prohibition on Private Benefit and Profit Distribution

The organization exists to serve public benefit and shall not be operated for the private benefit of founders, directors, officers, employees, donors, or any private individual. Compensation, if paid, shall be reasonable and necessary for services rendered and shall be governed by Board adopted compensation policies.

2.11 Prohibition on Ministry Directed Transportation of Minors

Unless and until a specific program is formally authorized, insured, and governed by written policy approved by the Board, the organization shall not authorize volunteers or staff to transport minors in any official capacity on behalf of the organization. Any transportation of minors occurring outside official organizational authorization shall be treated as a private arrangement not attributable to the organization and shall not be represented as an organizational service.

2.12 No Overnight Housing at Inception

The organization shall not provide overnight housing at inception unless and until the Board approves a housing initiative through a formal program charter or subsidiary entity framework with appropriate legal compliance, insurance, staffing, and safeguarding controls.

2.13 Fee for Service Limitation

Black Sheep Ministries is not organized to operate fee for service revenue programs as a core activity. The Board may authorize limited fees only if consistent with exempt purposes, documented policy, and legal compliance, and provided such fees do not become a primary operational purpose of the organization.

SECTION 3: ORGANIZATIONAL STRUCTURE AND AUTHORITY

3.1 Governing Authority

The governing authority of Black Sheep Ministries resides exclusively in its duly elected Board of Directors. The Board shall exercise all corporate powers in accordance with the Pennsylvania Nonprofit Corporation Law of 1988, the Articles of Incorporation, this Master Charter, and the Bylaws.

The Board acts only as a collective body. No action shall be deemed an act of the Board unless adopted in accordance with quorum and voting requirements set forth in the Bylaws.

No individual director, officer, employee, volunteer, donor, advisor, or program leader possesses independent governing authority except as expressly delegated by formal Board action.

3.2 Nonmember Structure

Black Sheep Ministries shall have no statutory members as defined under Pennsylvania law. Participation in programs, volunteer engagement, financial contribution, advisory involvement, or community affiliation shall not create governance rights, voting rights, ownership interests, or control authority of any kind.

All governance authority is centralized in the Board of Directors.

3.3 Delegation of Authority

The Board may delegate operational authority to the Executive Director consistent with this Charter and the Bylaws. Such delegation shall be limited to implementation and administration and shall not transfer governing authority.

Delegation may include authority over day-to-day operations, staff supervision, volunteer supervision, budget implementation within Board approved parameters, contract execution within approved limits, and policy implementation.

Delegation shall not include authority to amend governing documents, terminate programs, materially alter approved budgets outside delegated thresholds, modify doctrinal standards, incur debt outside Board approval, or create subsidiary entities without Board authorization.

All delegated authority remains subject to review and revocation by the Board.

3.4 Executive Director Authority and Limits

The Executive Director shall serve as the chief executive officer of the organization and shall also serve as President and presiding officer of the Board, unless the Board separates these roles pursuant to Section 3.5.

In this capacity, the Executive Director shall faithfully implement the decisions and policies adopted by the Board and shall oversee the execution of the organization's mission and programs.

The Executive Director shall:

- a. Oversee daily operations of the organization.
- b. Supervise staff and volunteers.
- c. Ensure compliance with safeguarding, reporting, and regulatory obligations.
- d. Propose annual and interim budgets in conjunction with the Treasurer.
- e. Present operational and strategic reports to the Board.
- f. Serve as authorized spokesperson for policies and positions duly adopted by the Board.
- g. Preside over Board meetings and set meeting agendas in coordination with Board officers.

The Executive Director shall not:

- a. Override a Board decision.
- b. Bind the organization to policy positions not adopted by the Board.
- c. Materially alter the mission, doctrinal foundation, or governing documents of the organization.
- d. Commit the organization to obligations outside delegated or approved authority.

If the Executive Director is compensated, the Executive Director shall serve as a non-voting presiding officer of the Board and may cast a tie breaking vote only in the event of a deadlocked vote.

3.5 Board Officers

The President of the organization shall be the Executive Director and shall serve as presiding officer of the Board.

The Board shall elect at minimum a Vice President and a Treasurer from among the voting directors.

