# HANDBOOK FOR THE OPERATION OF FOURSQUARE CHURCHES

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1 NAME AND SEAL

Article I of the bylaws states the following:

The name of this corporation shall be the INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL. The corporate seal shall consist of two concentric circles between which shall be the name of the corporation and in the center of which shall appear “Incorporated 1927, California.”
2 OFFICES

Article II of the bylaws states the following:

The principal office of the corporation shall be located at 1910 West Sunset Boulevard, Suite #200, Los Angeles, California 90026. The corporation may also maintain offices at other places within or without the United States.
3 Definitions

Article III of the bylaws defines the following terms; additional information can be found in the bylaw articles indicated in parentheses: International Church of the Foursquare Gospel, Foursquare movement, Foursquare Gospel church (Article XIII), Foursquare convention (Article V), board of directors (Article VI), executive council (Article XI) and Foursquare cabinet (Article XI).
4 Members

Article IV of the bylaws defines the membership of ICFG.
5 MEETINGS OF MEMBERS

Article V of the bylaws describes how conventions are called and conducted, including voting procedures.

5.1 PURPOSES OF CONVENTIONS

International conventions provide for a setting for fellowship, inspiration, and instruction as Foursquare ministers gather from across the United States and from around the world. Conventions are also the venues in which official corporate business is conducted. During the convention business sessions, delegates receive official business reports, have the opportunity to express opinions, questions and concerns to the board of directors, and vote on ratification of any proposed bylaw amendments. When a new president must be elected, the convention body elects a president from a slate of candidates presented by the Cabinet. The convention body also has the power to ratify a president’s second term.

5.2 LOCATION OF CONVENTIONS

Although there is no prescribed pattern for selecting convention locations, the custom is to convene in various regions of the U.S. so that the burden and expense of travel are not always on the same groups of people. At infrequent intervals, conventions may be held in countries outside the United States.

5.3 VOTING AT CONVENTIONS

The following people are entitled to vote at conventions: officers and directors, licensed ministers, and local church delegates (one delegate for each fifty members or fraction thereof). All voting participants must be registered at the convention. Each voting member of the convention body has one vote on each item presented; voting by proxy is not permitted.
6 BOARD OF DIRECTORS

Article VI of the bylaws describes the following aspects of the board of directors: powers and duties, number of directors, composition of the board, rights and privileges, vacancies, place of meeting, regular meetings, special meetings, and quorum.

6.1 The Board of Directors and Corporate Affairs

The board of directors is responsible for general corporate management of the International Church of the Foursquare Gospel. All corporate activities, e.g. financial, property and credential transactions, are conducted at the direction of the board, which may choose to delegate various activities. The board of directors is empowered to create offices and departments, establish policies, and employ people as needed to carry out the objectives of The Foursquare Church. In fact, all corporate officers, excluding the president, are appointed by and serve at the pleasure of the board of directors. Further, all missionaries, councils, and committees are commissioned and/or appointed by the board.

In keeping with the responsibility of general management of the corporation, the board of directors is ultimately accountable for all real property transactions at the local church level. That means that proposals to lease or purchase property, construct, improve or demolish buildings, or to engage in any other transaction involving real property must be presented to and approved by the board of directors.

6.2 Representation on the Board of Directors

The following corporate officers are members of the board of directors: president, vice president of national church operations, vice president of global church operations, vice president of corporate administrative operations. In addition, three directors are selected from each of the three geographic voting regions (Atlantic, Central and Pacific); those members are voted upon by the licensed ministers in those voting areas. Further, directors can be appointed to serve on the board; as a rule, appointed directors possess particular skills, abilities, or perspectives that enhance the composition of the board of directors.
7 EXECUTIVE OFFICERS

Article VII of the bylaws describes the roles of president, vice presidents, secretary, assistant secretary, and treasurer. Executive officers, with the exception of the president, are appointed by and serve at the pleasure of the board of directors. The procedures for selecting the president are addressed in article 7.1.2 of the bylaws.

7.1 PRESIDENT

The president of the Foursquare Church is considered to be both the spiritual leader and the chief executive officer. In the role as chief executive officer, the president is charged with the general supervision and direction of the corporation, in concert with the board of directors. The president is responsible for ensuring corporate compliance with all applicable laws, rules, and regulations. As the spiritual leader of the Foursquare Church, the president is responsible for encouraging worship, both individual and corporate; striving for the salvation of souls; promoting adherence to the cardinal doctrines of The Foursquare Church, including the ministry of the Holy Spirit; and facilitating efforts to fulfill the Great Commission. Other primary responsibilities include the health of U.S. credentialed leaders, U.S. Foursquare churches and their global mission.

7.2 VICE PRESIDENTS

Vice presidential positions may include but are not limited to the following: vice president of national church operations, vice president of global church operations, vice president of corporate affairs, and vice president of financial operations. Each of the vice presidents has specific responsibilities in keeping with his or her respective area of authority. In the event of the absence or disability of a president, a succession process and order has been determined by the bylaws.

7.2 SECRETARY

The secretary is the custodian of all the corporate records, documents, books, and communications. The secretary oversees the registering of voters and convention and the tallying of all written votes at convention. In addition, the secretary maintains records of all ordained and internationally licensed personnel.

7.3 ASSISTANT SECRETARY

The assistant secretary assists the secretary as requested and is empowered to perform the duties of the secretary in the absence or disability of the secretary.

7.4 TREASURER

The treasurer is responsible for maintaining accounts of all corporate financial transactions and also disburses corporate funds at the direction of the board of directors.
8 General Officers

Article VIII of the bylaws describes the roles of general supervisor, district supervisors, divisional superintendents, and director of missions. General officers are chosen from among the ranks of ordained ministers. They are to have demonstrated spiritual leadership and an ability to perform the duties of their offices. They are appointed by and serve at the pleasure of the board of directors.

8.1 General Supervisor

The general supervisor is charged with the comprehensive oversight of the Foursquare churches inside the United States and is responsible for the national church office and the ministries that are coordinated by that office. The general supervisor also makes recommendations to the board of directors in regard to the appointment of district supervisors. Currently, the role of general supervisor is combined with the role of vice president of national church operations. However, the bylaws do not mandate that those roles be filled by the same person.

8.2 District Supervisors

District supervisors are accountable to the general supervisor and the president, and they serve five-year terms as designated by the board of directors. District supervisors are to strengthen and multiply Foursquare churches within their respective districts. They are to facilitate leadership development and develop relationships with the ministers of their districts. They are to visit the churches within their respective districts and support the spiritual health of those churches.

8.3 Divisional Superintendents

Divisional superintendents accountable to their district supervisor are responsible for facilitating district programs at the divisional level. Divisional superintendents are to be fully engaged in district functions and are to perform all tasks assigned by the supervisor. In some cases, districts may use a slightly different title (area pastor, regional superintendent, etc.) to refer to this office.

8.4 Director of Missions

The director is chosen from among missionaries or missions-minded ministers and is charged with the comprehensive oversight of missionary fields, activities, and personnel. Currently, the role of director of missions is combined with the role of vice president of global church operations. However, the bylaws do not mandate that those roles be filled by the same person.
9 Assets and Finances

Article IX of the bylaws describes the assets and finances of ICFG, including the general fund and the following special funds: Foursquare Missions International Fund, Extension Tithe Fund, McPherson Memorial Extension Fund, Ministerial Benevolent Fund, world missions projects, earmarked missions funds.
10 SPECIAL MINISTRIES

Article X of the bylaws empowers the board to establish special ministries.
11 FOURSQUARE CABINET AND EXECUTIVE COUNCIL

Article XI of the bylaws describes the members, powers and duties, and meetings of the Foursquare cabinet and executive council.
12 LICENSED FOURSQUARE MINISTERS

12.1 MINISTERIAL STANDING

A. As a prerequisite for licensing and/or ordination, the Foursquare minister is to subscribe and adhere to the “Minister’s Code of Ethics” of the International Church of the Foursquare Gospel.

B. The requirements and qualifications for licensing and/or ordination are those published in the bylaws (Bylaws, Article 12.1, MINISTERIAL CREDENTIALS), the procedures presented in this “Handbook for the Operation of Foursquare Churches,” and the application for Foursquare license or ordination.

12.2 MINISTERIAL CREDENTIALS

Contact your district office for information regarding licenses. Maintaining current ministerial credentials is important for many reasons. The legal status of the minister with regard to performing marriage ceremonies, tax benefits extended under the Internal Revenue Code to ministers, continuity of service record and corresponding awards from the organization (i.e., 25-, 50-, 60-year awards), consideration for ordination, and immigration requirements for legal immigrants seeking permanent resident status are all dependent on a minister’s keeping his or her credentials current.

A. The issuing of a U.S. license is contingent upon appointment to a Foursquare church or approved Foursquare ministry (i.e., Bible college, corporate or district office). Licenses will not be renewed if a minister is not currently under appointment at renewal time.

Upon being ordained or receiving a U.S. license, Foursquare ministers receive a certificate which indicates they have been ordained or licensed according to the requirements of the bylaws.