The Vice President shall serve as interim Executive Director and presiding officer in the event of incapacity, resignation, or removal of the Executive Director for a period not exceeding six months unless formally installed by Board vote.

The Treasurer shall oversee financial transparency and conduct or supervise monthly review of all organizational accounts.

Officer roles and responsibilities shall be further defined in the Bylaws.

By two thirds supermajority vote, the Board may at any time separate the offices of Executive Director and President if governance needs, organizational scale, or fiduciary considerations warrant structural separation.

3.6 Program Structure and Subordination

All programs operated by Black Sheep Ministries must be authorized by formal Board vote and operate under a written program charter approved by the Board.

Each program charter shall remain subordinate to this Master Charter and the Bylaws.

Program Directors shall be appointed by simple majority vote of the Board and shall report directly to the Executive Director. Program Directors shall implement Board approved metrics and operate within approved budgets.

Program Directors shall not independently alter program scope, policy, mission alignment, or financial structure without Executive Director oversight and Board approval where required.

The Board retains authority to suspend or terminate any program by two thirds supermajority vote.

3.7 Supermajority Actions

The following actions require two thirds supermajority vote of seated directors:

- Removal of a director.
- Removal of the Executive Director.
- Termination of a program.
- Approval of Executive compensation.
- Amendment of this Master Charter.
- Amendment of the Bylaws.
- Doctrinal amendments.
- Dissolution of the organization.

All other matters shall require simple majority vote unless otherwise specified in the Articles of Incorporation or Bylaws.

3.8 Vote of Assurance and No Confidence

Every four years, the Board shall conduct a formal vote of assurance regarding continuation of the Executive Director.

A vote of no confidence may be called at any time if proposed and seconded by two voting directors. Removal of the Executive Director shall require a two thirds supermajority vote.

3.9 Independence Safeguards

At all times, no fewer than one third of seated directors must qualify as independent directors. An independent director is one who receives no compensation from the organization, has no material financial relationship with the organization, is not an immediate family member of staff or directors, and has no contractual relationship creating material financial interest.

If independence falls below the required threshold due to resignation, removal, or change in status, the Board shall prioritize restoration of compliance at the next appointment opportunity.

3.10 Related Party Transactions

Any director with a financial interest in a proposed transaction must fully disclose the interest and abstain from discussion and voting.

The remaining disinterested directors shall determine and document in the official minutes that the transaction is fair, reasonable, and in the best interest of the organization after consideration of comparable market data where applicable.

Failure to follow this procedure shall subject the transaction to Board review and potential corrective action.

3.11 Subsidiary Entities

The Board may authorize creation of subsidiary legal entities, including limited liability companies or affiliated nonprofit entities, provided such entities remain controlled by the parent nonprofit and operate consistent with its exempt purposes.

Unless otherwise approved by supermajority vote, any subsidiary shall be wholly owned or controlled by Black Sheep Ministries.

No subsidiary entity may distribute profits to private individuals, and all activities of any subsidiary must remain consistent with the organization's charitable and exempt purposes.

SECTION 4: GOVERNANCE STANDARDS, FIDUCIARY DUTIES, AND ACCOUNTABILITY

4.1 Fiduciary Duties of Directors

All directors of Black Sheep Ministries shall serve as fiduciaries of the organization and shall perform their duties in good faith, in a manner reasonably believed to be in the best interests of the organization, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, consistent with Pennsylvania law.

Each director owes the organization:

- a. Duty of Care, requiring informed decision making, active participation, and reasonable oversight of organizational affairs.
- b. Duty of Loyalty, requiring directors to act in the best interests of the organization and avoid conflicts of interest or private benefit.
- c. Duty of Obedience, requiring adherence to the organization's mission, governing documents, and applicable federal and state law.

Failure to meet fiduciary duties may constitute grounds for removal pursuant to this Charter and the Bylaws.

4.2 Standard of Conduct

Directors shall:

- Review materials in advance of meetings.
- Participate in deliberations.
- Request clarification where necessary.
- Exercise independent judgment.
- Maintain confidentiality of sensitive information.

Directors shall not use their position for personal advantage, financial gain, or reputational leverage inconsistent with the organization's mission.

4.3 Compensation Oversight and Reasonableness

Compensation for the Executive Director or any senior leadership shall be reviewed and approved by the Board without participation of the individual whose compensation is under review.

The Board shall document that compensation is reasonable based on comparability data, scope of responsibilities, and organizational capacity, consistent with Internal Revenue Code intermediate sanctions standards.

No compensation shall exceed reasonable value for services rendered.

4.4 Conflict of Interest Policy

The organization shall maintain a written Conflict of Interest Policy requiring annual disclosure by directors and officers.

Any director with a financial, relational, or material interest in a matter before the Board shall disclose such interest and shall recuse from discussion and vote.

The remaining disinterested directors shall determine that any transaction is fair, reasonable, and in the best interests of the organization and shall document that determination in the official minutes.

4.5 Whistleblower Protection

The organization shall adopt and maintain a written Whistleblower Protection Policy.

No director, officer, employee, or volunteer shall retaliate against any individual who in good faith reports suspected misconduct, financial impropriety, safeguarding violations, or legal noncompliance.

Reports may be made to the Board, a designated independent director, or an external reporting channel as established by Board policy.

Retaliation shall constitute grounds for disciplinary action or removal.

4.6 Document Retention and Records Management

The organization shall adopt and maintain a Document Retention and Destruction Policy consistent with federal and state law.

The policy shall govern retention periods for financial records, meeting minutes, personnel records, program documentation, safeguarding reports, and electronic communications.

No record shall be destroyed if it is relevant to an ongoing investigation, audit, or legal proceeding.

4.7 Indemnification

To the fullest extent permitted under Pennsylvania law, Black Sheep Ministries shall indemnify its directors and officers against expenses, judgments, fines, and settlements incurred in connection with legal proceedings arising from actions taken in good faith within the scope of their authority.

Indemnification shall not apply to acts involving fraud, willful misconduct, criminal behavior, or knowing violation of law.

4.8 Directors and Officers Liability Insurance

The organization shall maintain Directors and Officers liability insurance coverage in an amount deemed appropriate by the Board to protect directors and officers from personal liability arising from service to the organization.

The organization shall also maintain general liability insurance and other coverage deemed necessary to protect organizational and leadership risk exposure.

4.9 Board Evaluation and Self Governance

The Board shall conduct periodic evaluation of its governance practices, including review of:

- Executive performance.
- Compliance with fiduciary obligations.
- Financial oversight effectiveness.
- Safeguarding compliance.
- Strategic alignment with mission.

The Board may adopt additional governance best practices as the organization grows in complexity.

4.10 Confidentiality

Directors and officers shall maintain confidentiality regarding sensitive organizational, financial, personnel, and participant information.

Unauthorized disclosure of confidential information may constitute grounds for removal.

SECTION 5: DOCTRINAL FOUNDATION AND RELIGIOUS GOVERNANCE FRAMEWORK

5.1 Faith Based Identity

Black Sheep Ministries is a faith based nonprofit organization. The organization's internal governance, leadership standards, and foundational philosophy are grounded in Christian biblical principles.

The organization adopts a separately approved Statement of Faith, which shall serve as the doctrinal foundation guiding leadership qualifications, governance standards, and internal organizational conduct.

The Statement of Faith is incorporated by reference but is maintained as a separate governance document and may be amended only in accordance with the amendment provisions set forth in this Charter and the Bylaws.

5.2 Leadership Affirmation Requirement

All voting directors must affirm the Statement of Faith at the time of election and upon each term renewal.

Failure to affirm the Statement of Faith shall constitute grounds for ineligibility or removal from the Board.

Senior leadership positions, including the Executive Director and Program Directors, may be required to affirm the Statement of Faith as a condition of service consistent with applicable law and the organization's religious identity.

5.3 Participant Access Without Doctrinal Affirmation

Participation in any program operated by Black Sheep Ministries shall not require affirmation of the Statement of Faith, attendance at religious services, participation in prayer, or adoption of religious belief.

The organization's charitable services shall remain accessible without regard to religious belief or non-belief, consistent with Section 2 of this Charter.

5.4 Voluntary Religious Activities

The organization may offer religious programming, including prayer gatherings, Bible study, discipleship opportunities, or faith-based mentorship.

Such activities shall be clearly identified as voluntary. Participation in such activities shall not be required as a condition of receiving charitable services or program participation.