B. Upon payment of the annual credential fee, the Foursquare minister will receive a current annual credential card.

12.3 MINISTERIAL BENEVOLENT FUND

A. The Ministerial Benevolent Fund (Bylaws, Article 9.2.2.D) is not an insurance contract. It is a benevolence fund that is created from a portion of each minister’s annual credential fee. Monies from this fund are disbursed by the board of directors as gifts to Foursquare ministers and their spouses participating in the fund, for emergency assistance in cases of sickness or accident.
B. Eligibility

1. A minister is eligible to apply for assistance from the fund if his or her credential fee has been kept consistent and current.

2. Unlicensed spouses that had been participants prior to 2006 are eligible, providing their participation in the benevolence fund program has been consistent and current.

3. All licensed Foursquare ministers participate in the benevolence fund program.

4. The benevolence fund is not available for expenses related to pregnancy or dental care.

C. Applications for assistance from the benevolence fund are available through the district office.

12.4 MINISTERIAL LIABILITY

For many purposes the government considers a minister to be an independent contractor. For example, the state licenses contractors and brokers without assuming legal responsibility. The International Church of the Foursquare Gospel licenses and ordains ministers, but Foursquare ministers are legally responsible for their own actions.

In many other ways, the law considers a minister to be an employee of the church and/or denomination. Thus, in some instances, a church or an entire denomination can be held financially responsible for the actions of a single individual employee. Care should be taken in one’s actions to protect one’s own ministry, as well as the ministry of the church and denomination.

12.5 MINISTERIAL ACHIEVEMENT AWARDS

A. Twenty-Five Year Service Award -- Ministers who have completed 25 years of active Foursquare ministry receive a pin and an award at the annual district conference. Recipients are determined by the international board, which reviews the questionnaires submitted by the applicants. The decision is based on the information submitted by the applicant and/or from credential records in the national church office.

B. Fifty Year Service Award -- Ministers who have completed 50 years of active Foursquare ministry receive a gold service pin with a diamond and an award at the annual international convention. Recipients are determined by the international board, which reviews the questionnaires submitted by the applicants. The decision is based on
information submitted by the applicant and/or from credential records in the national church office.

C. SIXTY YEAR (AND GREATER) SERVICE AWARD -- Ministers who have completed 60 years of active Foursquare ministry receive a gold service pin with 2 diamonds and an award at the annual international convention. Additional milestones will be honored as candidates qualify. Recipients are determined by the international board, which reviews the questionnaires submitted by the applicants. The decision is based on information submitted by the applicant and/or from credential records in the national church office.

D. RETIRED MINISTERS -- Ministers who have reached retirement age and have advised the supervisor of their intention to retire will receive a service plaque, presented in the district where they have most recently served. Retirees will be granted full ministerial credentials without cost, and shall have the privilege of participating in the Ministerial Benevolent Fund at their own expense. They will be kept on national and district mailing lists.

12.6 THE MINISTER’S HOME AND FAMILY

A. PERSONAL CARE – It is essential that ministers have a support system to help them manage times of excessive stress. In many cases, divisional superintendents and district supervisors are able to provide support in times of challenge.

Some challenges are of a sensitive nature, and a more confidential counseling setting may be needed. In those cases, ministers are encouraged to contact the Foursquare C.A.R.E. ministry, which has been established to provide confidential, personal counseling to Foursquare ministers and their immediate families at no cost. C.A.R.E. can be reached at 800.717.4171. Also, the Foursquare Center for Spiritual Renewal (CSR) East in Christiansburg, Va. (866.998.2771) and CSR West in Los Angeles (213.989.4252) provide up to one week per year of personal retreat for ministers and their spouses.
13 FOURSQUARE GOSPEL CHURCH MINISTRY

13.1 LOCAL CHURCH MEMBERSHIP

13.1.1. CHURCH MEMBERSHIP AND CHURCH DISCIPLINE

The relation between members and a church consists of an agreement between the parties, a profession of faith, adherence to the doctrines of the church and submission to its government. It is well settled law that (a) the right to determine the qualifications for membership belongs to the church, (b) a determination as to who are “members in good standing” is an ecclesiastical question relating to the government and discipline of a church, and (c) a church’s decision about either matter is binding on the courts.

When people become members of a church they are agreeing to be submitted to the church’s ecclesiastical jurisdiction. Consequently it is this “agreement” of membership that gives a church the ecclesiastical authority to exercise church discipline over an individual. A church or minister that attempts to exercise church discipline over a person who has not officially and formally applied for and been accepted as a “member” risks being sued for any number of possible harms done to the non-member.

13.1.2. THE PRIVILEGES OF MEMBERSHIP (Bylaws, Article 13.6.5)

A. Church membership offers a member the right of voting at both the local church and international levels. Voting privileges are offered to those 18 years of age and older.

   1. The local church membership meetings allow the membership to elect church council members.

   2. At international convention, the local church membership has the benefit of representation. In addition to their pastors, churches may send one voting delegate for every 50 people in the church; these delegates may vote on any business matter conducted by the convention body. (Bylaws, Article 5.5.C).

B. Church members may suggest, for the consideration of the council and pastor, ideas for advancement of the gospel in the community and denomination as a whole.

13.1.3. THE RESPONSIBILITIES OF MEMBERSHIP

A. The membership is responsible for the following:

   1. Partnering with the Lord in the numerical and spiritual growth of the church.

   2. The material needs of the church.
3. The spiritual welfare of one another, a ministry that is shared by all.

4. The spiritual and material support of their pastor.

5. The behavior and conduct in the local body.

6. The mission of the church at home and abroad.

13.1.4. Qualifications for Membership (Bylaws, Article 13.6.1)

In order to be entitled to membership in a Foursquare church, a person must fulfill the following criteria:


2. Give verification of having been baptized in water by immersion.

3. Subscribe and adhere to the doctrine of the International Church of the Foursquare Gospel, as outlined in the Declaration of Faith compiled by Aimee Semple McPherson.

4. Submit to the rules and regulations that pertain to membership as set forth in the articles of incorporation and the bylaws.

5. A Foursquare licensed minister appointed to a Foursquare church automatically becomes a member of that church. Requirements such as filling out membership forms or attending membership classes are at the discretion of the senior pastor.

13.1.5. Admission into Membership (Bylaws, Article 13.6.2)

A. When churches plan services to receive new members, dates should be communicated in a timely manner so that prospective members can easily make application for membership.

B. Each prospective member should be given a membership application (available as a free download at http://www.foursquare.org/tools/item/foursquare_certificates), along with a copy of the Foursquare Declaration of Faith found in the brochure entitled This We Believe. Brochures may be downloaded from http://www.foursquare.org/tools/item/foursquare_brochures.

C. A 16-lesson adult curriculum entitled We Believe In is available as a free download from http://www.foursquare.org/tools/item/we_believe_in.
D. The pastor or membership committee should confirm that all applicants:

   a) Have accepted Jesus Christ as their personal Savior.

   b) Are in agreement with the Foursquare Declaration of Faith.

E. Applicants, upon approval or by transfer from another Foursquare church, should be publicly received into membership.

13.1.6. **Record Keeping**

A. Each applicant should complete the application form mentioned in 13-1-E-2 (free download at [http://www.foursquare.org/tools/item/foursquare_certificates](http://www.foursquare.org/tools/item/foursquare_certificates)).

B. Each new member should be presented a certificate of membership (available as a free download at [http://www.foursquare.org/tools/item/foursquare_certificates](http://www.foursquare.org/tools/item/foursquare_certificates)).

C. Each church should have a means for keeping an ongoing list of members that is updated as needed. If electronic files are used, it is advisable to print updated paper copies annually and keep them in fire-safe storage, since technology continues to evolve and older methods may become inaccessible (e.g., records that were stored on floppy disks). Membership records are permanent and should not be discarded or destroyed.

D. Records must make a distinction between active and inactive members.

   Once a person has become a member of a Foursquare church, he or she is a member until death, withdrawal, transfer, or dismissal.

   1. An active member is a member who, in the current year, has contributed to the support of the church and/or has attended church services.

   2. An inactive member is one who has not shown activity according to the above definition.

E. Transfer of members (Bylaws, Article 13.6.6)

   Transfer of membership from one local Foursquare church to another, or to any other church, shall be deemed to have occurred when the member applies for and is accepted into membership with that receiving church.

F. Dismissal of members (Bylaws, Article 13.6.7)
Any member of a Foursquare Gospel church, following a hearing before the church council and concurrence of the district supervisor, may be dismissed from membership, by written notice where possible from the church council, for any of the following reasons: refusal to adhere to the Declaration of Faith or to comply with the provisions of the Foursquare bylaws; willful unchristian or unscriptural conduct; acting contrary to the best interests of the church; causing dissension or conspiring to divide the church; failure to meet the requirements of service set forth in bylaw section 13.6.4.

13.1.7. **Membership Meetings (Bylaws, Article 13.6.9)**

A. Annual membership meeting (Bylaws, Article 13.6.10) – The pastor shall call an annual church membership meeting. Two weeks notice is to be given to all members in good standing. All elected officers of the church shall be chosen at this meeting by a majority of the members present. Annual numerical, spiritual and financial reports may also be presented.