Religious programming should, where reasonably practicable, be scheduled distinctly from core programmatic service delivery to avoid confusion regarding mandatory participation.

5.5 Doctrinal Interpretation Authority

Interpretation of the Statement of Faith and its application to governance, leadership standards, or policy questions shall rest with the Board of Directors by majority vote.

The Executive Director may recommend interpretive positions but shall not unilaterally redefine or amend doctrinal standards.

5.6 Doctrinal Amendments

Any amendment to the Statement of Faith or foundational doctrinal position shall require two thirds supermajority vote of the Board of Directors.

Any amendment must:

- a. Be documented in writing.
- b. Include a written statement articulating the biblical basis and interpretive rationale supporting the amendment.
- c. Be recorded in official minutes.

5.7 Religious Autonomy

Consistent with federal constitutional protections and applicable law, the organization retains authority over internal religious governance matters, including leadership qualification standards grounded in its faith commitments.

Nothing in this Charter shall be interpreted to waive or limit the organization's religious freedom rights under federal or state law.

5.8 Non Discrimination in Charitable Services

While leadership roles may be governed by religious standards, charitable services shall not be denied solely on the basis of religious belief, non-belief, or personal identity.

Leadership standards and participant access standards are distinct categories and shall be treated accordingly.

5.9 Protection Against Doctrinal Drift

To preserve mission continuity, any proposed doctrinal amendment must be distributed to all directors at least thirty days prior to vote, unless emergency circumstances require expedited review by unanimous consent.

This delay requirement exists to ensure thoughtful deliberation and prevent impulsive doctrinal shifts.

SECTION 6: FINANCIAL STEWARDSHIP AND ASSET MANAGEMENT

6.1 Fiduciary Stewardship Obligation

All financial resources of Black Sheep Ministries shall be treated as charitable assets held in trust for public benefit. Directors and officers shall exercise prudent stewardship consistent with their fiduciary duties under Pennsylvania law and federal tax regulations.

No funds shall be used for private benefit, personal enrichment, or purposes inconsistent with the organization's exempt mission.

6.2 Annual Budget Requirement

The Executive Director, in conjunction with the Treasurer, shall prepare a proposed annual operating budget.

The Board of Directors must approve the annual budget prior to implementation.

Expenditures shall conform to the approved budget unless otherwise authorized pursuant to this Section.

6.3 Dual Signature Requirement

Any expenditure, contractual commitment, or financial disbursement exceeding ten thousand dollars shall require two authorized signatures.

One required signatory shall be the Treasurer or another director designated by Board resolution for this purpose.

This requirement applies regardless of whether the expenditure falls within a pre-approved budget.

6.4 Segregation of Duties

No individual shall simultaneously possess authority to authorize, execute, and reconcile the same financial transaction.

Financial oversight shall incorporate separation of operational authority, payment authorization, and account reconciliation responsibilities.

6.5 Restricted and Designated Funds

Funds received subject to donor restriction, grant conditions, or Board designation shall be segregated in designated accounts or clearly tracked within accounting systems.

Restricted funds shall be used exclusively for the purposes specified by the donor or grant instrument.

Misapplication of restricted funds shall constitute grounds for corrective action and Board review.

6.6 Reserve Policy

The organization shall maintain a minimum operating reserve equivalent to three months of projected operating expenses, except in extraordinary circumstances approved by Board vote.

The purpose of the reserve is to ensure continuity of services, protect staff stability, and prevent operational disruption.

6.7 Investment Authority

The Board may authorize investment of organizational funds consistent with fiduciary duty and exempt purpose.

Investments shall prioritize capital preservation, prudent diversification, and risk mitigation.

Speculative investments or instruments inconsistent with charitable stewardship are prohibited.

The Board shall adopt a written Investment Policy Statement governing permissible asset classes, approval thresholds, oversight procedures, and reporting requirements.

6.8 Real Estate Holdings

The organization may acquire, hold, lease, or dispose of real property consistent with its exempt purposes.

Real estate assets may be held directly by the nonprofit corporation or through a wholly owned subsidiary entity approved by the Board.

Any subsidiary entity formed for asset segregation shall remain under Board control and shall not distribute profits to private individuals.

6.9 Debt and Financial Obligations

The organization shall not incur material debt obligations without Board approval.

Debt commitments exceeding thresholds defined in the Bylaws shall require supermajority vote.

The Board shall evaluate debt obligations in light of long term sustainability and mission alignment.

6.10 Acceptance of Donations

The organization reserves the right to accept or decline any donation.

Donations that create reputational risk, legal exposure, mission conflict, or ethical inconsistency may be declined at the discretion of the Board.

Anonymous donations may be accepted; however, all funds must be internally recorded and accounted for in accordance with accounting standards.

6.11 Compensation Controls

Compensation for employees shall be determined consistent with organizational capacity and exempt purpose. Compensation for Executive leadership shall be approved by the Board pursuant to Section 4 of this Charter.

Compensation shall not constitute private inurement or excess benefit under federal tax law.

6.12 Audit and Financial Review Authority

The Board may commission independent financial review or audit by licensed certified public accountants at its discretion.

The Treasurer shall present regular financial reports to the Board, including income statements, balance sheets, and cash flow summaries.

6.13 Financial Transparency

The organization shall prepare an annual financial summary and programmatic impact report. Such report shall be made available to donors upon request and may be made publicly accessible at the discretion of the Board.

The organization shall comply with all federal and state reporting requirements applicable to organizations described under Section 501(c)(3) of the Internal Revenue Code, including filing of required informational returns.

Individual compensation amounts shall not be publicly disclosed except as required by law.

6.14 Prohibition on Unrelated Commercial Purpose

The organization shall not operate for the primary purpose of conducting a trade or business unrelated to its exempt purposes.

If revenue generating activity is undertaken, it must be substantially related to the organization's charitable mission or otherwise structured to comply with applicable federal tax law governing unrelated business income.

SECTION 7: SAFEGUARDING, RISK MANAGEMENT, AND PARTICIPANT PROTECTION

7.1 Commitment to Safeguarding

Black Sheep Ministries shall prioritize the safety, dignity, and protection of all participants, with heightened safeguards for minors, vulnerable adults, and individuals impacted by trauma.

The organization shall operate under written safeguarding policies adopted by the Board and applicable to all directors, officers, employees, contractors, and volunteers.

7.2 Mandatory Reporting Compliance

All staff and volunteers serving in roles that involve interaction with minors or vulnerable populations shall comply with mandatory reporting obligations under Pennsylvania law.

The organization shall provide training on mandated reporting requirements where applicable.

Any suspicion or allegation of abuse, neglect, or exploitation shall be reported immediately to the appropriate authorities in accordance with state law. Internal reporting shall not replace or delay mandatory external reporting.

Failure to report where legally required shall constitute grounds for immediate suspension pending investigation.

7.3 Background Screening

The organization shall require appropriate background checks for directors, staff, and volunteers serving in roles involving minors or vulnerable populations, consistent with Pennsylvania law.

No individual shall serve in a role requiring screening unless such screening has been completed and reviewed in accordance with Board adopted policy.

The Board may require additional screening or periodic re screening as deemed appropriate.

7.4 Volunteer Boundaries

Volunteers shall operate strictly within defined role descriptions and shall not independently expand the scope of their engagement without authorization.

Unless formally authorized by Board approved policy, volunteers shall not:

- Provide transportation to minors on behalf of the organization.
- Provide overnight supervision.
- Provide clinical counseling or represent themselves as licensed professionals unless credentialed and authorized.

Private arrangements made outside official organizational authorization shall not be represented as services of Black Sheep Ministries.

7.5 Incident Response Protocol

The organization shall maintain a written Incident Response Policy governing:

- Internal reporting procedures.
- Immediate safety stabilization steps.
- Notification requirements.
- Documentation standards.
- Cooperation with external authorities.

Upon receipt of a serious allegation, the Executive Director shall notify the Board President or designated independent director immediately. Where required, authorities shall be notified without delay.

The organization shall fully cooperate with lawful investigations.

7.6 Crisis Communication Authority

In the event of crisis, investigation, litigation, or public controversy, only a Board designated spokesperson may issue official statements on behalf of the organization.

No director, officer, staff member, or volunteer may make public statements on behalf of the organization without authorization.