B. Special membership meetings (Bylaws, Article 13.6.11) – May be called by the pastor or by a majority of the council members with the written permission of the district supervisor.

1. A notice of any meeting must be given at least one week in advance.

2. The purpose of such special membership meetings shall be stated in the notice of the meeting.

C. Procedure of the membership meeting:

1. The pastor is chairperson of the council and shall preside at all membership meetings.

2. Council members should be present along with ministry staff and department heads.

3. All business should be conducted by simplified parliamentary procedure (Roberts Rules of Order-Simplified).
13.2        FOURSQUARE BIBLE INSTITUTES, SCHOOLS OF MINISTRY AND ELN PROGRAMS

13.2.1.  Overview

There are several different categories of church-based training programs. Emerging Leader Network (ELN) programs are geared for young adults ages 18 to 25. They generally are one or two years in duration and feature an immersive format with a three-part emphasis on education, discipleship and practical ministry. Schools of ministry programs are usually one to two years in length and have fewer restrictions on the number of required contact hours and instructor qualifications. Non-formal and formal institutes require a greater number of contact hours; instructors must have at least a bachelor’s degree and preferably a master’s degree in the subjects they are teaching. Church-based Bible colleges are authorized by the authorities in their state to grant degrees.

Foursquare Bible institutes, schools of ministry and ELN programs undergo annual certification by the Foursquare board of directors. Certification should not be confused with accreditation. Certification means that the program is recognized by Foursquare and is in good standing. Accreditation is a lengthy process of approval by a federally-recognized accreditation association, and often takes 8-10 years to accomplish.

Students who take courses through certified institutes and schools of ministry may be able to receive college credit for institute coursework, but such credit is not guaranteed. Most colleges will evaluate courses on a case-by-case basis and then make a decision on whether or not to grant credit.

13.2.2.  Steps to Begin A FOURSQUARE BIBLE INSTITUTE, SCHOOL OF MINISTRY OR ELN:

A. Request and receive approval from the district supervisor.

B. Contact the National Church Office for startup information, including the Institute Startup Manual, the brochure entitled 21 Questions and Answers for Prospective Institute Leaders, and the Application for Certification.

C. Complete the Application for Certification and return it, along with a $100 fee, to the National Church Office. Include with it supporting materials, such as the institute catalog/handbook and promotional information.

D. The National Church Office will review the application and materials. An onsite appraisal may be scheduled. Upon NCO approval, a request for certification will be submitted to the board of directors for its approval.

E. The church or institute will be notified of the board’s decision. If approved, the institute will be entered into Ezra. To maintain certification (which is renewed
annually), the institute will be required to file annual reports with the NCO, and to send a representative to attend the annual institute symposium.

13.3  FOURSQURE CHRISTIAN SCHOOLS, PRESCHOOLS AND DAYCARES

13.3.1.  BEFORE YOU START: PRELIMINARY RESEARCH AND PREPARATION

A. Determine your mission. What is the purpose of starting a school or daycare?

B. Do your research:

1. Do a feasibility study. What are the needs of the community? Are your facilities adequate? Will modifications be needed to meet fire safety and health department codes? Visit existing programs in your area.

2. Build your budget. Consider factors such as startup costs (including equipment and furnishings, building modifications, licensing fees, advertising), as well as payroll, taxes and insurance.

3. What personnel will you need? What are the education and training requirements they must meet?

4. If you are starting a school, what curriculum will you use? What are your state’s grade-level academic expectations for core subjects?

13.3.2. STEPS TO BEGIN A CHRISTIAN SCHOOL, PRESCHOOL OR DAYCARE:

A. Request and receive approval from the district supervisor.

B. Contact the National Church Office for startup information, including an informational brochure and an application entitled Request for Permission to Start a School or Daycare.

C. At a formal meeting, church members must vote on the question of whether to approve startup of the school, preschool or daycare.

D. All state licensing, fire safety and health department regulations must be met.

E. It is strongly recommended that Christian schools and preschools meet requirements of and become affiliated with the Association of Christian Schools International (ACSI) (www.acsiglobal.org).
F. The Foursquare Insurance Department must be contacted prior to submission of the application.

G. Research your state’s abuse prevention/reporting policies and develop a policy for your school. Develop a discipline policy, an employee manual, and a parent/student brochure or handbook.

H. Submit the completed application and supporting documents (policies, handbooks, manuals) to the National Church Office. The NCO will review the application. Upon NCO approval, a request for certification will be submitted to the board of directors for its approval.

I. The church will be informed of the board’s decision. Upon the board’s approval, the school will be entered into Ezra. Each fall the school must submit to the NCO both the Annual Report to Establish Tax Exemption and the Annual Report of Financial Practices.

13.3.3. ASPECTS RELATED TO CHRISTIAN SCHOOLS, PRESCHOOLS AND DAYCARES

When a church operates a school, preschool or daycare, it becomes subject to additional federal and state laws and regulations.

A. Organization

Unless otherwise authorized by the international board, the school, preschool or daycare must be organized as a part of the Foursquare church which operates it, under the church’s EIN number.

B. Federal Regulations

Schools, preschools and daycares operated by Foursquare churches fall under the tax-exempt status of the International Church of the Foursquare Gospel. It is federally-mandated that they operate under a policy of racial nondiscrimination and must meet the following requirements:

1. Organizational Requirements: A school must include a statement in its charter, bylaws, or other governing instrument, or in a resolution of its governing body, that it has a racially nondiscriminatory policy as to students and therefore does not discriminate against applicants and students on the basis of race, color, and national or ethnic origin.

2. Statement of Policy: Every school must include a statement of its racially nondiscriminatory policy as to students in all its brochures and catalogs dealing with student admissions, programs and scholarships, and any other written advertising that it uses as a means of informing prospective students of its
programs. The following reference will be acceptable: “The (name of school) admits students of any race, color, and national or ethnic origin.”

3. Publicity: The school must make its nondiscriminatory policy known to all segments of the general community served by the school on an annual basis, via a newspaper ad or radio/TV announcement. The NCO will provide the specific wording that must be used to satisfy IRS requirements. Copies of this ad must be submitted as part of the Annual Report to Establish Tax Exemption.

4. Facilities, scholarship and loan programs: The school must be able to show that all of its programs and facilities are operated in a racially nondiscriminatory manner, and that scholarships or other comparable benefits are offered on a nondiscriminatory basis.

C. Records

Foursquare schools should keep all K-12 student records/transcripts in permanent fire-safe storage. A Foursquare school, preschool or daycare must also maintain the following records for at least three years:

1. Records indicating the racial composition of the student body, faculty, and administrative staff of each academic year.

2. Records sufficient to document that scholarship and other financial assistance is awarded on a racially nondiscriminatory basis.

3. Copies of all brochures, catalogs, and advertising dealing with student admissions, programs, and scholarships.

4. Copies of all materials used by or on behalf of the school to solicit contributions.

13.3.4. HOME SCHOOLS AND HOME SCHOOL SUPPLEMENTAL PROGRAMS

The Foursquare Church supports the decision of parents to provide homeschooling as an alternative to conventional education. Churches which choose to make church property and facilities available for use by outside home school organizations should do so through an approved lease agreement that requires proof of adequate insurance. Parents are responsible for providing custodial care for children enrolled in a church-sponsored home school program.

Churches which operate their own home school supplemental programs are required to regulate these programs according to state and local guidelines. In addition, such
programs should be registered through the National Church Office, be approved by the Foursquare board of directors, and file annual reports with the NCO.

13.3.5. Leasing to Non-Foursquare Christian Schools, Preschools and Daycares

Chains that allow non-Foursquare schools, preschools and daycares to lease Foursquare property should do so through the prescribed leasing process (See section __________).

13.3.6. Leasing to Charter Schools

Chains that lease property to charter schools must adhere to the following guidelines:

A. Support for the use of local church property by a charter school must be demonstrated through the decision of the pastor, church council and the majority of church members. This decision should be documented by the church and a copy given to National Church Office (NCO).
B. The mission and operations of the charter school must be clearly compatible with the mission of the denomination and the local church.
C. The church must demonstrate that no conflict of interest exists between the church and the charter school.
D. There must be no sharing of personal property, such as telephones or filing cabinets, between the local church and the charter school. A floor plan or written description of use of any Foursquare-owned property should be filed with the NCO.
E. The pastor of the church shall not be an employee, but may serve in an ex-officio capacity on the governing board of the school.
F. The financial administration, recordkeeping and bank accounts of the charter school shall be completely separate from that of the church.
G. No employees of the church shall be simultaneous employees of the charter school.
H. Approval for use of church property for a charter school must be granted by the international board prior to occupancy or startup; use of the real property of the church shall be granted to the charter school through a proper lease, processed through the district office and specifically approved by the church and the international board.
I. The charter school shall provide proof of insurance, prior to occupancy or startup, for adequate coverage of professional liability, persons, and property related to the operation of the school.
J. All agreements between the local church and the charter school must be approved by the NCO.
K. During the first year of the operation of an approved charter school, the NCO shall conduct a site visit to verify the local church’s compliance with the stipulations contained in this document; subsequent visits may be conducted as needed.
L. An report form prepared by the related to the operation of the local church vis-à-vis tenant relationship with the school shall be completed on an annual basis and
submitted to the NCO. This report shall include, but not be limited to, presentation of current certificates of occupancy and use from the charter school state or local authority, as well as the local fire and health departments.