The organization may implement temporary communication restrictions during crisis response to preserve legal integrity and participant confidentiality.

7.7 Risk Assessment and Review

The Board shall periodically review safeguarding policies and risk exposure as part of governance oversight.

The organization shall maintain appropriate insurance coverage, including but not limited to:

- General liability coverage.
- Directors and Officers liability coverage.
- Abuse and molestation coverage.
- Professional liability coverage where applicable.
- Volunteer liability coverage where applicable.

Insurance coverage limits shall be reviewed periodically in light of organizational growth and program complexity.

7.8 Housing and Residential Risk

The organization shall not provide overnight housing unless authorized by formal Board action and supported by:

- Separate written program charter.
- Compliance review of applicable zoning and licensing laws.
- Adequate insurance coverage.
- Defined staffing structure.
- Written safeguarding protocols specific to residential services.

Any housing initiative shall be subject to heightened oversight.

7.9 Data Privacy and Confidentiality

Participant information, case documentation, and internal reports shall be treated as confidential and protected in accordance with applicable privacy laws and safeguarding policies.

Access to sensitive information shall be limited to individuals with legitimate operational need.

Unauthorized disclosure may constitute grounds for disciplinary action or removal.

SECTION 8: ETHICAL STANDARDS, CONDUCT, AND DISCIPLINARY AUTHORITY

8.1 Standard of Ethical Conduct

Directors, officers, employees, and program leadership of Black Sheep Ministries shall conduct themselves in a manner consistent with:

- The mission and purposes of the organization.
- The Statement of Faith where applicable to leadership roles.
- Applicable federal and state law.
- Safeguarding and confidentiality standards.

Ethical conduct shall be measured not by private personal standards but by objective conduct that materially affects the integrity, safety, reputation, or legal standing of the organization.

8.2 Grounds for Disciplinary Action

Grounds for disciplinary action, up to and including removal or termination, may include:

- a. Fraud, embezzlement, or financial misconduct.
- b. Criminal conviction involving dishonesty, violence, exploitation, or sexual misconduct.
- c. Sexual misconduct or boundary violations involving participants, staff, or volunteers.
- d. Substance distribution or illegal activity materially affecting organizational integrity.
- e. Public conduct that materially damages the mission, reputation, or credibility of the organization.
- f. Willful violation of safeguarding policies.
- g. Doctrinal deviation by a director or leadership member who has affirmed the Statement of Faith, where such deviation materially conflicts with the organization's adopted doctrinal foundation.
- h. Breach of fiduciary duty.
- i. Repeated failure to fulfill defined duties and responsibilities.

8.3 Distinction Between Leadership and Participants

Ethical standards applicable to directors and leadership shall not automatically apply to program participants.

Participants shall not be subject to leadership level conduct standards unless safety, safeguarding, or program integrity requires intervention consistent with written policy.

8.4 Investigative Authority

Allegations involving staff or volunteers shall be initially reviewed by the Executive Director. Where allegations involve the Executive Director, review shall be conducted by a panel of at least two disinterested directors.

For allegations involving directors, the Board shall appoint a panel of disinterested directors to conduct review.

Where allegations involve criminal conduct, abuse, or safeguarding violations, appropriate authorities shall be notified in accordance with Section 7.

8.5 Suspension Authority

The Executive Director may impose temporary suspension of staff or volunteers pending investigation.

Suspension of a Program Director requires Board approval.

Suspension of the Executive Director may be imposed by majority vote of the Board pending formal review.

8.6 Removal Authority

Removal of directors or the Executive Director requires two thirds supermajority vote as defined in Section 3.

Termination of employees shall be governed by employment agreements and applicable law, with final authority resting in the Board where required by this Charter.

8.7 Restoration and Corrective Action

The organization may implement corrective action, remediation plans, or restoration processes where appropriate and consistent with safeguarding and legal obligations.

Restoration shall not be permitted where continued involvement presents material risk to participants, staff, or organizational integrity.

The Board retains discretion in determining whether restoration is appropriate based on severity, credibility of allegations, legal exposure, and risk to mission.

8.8 Whistleblower Protection Enforcement

Retaliation against individuals who report suspected misconduct in good faith shall constitute independent grounds for disciplinary action.