M. In the event that the local church does not comply with the stated requirements, the lease agreement may be discontinued by decision of the international board, to be effected prior to opening the next school term or upon a site visit by the NCO.

N. A copy of the school charter should be maintained by the church office and a copy made available to the NCO.

O. A signed facilities compliance document shall be on file with both the charter and the office of the NCO, certifying that the church is operating the charter school in good standing with the NCO and that neither the church nor the International Church of the Foursquare Gospel will be held liable for any accident or injury to employee or student. (This document is to be drafted for the church as a legal ICFG document.)

**13.4 THREATS OF VIOLENCE AND CONCEALED WEAPONS**

Foursquare pastors and church leaders should notify local law enforcement of any threats or acts of violence at any church function or event, as well as any threats or acts of violence directed toward church personnel, members or attendees.

Some people in attendance at church functions may lawfully carry a concealed weapon, including law enforcement officers who may be required by their employers to carry concealed weapons even when not on duty. However, except for the actions of law enforcement officers in the pursuit of their duties, pastors may not request that persons lawfully able to carry a concealed weapon use such weapons on behalf of the church.
14 FOUR SQUARE PASTORS

14.1 THE SENIOR PASTOR

14.1.1 QUALIFICATIONS

The pastor of a Foursquare church shall hold a U.S. license or Foursquare ordination upon the recommendation of a district supervisor and approval of the board.

He or she should subscribe and adhere to the Declaration of Faith and to the Articles of Incorporation and Bylaws, the Minister’s Code of Ethics, the procedures presented in the Handbook for the Operation of Foursquare Churches, and the application for Foursquare license or ordination.

14.1.2 SELECTION

A senior pastor shall be recommended to a church, in compliance with his or her ministerial call, by the district supervisor, upon the approval of the president and the board.

14.1.3 DUTIES OF A SENIOR PASTOR

A. Spiritual

1. Pastors should first cultivate their own spiritual lives, so they will be fully equipped to serve the church.

2. The Foursquare pastor’s primary focus should be the salvation of souls, edification of the church, and the building up of the body of Christ through preaching, teaching, conducting services, and administering ordinances.

3. Pastors are to provide pastoral guidance, prayer and encouragement to the congregation. Discussions between a pastor and congregants regarding personal matters must be treated confidentially. Pastors should not give legal, tax, medical or psychological advice unless academically qualified and licensed to do so. (See Section 16A for sample pastoral care policies.)
B. Supervisory

1. Pastors shall serve as chairpersons of their respective church councils and shall preside at membership meetings.

2. Pastors shall encourage financial contribution from the membership so all obligations may be met.

3. Pastors shall appoint certain officers of their respective churches, as set forth in the bylaws.

4. Pastors shall be co-depositors of all church funds with the treasurers of their respective churches, and shall sign all checks for disbursements of church funds unless full-time, salaried church employees can be assigned that task. In organized churches such disbursements shall have the approval of the council and shall be regularly reviewed by the council and senior pastor (Bylaws, Article 14.4.D).

5. Pastors shall execute such other documents as may be required as pastor (Bylaws, Article 14.4.E).

6. Pastors shall sign no real estate transaction, agreements or contracts UNLESS the words “Subject to the approval of the governing board of the International Church of the Foursquare Gospel” are included above the pastor’s name and signed by both parties (Bylaws, Article 14.4.E).

7. Pastors shall ensure that all real estate papers, whether for purchase or lease of real property, bear the name “INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL, A RELIGIOUS CORPORATION” and are signed by the president and corporate secretary of ICFG, following board approval. Pastors are NOT authorized to sign real estate documents unless specifically instructed to do so by the board.

C. Professional or Organizational

1. Pastors should endeavor to attend all Foursquare international conventions, district functions, and divisional functions, recognizing the need for unity and fellowship among the ministerial ranks of the Foursquare Church.

2. Pastors should promote and encourage the membership to participate in international and district functions, to promote loyalty and bring unity and harmony to the Foursquare denomination.

3. Pastors should avail themselves of continuing education, such as seminars conducted annually in each district. They should look for opportunities to build their ministry skills
and sharpen their ministry vision by attending related seminars and ministerial fellowships locally, regionally and nationally.

4. Pastors should endeavor to uphold the pastoral agreement that they sign, affirming their commitment to uphold the policies and bylaws of the Foursquare organization and bringing their ministries and their churches into compliance in any areas where they may be lacking, whether they are in complete agreement with those policies or not.

5. Pastors should promote and support Foursquare Missions International and ensure the church participates in the extension tithe program.

6. Pastors should ensure that a bona fide risk management policy is adopted by the church and is understood and carried out by staff and volunteers.

7. Pastors should ensure that a screening process is implemented to check the backgrounds of all volunteers and paid staff who will have contact with minors. This process should include a thorough application and law enforcement background check. Pastors should be aware of their state requirements for child abuse reporting, and ensure that the church has a clear policy for reporting suspected abuse. Staff and volunteers should view the Child and Youth Protection Training Videos (available at http://www.foursquare.org/tools/item/child_and_youth_protection_training_series).

14.1.4 Compensation of a Senior Pastor

A. The method and amount of the pastor’s compensation for services shall be determined by the council. If the pastor and/or council need advice regarding an appropriate level of compensation, they should contact the district supervisor and/or divisional superintendent. Following are some guidelines to be considered:

1. Review of all salaries should be made on an annual basis by the pastor and church council. Total church staff salaries should not exceed 40 percent of the total church non-designated tithes and offerings. The supervisor, or his or her appointed representative, is available to advise the pastor and/or council.

2. Pastors are encouraged to endeavor to build the financial and numerical strength of their memberships to a size that will be self-sustaining. This will strengthen the churches as well as the faith and ministry of the pastors.

3. It is recommended that each church shall allocate from its general funds a specific amount each week to be accumulated and given to the pastor for use in facilitating his or her attendance at the annual Foursquare convention. Should a pastor should resign
prior to convention time, the convention fund belongs to the church and is to be used only by the current pastor of said church, and only to attend convention.

B. The pastor should expect no additional compensation from the church above the salary established by the church council, which is to be paid only to the extent the church receives sufficient tithes and offerings to pay the church’s other obligations, except upon the prior approval of the church council, and the concurrence of the district supervisor (Bylaws, Article 14.5).

14.1.5 Time Schedule of a Senior Pastor

Every pastor should have a plan for using his or her time each day, according to personal capacity and the needs of the congregation and community. Pastors should allot definite time for family and personal activities. They are encouraged to set aside a “Sabbath” each week, for personal reflection, refreshment and relaxation.

14.1.6 Resignation of a Senior Pastor

The district supervisor should be contacted for district procedure for resignation at least 60 days prior to the desired date of resignation and/or accepting another church. The supervisor should be notified in writing by the pastor.

A. The resigning pastor shall leave complete records of all activities and business matters of the church for the incoming pastor. This will include records on membership, spiritual reports, monthly reports, inventory of church property and equipment and a listing of any accounts payable (Bylaws, Article 14.4.0.1-7).

B. The resigning pastor should completely release the congregation to the care of the new pastor and refrain from maintaining personal contact with the congregation that would be harmful, divisive, or cause confusion.

C. Resigning pastors shall waive any claim against the church for unpaid compensation for labor or investment.

14.1.7 Transferring to Another Church/District

A. When a pastor wishes to transfer to another district (at least 60 days prior to the desired transfer date) he or she shall request a letter from the supervisor to the supervisor of the district to which he or she wishes to move.
B. At no time shall a minister seek a pastorate of any church in any district except through the supervisor of that district.

14.1.8 REMOVAL OF A SENIOR PASTOR

A. Should the service to the congregation, or the public or private conduct of a pastor become a concern within the membership, the situation may be reported to the divisional superintendent and/or district supervisor by a majority of the church council members.

1. The district supervisor, or his appointed representative, may meet with the council and pastor in an endeavor to come to a peaceable solution.

2. If there is no peaceable solution and if the pastor does not voluntarily resign, the supervisor or his or her appointed representative may present the situation in a membership meeting.

3. The district supervisor will be guided in making his recommendation to the board of directors by his or her findings through these meetings and the pastor’s compliance with pastoral responsibilities as outlined in the bylaws, the Handbook for the Operation of Foursquare Churches, the Declaration of Faith, the application for Foursquare license or ordination, and other compliance issues that may be in effect at that time.

B. If the pastor of a Foursquare church is not functioning in a manner that promotes the best interests of the church (i.e., failure to abide by the bylaws, the Declaration of Faith, or the Handbook for the Operation of Foursquare Churches, or the application for Foursquare license or ordination), the board of directors, upon the district supervisor’s recommendation, shall have power to terminate his or her pastorate and appoint another pastor for that church.
14.2. **MULTIPLE STAFFING/ASSISTING MINISTERS**

(NOTE: Due to the legal implications of the title PASTOR, anyone without current credentials should never be referred to as a PASTOR, but should instead be referred to as a LEADER.)