The Board shall ensure that whistleblower complaints are reviewed impartially and documented appropriately.

8.9 Public Representation Standards

Directors, officers, and staff shall not represent personal opinions as official positions of the organization unless authorized.

Public misrepresentation of organizational positions may constitute grounds for corrective action.

SECTION 9: STRATEGIC GROWTH, EXPANSION, AND STRUCTURAL CONTINUITY

9.1 Strategic Planning Obligation

The Board of Directors shall adopt and periodically review a strategic plan outlining organizational priorities, program objectives, financial projections, risk considerations, and growth parameters.

The strategic plan shall not supersede this Charter but shall guide implementation of its purposes.

The Board shall review strategic alignment at least annually.

9.2 Geographic Expansion

Black Sheep Ministries is initially organized to operate within the Commonwealth of Pennsylvania primarily targeting Armstrong, Allegheny, and Westmoreland counties.

Expansion into additional counties, states, or jurisdictions may occur only upon formal Board approval after consideration of:

- Legal compliance requirements in the new jurisdiction.
- Insurance implications.
- Financial sustainability.
- Governance capacity.
- Safeguarding oversight capability.

The organization shall not expand into additional jurisdictions without confirming compliance with applicable nonprofit registration and charitable solicitation laws.

9.3 Program Replication and Scaling

The Board may authorize replication of existing programs in additional regions, provided that:

- Each replicated program operates under a Board approved charter.
- Oversight structures remain intact.

- Financial reporting remains centralized.
- Safeguarding standards are consistently enforced.

Program growth shall not compromise governance integrity or fiduciary oversight.

9.4 Advisory Relationships

The organization may engage advisory directors or external ministry leaders in a non-voting advisory capacity to assist in strategic planning, program refinement, or geographic replication.

Advisory individuals shall not possess governance authority unless formally elected to the Board pursuant to this Charter.

9.5 Subsidiary and Affiliated Entities

The Board may establish or acquire subsidiary nonprofit entities, limited liability companies, or affiliated entities to advance mission aligned purposes.

Such entities must remain consistent with exempt purposes and under Board oversight or control.

The Board shall evaluate structural separation where risk exposure, regulatory requirements, or housing initiatives necessitate distinct legal entities.

9.6 Housing and Residential Expansion

If the organization pursues housing initiatives, transitional living programs, or residential ministry services in the future, such initiatives must be:

- Approved by formal Board vote.
- Structured under a written charter specific to residential services.
- Evaluated for zoning and licensing compliance.
- Adequately insured.
- Supported by defined staffing, safeguarding, and oversight structures.

Housing initiatives may be organized through wholly owned subsidiary entities for asset protection and risk segregation.

9.7 Foundation or Endowment Authority

The Board may authorize creation of an endowment fund, foundation arm, or long term sustainability vehicle consistent with federal tax law.

Any such structure must preserve nonprofit control and prohibit private inurement.

9.8 Protection Against Mission Drift

Expansion decisions shall be evaluated against the organization's mission as defined in Section 2.

No growth initiative shall be approved if it materially compromises:

- Safeguarding standards.
- Fiduciary integrity.
- Doctrinal governance.
- Financial sustainability.
- Organizational reputation.

The Board shall prioritize mission fidelity over growth opportunity.

9.9 Five Year Review

At least once every five years, the Board shall conduct a comprehensive organizational review evaluating:

- Mission alignment.
- Governance structure.
- Financial sustainability.
- Program effectiveness.
- Risk exposure.
- Leadership capacity.

The Board may adopt structural adjustments consistent with this Charter to ensure long term viability.

SECTION 10: AMENDMENT, CONTINUITY, AND STRUCTURAL PROTECTION

10.1 Authority to Amend

This Master Charter may be amended only by two thirds supermajority vote of seated directors at a meeting where quorum is present.

No amendment shall be valid unless:

- a. The proposed amendment has been distributed in writing to all directors at least ten days prior to vote, except in emergency circumstances requiring unanimous consent for expedited consideration.
- b. The proposed amendment has been reviewed for consistency with the Articles of Incorporation and applicable federal and state law.