14.2.1 **DEFINITION OF MULTIPLE STAFFING**

“Multiple staffing” occurs when the ministerial staff of a church includes the senior pastor and one or more assisting ministers. These assisting ministers most generally serve as assistant pastor, youth pastor, children’s pastor, worship pastor, administrative pastor, visitation pastor, or other ministry title assigned by the senior pastor. The title “director of...” or “coordinator of...” should be used for staff who do not hold a U.S. license.

14.2.2 **SELECTION, ROLE AND COMPENSATION OF ASSISTING MINISTERS**

A. Assisting ministers are sought and selected by the senior pastor, who submits the candidates to the church council for approval. Assisting ministers report to and serve under the authority of the senior pastor.

B. The assisting minister must recognize the pastor as the spiritual leader and the chief executive of the church. The assisting minister’s position is a secondary one, and he or she must at all times be in submission to the pastor, giving complete loyalty and cooperation to the programs of the church. Any areas of irreconcilable differences between pastor and ministry staff should be submitted to scriptural guidelines (Matt. 18:15-17). If that approach does not resolve the issue, the pastor and the assisting minister may seek counsel from the divisional superintendent and then the district supervisor. These differences should never be discussed with members of the congregation, and disapproval should never be implied by either party.

C. It is essential to thoroughly define the duties of each assisting minister so that assigned areas of responsibility are fully understood. A written job description is preferred.

D. All major plans, programs, and policies of these various departments should be discussed with the senior pastor and should not be implemented without his or her approval.

E. Assisting ministers often receive smaller salaries than the pastor, and sometimes they serve without compensation. This should not be a factor in their service to the Lord, nor should they express their financial needs to members of the congregation or church council without the pastor’s approval. Licensing should not be considered a form of compensation for assisting ministers. Assisting ministers are also subject to the Foursquare policy of paying all outstanding bills of the church prior to the payment of any salaries or benefits to the pastor and/or staff (Bylaws, Article 14.5).
F. The senior pastor is the advocate for staff members with the church council. Some churches have an annual review of the salaries, benefits, and performance of all the staff. Others review the compensation of each individual assisting minister the month previous to his or her anniversary with the church, thus eliminating the impact on the budget for annual blanket increases. Fairness should be balanced with work performance when determining the amounts of increase given to the various assisting ministers.

14.2.1 MINISTRY STANDARDS

The senior pastor determines the professional standards to which each assisting minister must subscribe. Accordingly, the senior pastor should exemplify the behavior he or she expects from staff. Specific areas that the senior pastor should define include the following:

A. A church’s policy regarding office hours, days off, vacation time, sick days, holidays, etc. should be clearly defined in the staff policy manual.

B. Expectations for conduct in relationships, especially with the opposite sex, should be clearly delineated in the staff manual.

C. Any dress code expectations for church staff should be specified in the staff manual. However, there are certain state and federal restrictions on the clothing requirements that can be made by an employer; senior pastors and church councils should be familiar with these regulations before establishing a staff dress code.

D. Assisting ministers should be active participants in church services and in the life of the church, while at the same time being ready to respond to any need that might arise.

14.2.2 THE SENIOR PASTOR’S CARE OF ASSISTING MINISTERS

A. The senior pastor should maintain a professional relationship with assisting ministers that demonstrates honor and respect for each person. Preferential treatment of one staff member over another should be avoided.

B. Assisting ministers should be accorded the respect and honor of the congregation. The senior pastor can set this tone by treating staff members with professional courtesy, openly recognizing their service to the Lord, to the pastor, and to the congregation.

C. The senior pastor should encourage participation of his or her assisting ministers in community, district, and national activities that will enhance their skills and effectiveness in ministry. Seminars, professional associations, district conferences, Foursquare conventions, divisional minister’s meetings, etc. are all beneficial learning experiences for
staff members. The senior pastor and church council should try to budget church funds to provide such opportunities for assisting ministers on a regular basis.

14.2.3 TERMINATION OF APPOINTMENT FOR ASSISTING MINISTERS

A. An assisting minister should understand that his or her appointment is terminated when there is a change of senior pastors, thus leaving the incoming senior pastor free to choose workers. It should not be assumed that an assisting minister will replace the senior pastor when a pastoral change occurs.

Please note that this unfettered discretion to terminate an assisting minister upon the appointment of a new senior pastor applies to licensed and/or ordained clergy ONLY. It most certainly does NOT apply to non-clergy staff such as secretaries, maintenance staff, sound technicians, etc. These non-clergy employees have employment rights, as defined by various state and federal laws. Such persons should not be summarily terminated prior to seeking advice from the ICFG corporate counsel or other competent legal counsel.

B. The following steps should be taken when an assisting minister terminates his or her appointment:

1. The minister should notify the senior pastor and church council in writing.

2. If possible, termination of the appointment should allow sufficient time for replacement.

3. The minister should work through the supervisor for a future appointment if he or she is interested in a senior pastor position.

C. Should assisting ministers desire to serve in another district, they shall follow the same guidelines as a senior pastor (See Section 14.1.7 above).

D. It is the responsibility of the senior pastor to notify the district office immediately upon the resignation or dismissal of any assisting minister under district appointment.
14.3 Ministerial Vehicle Insurance

All Foursquare ministers who own vehicles are required to carry adequate personal insurance (Bylaws, Article 14.4.L). It is recommended that they carry the following types of insurance in amounts not less than those described below:

- $5,000 Medical pay
- $100,000/300,000 Public liability and personal injury (occupants of other vehicles)
- $50,000 Property damage (other vehicle)
- $100,000/300,000 Personal injury (occupants of other vehicles)
- State Minimum No fault and uninsured motorists

If questions arise about whether or not a policy meets the suggested minimums, please call the Foursquare insurance department (888-635-4234) for further clarification.

It is recommended that all Foursquare ministers carry life and health insurance.

14.4 Foursquare Retirement Plan

The Foursquare Retirement Plan is available to licensed ministers and lay employees of the following Foursquare employers:

- Local Foursquare churches in the United States
- Foursquare Bible colleges in the United States
- Foursquare district offices and camps
- Foursquare evangelists and chaplains
- Foursquare corporate offices

Detailed information about the plan is available at [http://www.4sqfs.org/retirement/](http://www.4sqfs.org/retirement/), or by calling the Foursquare Retirement office at 888.635.4234, extension 4475.
15 CHARTERING OF FOURSQUR GOSPEL CHURCHES

Article XV of the bylaws describes the requirements and procedures for a church to become a chartered Foursquare Gospel church.
16 **OPERATING FOURSQUARE CHURCHES**

16.1 **LOCAL CHURCH OFFICERS**

A. **Leadership Standards**

1. Leaders in Foursquare churches are to live as "examples of the believers" as the Scriptures set the standard. The Foursquare “Declaration of Faith” addresses the foundation of our faith in detail and needs to be ascribed to by each church leader.

2. Each duly appointed or elected leader must have received the baptism in the Holy Spirit, or must be an earnest seeker thereof, and must be a member of the church.

B. **Selection of Church Council Members (Bylaws, Article 16.1)**

1. The church council shall be elected by the membership at the annual membership meeting.

2. If a council vacancy occurs, the vacancy should be filled according to the process described in the bylaws (Article 16.1.C).

C. **Powers and Duties of Church Council Members (Bylaws, Article 16.1.A-G)**

1. Upon the election or appointment of new church council members, the pastor shall provide a copy of the bylaws to each church council member. Members are required to function according to the bylaws.

2. The church council is to act in an advisory capacity to the pastor concerning financial assets and property matters affecting the welfare and betterment of the church as outlined in the bylaws.

3. The pastor shall approve all individual members of the pastoral staff prior to their engagement or termination by the church council.

4. Council members represent the members of the congregation. Council members shall always endeavor to represent the views of the majority of the members rather than their own views. The members of the council shall always keep confidential matters confined to the council; these should not be discussed with anyone outside of the church council meeting. Council members should stand in unity behind council decisions.
5. The church council members shall be responsible to relate any suggestions from the membership to either the pastor or to the other members of the church council when they meet. It will be the responsibility of the pastor and council to determine who should convey the response of the church council and pastor to the individual who submitted the suggestion.

D. Other Officers and Offices—Appointed (Bylaws, Article 16.2)

1. Secretary and Treasurer – The secretary and treasurer shall be appointed by and serve at the pleasure of the church council and the pastor (Bylaws, Article 16.2-16.5).

2. Elders -- Elders in the local church are to spiritually support and partner with the pastor in the spiritual oversight of the church.

3. Deacons and Deaconesses – The Scriptures do not delineate the duties of deacons in the later New Testament church, but it is taken for granted that their duties had to do with the management of the charities and business affairs of the church. The word deacon is from the Greek word “diakonos,” which means servant.

4. Lead usher, children’s ministry leaders, youth and young adult leaders, director of women's ministries, director of men’s ministries, membership secretary, etc.

   a. Appropriate guidelines should be developed and communicated for each of the appointed ministry assignments in order to clarify duties and ensure effective service.

   b. Generally these are not paid positions. Prayer and thankful recognition during a worship service for those serving in these offices is appropriate and encouraging.