10.2 Limitations on Amendments

No amendment may:

- a. Alter the organization's exclusive operation for purposes described in Section 501(c)(3) of the Internal Revenue Code.
- b. Permit private inurement or private benefit.
- c. Eliminate fiduciary protections required by law.
- d. Override mandatory safeguarding compliance.
- e. Remove dissolution restrictions required under federal tax law.

Any amendment inconsistent with federal tax exemption requirements shall be null and void.

10.3 Doctrinal Amendments

Amendments affecting doctrinal foundation or the Statement of Faith shall comply with Section 5 of this Charter and require:

- Two thirds supermajority vote.
- Written biblical interpretive rationale.
- Documentation in official minutes.

10.4 Emergency Governance

In the event of sudden incapacity, resignation, death, or removal of the Executive Director, the Vice President shall assume interim operational leadership for a period not exceeding six months unless formally installed by Board vote.

In the event the Board falls below quorum due to resignation or incapacity, remaining directors shall act solely for the purpose of restoring quorum and governance stability.

10.5 Preservation of Institutional Records

All governing documents, financial records, safeguarding documentation, and official minutes shall be preserved in accordance with adopted document retention policy.

The organization shall maintain secure and redundant storage of critical records sufficient to ensure continuity in the event of leadership transition or operational disruption.

10.6 Protection Against Unauthorized Alteration

No individual officer, employee, or director acting alone may amend or suspend provisions of this Charter.

Any purported amendment not adopted in accordance with this Section shall be deemed invalid.

10.7 Continuity of Governance

If expansion, growth, or complexity necessitates structural reorganization, such reorganization must preserve:

- Nonprofit tax exempt status.
- Board fiduciary authority.
- Doctrinal governance structure.
- Safeguarding obligations.

Reorganization shall require supermajority approval.

SECTION 11: DISSOLUTION AND ASSET DISTRIBUTION

11.1 Voluntary Dissolution

Black Sheep Ministries may be dissolved only upon two thirds supermajority vote of the seated Board of Directors at a duly called meeting where quorum is present.

The Board shall adopt a written Plan of Dissolution prior to final action, outlining:

- a. The orderly cessation of operations.
- b. Satisfaction or provision for all known debts and liabilities.
- c. Proper distribution of remaining assets consistent with this Section.

11.2 Compliance with Pennsylvania Law

Dissolution shall be carried out in accordance with the Pennsylvania Nonprofit Corporation Law of 1988 and all applicable state filing requirements.

All required notices, filings, and approvals with the Pennsylvania Department of State and, where applicable, the Office of Attorney General shall be completed prior to final asset distribution.

11.3 Satisfaction of Liabilities

Prior to distribution of any remaining assets, the organization shall:

- a. Pay or make adequate provision for all known liabilities and obligations.
- b. Satisfy contractual commitments to the extent legally required.
- c. Ensure restricted funds are used or returned in accordance with donor intent and applicable law.

No assets shall be distributed until lawful debts and obligations are addressed.

11.4 Distribution of Remaining Assets

Upon dissolution, and after payment of all liabilities, all remaining assets shall be distributed exclusively for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

Remaining assets shall be transferred only to:

- a. An organization recognized as exempt under Section 501(c)(3) of the Internal Revenue Code;
- or
- b. A federal, state, or local governmental entity for a public purpose.

Under no circumstances shall assets be distributed to any director, officer, employee, donor, private individual, or for private benefit.

11.5 Restricted and Designated Assets

Restricted donations shall be distributed in a manner consistent with donor intent to the extent practicable.

If original restrictions cannot be fulfilled due to dissolution, the Board shall transfer such assets to an organization with substantially similar exempt purposes.

11.6 Subsidiary Entities

If the organization holds ownership interest in subsidiary entities at the time of dissolution, such interests shall be transferred or liquidated in a manner consistent with this Section.

Any proceeds derived from subsidiary liquidation shall be distributed in accordance with Section 11.4.

11.7 Prohibition on Private Inurement

No part of the assets of the organization shall inure to the benefit of any private individual upon dissolution.

Any attempted distribution inconsistent with this provision shall be void.

11.8 Court Supervision if Required

If required under Pennsylvania law, a court of competent jurisdiction may supervise dissolution proceedings to ensure lawful distribution of assets.

The organization shall comply fully with any judicial or regulatory oversight requirements.