E. Installation of Foursquare Church Officers

1. An annual installation service for the elected officers of the church should be held soon after the annual membership meeting, preferably on a Sunday morning. You are encouraged to have the church leadership join with the pastor in prayer for the new officers at this service.

2. Installation prayer for appointed officers should be held at the earliest opportunity following appointment.
16.2 CHURCH COUNCIL

16.2.1 COUNCIL MEMBERS

The Foursquare bylaws outline the qualifications and duties of council members in chartered Foursquare churches. Each council member must be a church member in good standing; he or she must have received the baptism in the Holy Spirit or must be seeking that experience.

These are essential qualities. But how do you go about determining other traits, character qualities, and expertise that a candidate needs in order to partner with you in leading the church in fulfillment of God’s purposes? The answer lies in developing a council member profile. The more specific you and your church leadership can be about the kind of people you want serving in this capacity, the more likely you will be to find qualified candidates.

16.2.2 CHURCH COUNCIL AGENDA AND MINUTES

A. Agenda
   1. An agenda is simply an outline of the items to be addressed in a given meeting. Time is very valuable and must be used wisely. A poorly prepared agenda usually means that productivity will be limited.

   2. Following are essential components of an agenda:
      a. Prayer
      b. Review of minutes
      c. Reports
      d. Approve financial report and confirm bank reconciliation
      e. Old business
      f. New business
      g. Dates (next meeting)
      h. Adjournment
      i. Prayer

B. Minutes
   1. The minutes of a meeting are extremely important because they provide an accurate accounting of the occurrences of the meeting. The minutes of local church council meeting have been called into account in legal court proceedings as well as various other legal inquiries. Such documents should be kept in a safe place, and duplicate copies should be held in case of fire or misplacement.

   2. Following is a list of necessary components of good minutes:
      a. Title (name of church or organization)
      b. Date
      c. Attendance/Absence
d. Business

e. Date of next scheduled meeting

f. Adjournment

g. Signing of the minutes by secretary

3. When motions are made, one person makes a motion, and another person must second the motion. Discussion can be held if desired, and then the vote of the motion is held. The voting process can be oral, written, or by show of hands. If there is to be action taken, the minutes must indicate who is to take the action, when a report regarding the action should be given, and to whom the report should be given.
16.3 RECORDS AND REPORTS

Each Foursquare church must keep complete and accurate records of all its activities and financial transactions. These records fall into two general categories: permanent records and current records. Permanent records are those records that must be kept available indefinitely and would include important church dates and membership data. Current records are those records that must be kept for a finite period of time, after which, at the discretion of the pastor and church council, they may be discarded. Such records would include certain financial records. (See Section 16.3.4.)

16.3.1 PERMANENT RECORDS

A. Membership: An up-to-date record must be kept of each active and inactive member until death, resignation, transfer, or dismissal, as outlined in Section 13.1.F. Membership records may be kept in a computer system. Computer programs for this purpose are available from a variety of sources. Check with your district office for recommendations.

B. Property: A record should be kept of all real property by address, legal description, purchase date, and purchase price. Records of completion dates of improvements, including actual cost, should also be maintained. The value of property and improvements makes up an important part of a church's balance sheet. The balance sheet is one of the financial statements used to evaluate the financial health of a local church and is discussed in the section titled "Maintaining an Accurate Church Bookkeeping System." The following are important items that should be maintained by the church:

1. A current inventory and valuation of equipment and furnishings

2. Copies of all insurance policies (property, casualty, liability, disability, Workers’ Compensation), with expiration dates and annual premium amounts

3. Property tax statements and receipts, including due dates of tax payments (In some locations churches must file for annual property tax exemptions; a record of the date for such filing should be kept.)

C. Historical: Each local Foursquare church should keep a record of such important dates as its opening, its dedication, its charter, and the completion of construction projects. Each church should also maintain a record of the names and dates of each pastor, as well as pictures of historical events such as building dedications or charter services.

D. Statistical and Spiritual: Each local Foursquare church should keep a complete record of vital statistical data such as weddings, funerals, baby dedications, salvations and water baptisms. Information including names, addresses and dates should be part of these permanent records. In addition, the Foursquare Church Monthly Report for each month of
operation should be retained as part of the local church's permanent files. ICFG has created forms to facilitate the recording of the above statistical data; these may be obtained through your district office.

16.3.2 Current Records

A. Financial

1. The church treasurer is responsible to receive and disburse all church funds as authorized by the pastor and church council, and shall keep a strict account of all financial transactions, ideally with a computerized system such as QuickBooks. Church financial statements should be reported to the church council monthly and annual financial statements should be retained for the life of the church.

2. Churches must provide adequate donor receipts/statements, which legally must be distributed annually before January 31st of the following year. It is strongly recommended that church treasurers consult the most current edition of *The Church and Clergy Tax Guide*. This resource and others also are available at [http://store.churchlawtodaystore.com](http://store.churchlawtodaystore.com).

3. Donor records should be retained by the church for a period not less than seven years. The church treasurer is charged with the responsibility of maintaining the confidentiality of donor records. For this reason donor records should be kept in a locked filing cabinet with access strictly supervised, or in a computer database that is password protected.

4. Church bank accounts should be maintained in financial institutions that are willing to return canceled checks. Canceled checks should be requested by the church and retained for a period not less than seven years.

16.3.3 Reports

Foursquare churches must complete the Foursquare Monthly Church Report (FMCR), each month. This form may be completed online via EZRA. Page 1 of this form requests spiritual and numerical data pertaining to the church; the other side requests important financial data. A copy of each month’s form should be retained in the current records of the church.

A. Additions

1. Furniture and Equipment – List newly purchased/donated furniture and equipment (including vehicles) valued at $10,000 or more, and send a copy of the purchase
invoice, receipt, or canceled check. Leased equipment should not be included on this report unless the leased equipment will be purchased when the lease expires.

2. Land and Buildings – List purchased/donated real estate received during the current fiscal year. Attach copies of closing statements (escrow or settlement statements) for purchases. If the donated real property is valued at $100,000 or more, a certified appraisal provided by a licensed real estate broker or real estate appraiser must be attached. New construction costs are to be listed on this form. Building remodeling costs valued at $50,000 or more are to be listed on this form.

B. Disposals

1. Furniture and Equipment – Provide a detailed list of furniture and equipment (including vehicles), with an original cost of $10,000 or more, sold or disposed of during the current fiscal year.

2. Land and Buildings – It is very important that each property sold be listed separately and that a location address is given. Attach a copy of the closing statements (escrow or settlement statements). Also list all buildings that have been demolished with a notation to that effect.

16.3.4 Church Records and Reports: How Long to Keep Them

Following is a checklist of how long to keep church records and reports. This list is due to change as governmental and accounting regulations are amended.

A. Permanent

1. Weddings, membership, baby dedications, water baptisms

2. Leases, loans, deeds, contracts

3. Annual financial statements (income statements and balance sheets)

D. Seven years

1. Charitable donation receipts

2. Payroll records and income tax forms (W-4, W-2, 1099, etc.)

3. Receipts for business expense reimbursements

4. Housing allowance designations
5. Foursquare Monthly Church Reports

6. Bank records: checkbook register, bank statements, canceled checks or copies of canceled checks, deposit slips

7. Employee benefit plans

E. School

1. Permanent
   a. Student files and transcripts
   b. Annual reports
   c. School committee/agenda minutes

2. Three years
   a. Attendance records
   b. Applications of students who registered but did not enroll
   c. Records indicating the racial composition of the student body, faculty, and administrative staff for each academic year.
   d. Records to document that scholarships and any financial assistance are awarded on a racially nondiscriminatory basis.
   e. A copy of all brochures, catalogs, and advertising dealing with student admissions, programs, and scholarships.
   f. A copy of all materials used by or on behalf of the school to solicit contributions.

3. Seven years
   a. Payroll

F. Church Council Minutes and Church Membership Minutes (Permanent)

G. Personnel Records

1. Permanent
   a. Employee manuals or handbooks (1 copy, including all revisions)

2. Maintained 25 years after separation
   a. Background checks

3. Maintained 3-7 years, after termination of employment
   a. USCIS R1 Visa application documents for immigrants we sponsor to obtain an R1 visa (7 years, after termination of employment)
   b. Contracts of employment (7 years, after termination)
   c. I-9 forms (3 years after hiring or 1 year after termination, whichever is later)
4. Maintained 6 years after termination of employment. For items c-f, if employee leaves under circumstances making a lawsuit against the employer reasonably foreseeable, then retain for the applicable statute of limitations."
   a. Employment applications
   b. Testing records
   c. Job descriptions
   d. Signed employee statements
   e. Performance reviews
   f. Dismissal records

H. Camps
   1. Camp registrations (25 years)
   2. Activity release forms for minors (25 years)
   3. Activity release forms for adults (5 years)

I. Other
   1. Insurance policies (Permanent)
   2. Injury incident reports involving an adult (5 years)
   3. Injury incident reports involving a child (These must be kept until the child reaches the age specified by the state, depending on the statute of limitations. Typically this is age 21, but California has amended the S/L for child abuse to allow the child to sue any time before the child reaches age 28. Incident reports of suspected child abuse, including documents showing that the suspected abuse was properly reported by mandatory reports, should be regarded as permanent records.)

**16.3.5 Pastors' Personal Records**

Ministers should keep records that document their ministry activity, in addition to records that are maintained by the local church. Such records would include information about churches pastored, denominational offices held, building construction supervised, as well as records of special events. Pastors should carefully maintain records pertaining to marriages, funerals, and baby dedications.
16.4 The Church Budget and Bookkeeping

16.4.1 Money Management

This calls for an effective system of money management which accurately predicts income and projects expenses within an efficient system of financial record keeping and reporting which can be understood by persons who are not formally trained in accounting. Church accounting must be complete enough so that it conforms with currently accepted accounting practices, yet simple enough to be set up and maintained by people with little formal training in accounting. At the same time, it must be sophisticated enough so that it can be used by lenders for loan application evaluations.

Church finances will typically involve a checking account and a savings account. See Section 16.4.9 for policies regarding credit cards for churches.

16.4.2 Preparing a Church Financial Plan/Establishing a Budget

A. One key to recording and reporting financial information is a "chart of accounts." It is a list of sources of income and categories of expense, as well as a listing of the titles of assets and liabilities. This list of accounts permits the assignment of labels to all sources of income and expenses.

B. Forecasting Income

1. Calculate average per---adult weekly unrestricted giving from previous year:

\[
\text{Average Weekly Tithable Income} = \frac{\text{Weekly Per Capita Giving}}{\text{Average Weekly Adult Attendance}}
\]

2. Anticipate median adult attendance for current year based on growth trends identified by graphing attendance for previous 12 months.

3. Multiply per capita weekly giving by anticipated average adult attendance by 52 to predict income for the coming year.

\[
\text{Weekly Per Capita Giving} \times \text{Anticipated Annual Adult Attendance} \times 52 = \text{Tithable Income}
\]

C. A church's financial plan should reflect the "mission" of that local church. This mission will vary according to such factors as pastoral direction, cultural idiosyncrasies, socio-economic
realities of the local community, etc. It is helpful to separate expenses into "cost centers" which correspond with the Foursquare church financial report. This will permit the comparison of actual expense numbers with those predicted or anticipated in the financial planning process.

1. Foursquare Extension Tithe (Bylaws, Article 13.4.A.3) – The principle of tithing extends beyond the individual to the congregation. Tithing ten percent is the chosen covenant practice of The Foursquare Church, based on Biblical principles.

As members of the International Church of the Foursquare Gospel, local Foursquare churches are "Dedicated unto the cause of interdenominational and worldwide evangelism." The strategy for fulfilling this mission involves planting and establishing local churches, empowering those churches to evangelize in ways which are sensitive to the local culture, and for them in turn to send forth laborers for Kingdom-building both here and abroad. Fulfillment of this strategy requires the financial support of all Foursquare churches and is the basis for participation of local churches in the Foursquare Extension Tithe Program. The Extension Tithe should be sent to ICFG each month with the tithe/missions deposit coupon to the address specified on the coupon.

Calculating the Extension Tithe:
- Unrestricted Gifts x 10% = Extension Tithe
- SS/CE Offerings x 10% = SS/CE Tithe
- Extension Tithe + SS/CE Tithe = Total Tithe

2. Foursquare Missions – Foursquare has, from the beginning, been committed to worldwide evangelism; FMI was created for this purpose. Local churches are required to participate in this worldwide effort to reach the lost and disciple believers abroad by receiving monthly missions offerings (Article 13.4.A.4) and encouraged to participate in cross-cultural ministries involving people from local congregations. Expenses in the following categories must be anticipated when preparing an overall financial plan for the local Foursquare church:

- General missions
- Restricted missions (Short-term Mission Teams, Special World Mission Projects)

3. Loan Payments – Local Foursquare churches are required by our bylaws, after payment of the extension tithe (Bylaws, Article 16.1.F.2), to meet all loan payments before spending in other areas.

4. Personnel Expenses – The following personnel-related expenses must be accurately estimated when preparing a financial plan:

- Ministry salaries
- Other salaries
- Payroll Taxes/Social Security Tax/Medicare Tax
• Personnel insurance
• Workers’ Compensation
• Healthcare and Disability
• Retirement – A qualified ministerial retirement plan is available. Please contact the ICFG Retirement Office at 888-635-4234.

• Allowances
• Ministers’ Housing Allowance - Foursquare ministers can exclude from their income, for federal income tax reporting purposes, the fair rental value of a parsonage provided to them, plus a parsonage allowance to the extent it is used to pay for parsonage-related expenses. If they own or rent a home, they may exclude that portion of their income designated in advance by their church council as a housing allowance actually used to pay housing-related expenses, so long as the amount does not exceed the fair rental value of the house furnished including utilities. (A worksheet for calculating anticipated housing expenses is included in Section 16A along with a sample Housing Allowance Resolution which can be adapted for consideration by the church council.)

5. Ministry Expenses – The local church exists primarily for the sake of reaching out to the lost and building disciples. This financial planning category identifies ministry-oriented expenses which must be accurately anticipated when preparing a church financial plan. The following financial planning categories should be considered when anticipating ministry expenses:

• Children’s, youth, and adult ministry
• Office operation
• Advertising/printing
• Church vehicle(s) (operation)
• Church vehicle(s) (insurance)
• Camping programs
• Local benevolence
• Visiting speakers
• Radio and television ministry
• Other ministry-related expenses

6. The training of men and women for full-time Kingdom service has long been a Foursquare tradition. Local Foursquare churches and local church members are encouraged to participate in the funding of educational institutions. Financial planners of the local Foursquare church should consider cooperating financially with Foursquare Bible colleges. (Bylaws, Article 13.4.B.4).

7. No matter how careful financial planners are, expenses will arise during the year which do not conveniently fit into any of the financial planning categories which have been created. For this reason wise planners will include an amount for unanticipated expenses.
16.4.3 MAINTAINING AN ACCURATE CHURCH BOOKKEEPING SYSTEM

A. Though it is possible for churches to keep adequate financial records using manual bookkeeping systems, use of a computerized bookkeeping system, such as QuickBooks, is highly recommended. Such a system provides easy means for bill-paying and payroll, tracking accounts, generating financial reports and more. If you need information on selecting a system, contact your district administrator.

16.4.4 PREPARING MONTHLY FINANCIAL STATEMENTS

A. The Foursquare Monthly Church Financial Report – A copy of this report is contained in Section 16A, along with instructions for completing it.

B. Monthly Financial Statements

1. Balance Sheet – A balance sheet is a report that shows the financial position of a business (in our case a local church) at a given point in time. It lists assets, liabilities and equity. The balance in the following types of accounts is reported on a balance sheet: bank accounts, accounts receivable, current and fixed asset accounts, accounts payable, current and long-term liability accounts and equity accounts. The balance sheet is an important document to examine when assessing the overall financial health and credit-worthiness of a church. One should be prepared each month and reviewed with the local Foursquare church council during its monthly meeting.

2. Operating or "Cash Flow" Statement – An operating statement is a report that covers a specific time period, such as a month, a quarter, or a year, which shows income, expenses and retained contributions or loss (equal to income minus expenses). The Foursquare Monthly Church Financial Report is such an operating or "cash flow" statement. This report, like the balance sheet, is an important document to prepare and review during monthly church council meetings. It warns church leaders of financial shortfalls, permitting them to take appropriate action before such shortfalls become disastrous.

3. Comparative Financial Statement – A comparative financial statement is similar to a cash flow statement; however, it contains additional information. In parallel columns it reports budgeted amounts next to actual amounts so that decision makers can see what took place in a given fiscal period compared to what was predicted would take place. Such a report is a helpful tool for decision makers to use when setting direction and establishing ministry goals and objectives for future periods.

C. Ratio Analysis
1. Mortgage-to-income – This figure is helpful in assessing a church's ability to make monthly mortgage payments. It is stated as a percentage and is calculated by dividing the amount of the mortgage payment (principal and interest) by the amount of the church's average monthly income (tithable and other non-designated) times 100. This figure should not exceed 30 percent.

2. Payroll-to-income – This figure is important for helping pastors and church councils determine whether financial resources are adequate to meet the staffing demands for ministry in the local church. It is stated as a percentage and is calculated by dividing the amount of total payroll expenses (including salary, housing, benefits and employer tax contributions) by the church's average monthly income (tithable and other non-designated) times 100. This figure should not exceed 35% if the mortgage-to-income ratio is 30%. If the mortgage-to-income ratio is 25% or less, then this figure should not exceed 40%.

3. Current ratio – This ratio measures a church's ability to meet current financial obligations using available current resources. It is calculated by dividing current assets (cash and things which can quickly be converted to cash) by current liabilities (bills which must be paid within 30 days). This ratio should be 2:1 or greater, but never below 1:1. This means that the value of current assets should be at least double that of current liabilities. Anything less than 1:1 would normally be considered a crisis situation.

4. Debt/equity ratio – This ratio compares long-term debt to equity (the difference between what you have and what you owe). It is calculated by dividing the amount of all debt (long-term debt plus current liabilities) by the amount of equity. For a church to be in a healthy position, this ratio should be 3:1 or less.

5. Loan-to-value – This figure is stated as a percentage and compares long-term debt to the value of fixed assets. It is calculated by dividing the amount of long-term debt by the value of fixed assets, times 100. Due to the single-use nature of most church buildings, this figure should not exceed 60%, and most local lenders will not finance buildings above 70% loan-to-value.

16.4.5 OPENING A CHURCH BANK ACCOUNT

The following information should be considered when opening church accounts:

A. The bank itself is not necessarily relevant, but how the bank assesses charges is very important. Look at the fee schedules for small business checking accounts at several banks in your area, and choose the one that offers the most services for the lowest fee. Pertinent questions are listed below:
1. What are the returned check fees?

2. What are the monthly service charges?

3. Is a minimum balance required to have a reduced or no monthly service charge?

4. Is there a limit to the number of checks you can write each month without extra charges?

5. Does the bank offer interest-bearing checking accounts, and is a minimum balance required?

**B.** Banks require several documents when opening business accounts. The documents are used to authenticate the organization and comply with federal banking laws. You will need the following:

1. Proof of personal identification, e.g., a driver’s license.

2. Proof that an EIN has been obtained (letter from the IRS assigning the number).

3. A copy of ICFG Articles of Incorporation (available at www.foursquare.org).

4. The letter you received from the corporate secretary when your church was registered, which documents that your church is a subordinate unit of ICFG.

5. A letter from the corporate secretary’s office granting permission for the use of a slogan name, if you use one.


**C. Completing a Resolution**

1. After you complete the paperwork, the bank will give you a document known as a *resolution*, which will need to be filled out and returned. The resolution is similar to a signature card on a personal account and will contain the signatures of all those authorized to sign on the church’s accounts, as well as a listing of the officers. Each bank’s resolution will be unique, but the information needed should be the same or very similar.

2. Below is a listing of what the resolution will ask for and the appropriate response:
   a. The corporation: The church’s legal name (city, state Foursquare Church)
b. Doing Business As: (DBA), The church’s slogan name, if one is used (NOTE: Always use the church legal name on the account. Never use the slogan name as the sole name on the account.)

c. The officers: President – The senior pastor
Other officers, members of the church council, or core team (NOTE: avoid the use of people related by blood or marriage)

d. Signers: Those people who will be authorized to sign church checks (NOTE: 2 signatures required; the signers may not be related by blood or marriage)

3. The resolution needs to be copied and kept in the church files; the original must be returned to the bank after the signatures have been obtained. A new resolution will need to be filed each time the signers are changed. NOTE: During pastoral transitions, the outgoing pastor should prepare the resolution for the new pastor. (Since 9/11, banks in many locations will require that outgoing officers sign off on resolutions for incoming officers to prevent fraud.)

D. Business checks, not personal-type checks, must be used. Churches using QuickBooks or other computer accounting software may order printable checks. Regardless of the type of checks ordered, be sure the bank prints two signature lines. This is a bylaw requirement.

16.4.6 Compensation, W-2s, 1099s and 941s

A. The International Church of the Foursquare Gospel is one corporation, with the member churches as subordinate units. The Foursquare board has ultimate oversight and supervisory control over all Foursquare ministers. A senior minister is appointed to the local church by a district supervisor, who then directly oversees the minister. This oversight and control meets IRS criteria for the ministers to be considered clergy employees. Therefore, all Foursquare credentialed ministers should be paid with a W-2, not a 1099. There is no justification for a local church minister to be given a 1099. Please notice that the portion of a minister’s income that is designated as housing allowance is not included on the W-2.

B. With a W-2, the minister is forced to deduct his out-of-pocket minister expenses as a miscellaneous itemized deduction that is limited in comparison to the Schedule C deduction. The way to avoid the limitation is to have the church reimburse the minister for all out-of-pocket expenses. The minister may donate the funds that then are used for the reimbursement.
C. An employer reports W-2 income and payroll tax withholding on a quarterly IRS 941 form. Technically, the requirement to file the 941 is not based on whether or not there is W-2 income; the requirement is based on whether or not taxes are withheld. However, even if taxes are not withheld, Foursquare has established the policy that its churches submit a 941 whenever there is W-2 income. One benefit of this policy is that a W-2 without a corresponding 941 may be a red flag to the IRS.

D. A copy of the 941 must accompany the quarterly Workers’ Compensation Audit Form. Only employees are covered by workers’ compensation insurance. An independent contractor receives a 1099 and is not covered by workers’ compensation insurance.

16.4.7 **Donor-Restricted Contributions**

A. Donor-restricted giving are donations restricted for a certain purpose by the donor. The church must set the funds aside and only use them to fulfill the donor’s restrictions.

B. If the project or purpose for which the restricted donation was created is abandoned, and if the donor does not give approval to use it for another project or purpose, then the following steps should be taken:

1. If it is possible to return the money to the donor, then it must be returned.
2. If it is not possible to return the money to the donor, then it may be transferred to a similar fund by the church council, subject to the approval of the Foursquare legal department.

16.4.8 **Personal Loans Prohibited**

The use of church funds for personal loans to pastors, staff or members is prohibited.
16.4.9 CHURCH CREDIT CARDS OR LINES OF CREDIT WITH PURCHASE ORDER SYSTEM

In many cases, churches have preferred relationships with specific vendors that allow authorized persons to make purchases on account. This is helpful for churches without paid staff or with bi-vocational pastors who are not always available to sign reimbursement checks or when church leaders don’t have the wherewithal to pay in advance and be reimbursed by the church. By prescribing a system that involves the church council in establishing credit limits and authorized purchasers the church may effectively foster a system with better internal controls than what is possible through the issuance of checks (that may be falsified or tampered with) and physical receipts (that may be lost).

A. AUTHORIZATION

The church council may authorize the Sr. Pastor and other designated person(s) to obtain a church credit card or line of credit with a preferred vendor (printer, cleaning supply company, hardware store, etc.) under the following provisions:

1. All financial transactions are exclusively for church business purposes. Personal charges of any kind are expressly not permitted, even in cases where the cardholder intends to reimburse the church for personal charges.
2. The church council may establish a minimum credit line of $1,000. The combined maximum balance of all credit cards should not exceed 20% of the church’s average monthly income from the previous calendar year (to minimize exposure to unsecured liabilities).
3. The authorized cardholder will serve as a personal guarantor for the charges incurred and will be responsible for any charges not substantiated by receipt.
4. All cards and lines of credit must include fraud protection insurance.
5. The spending limits for each cardholder must be approved by the church council and documented in church council minutes annually.
6. The senior pastor must be the primary cardholder and the church treasurer must be an authorized account manager for each credit account.
7. Church bookkeeper, treasurer or other party responsible for logging transactions should not be an authorized cardholder or be related by blood or marriage to the senior pastor, except by written authorization from the District Supervisor.

B. Disbursement (see bylaws 16.1.F - 1.1, 1.5)

In accordance with banking regulations stemming from the Patriot Act Section 326.2, all credit cards must be personalized and issued to individual cardholders who verified their identity with the banking institution. In-person transactions may only be processed by the cardholder. A cardholder may authorize another individual to use their card for online transactions with written authorization via a purchase order (see attached diagram for illustrated process for approval and issuance of a purchase order). Cardholders maintain the following responsibilities for all transactions:

1. All transactions must be documented with a receipt containing:
   • Date of transaction
   • Amount of transaction
   • A written description of the business purpose
   • Cardholder’s signature or proof of authorization (signature #1, bylaw 1.4)
2. Receipts must be submitted to church bookkeeper by the end of the billing cycle.
3. Receipts must be logged in bookkeeping software or accounting ledger and kept on file to be matched to monthly account statement to be reviewed and/or reconciled by the church treasurer.

C. Custody & Review (see bylaws 16.1.F - 1.4, 1.6, 1.7)

All electronic charges must be clearly documented in the church’s accounting records and reconciled to the monthly account statement. Reconciliations should be conducted and/or reviewed by the church treasurer who shall sign and date the reconciled statement listing all individual charges made during the billing cycle **(signature #2, bylaw 1.4)**. The church council shall review the following on a monthly basis:
1. All credit account statements and reconciliation summaries signed by church treasurer shall be available for presentation at each council meeting.
2. Council members shall have viewing access to online accounts and supporting documentation for credit account reconciliations shall be made available for review to any council member for any proper purpose relating to the council’s duties upon request.

D. Reloadable Debit Cards

Several financial institutions now offer prepaid debit cards that are reloadable through a web-interface and allow for a greater degree of control over the available card balance and spending thresholds. These tools may be used in conjunction with an accountable process to empower church leaders to delegate spending authority to members of their team within defined limits and with little or no exposure to church cash reserves. Currently, PayPal and PEX Card are market leaders in offering reloadable card solutions that accommodate email notifications for each transaction, spending thresholds, FDIC insurance and fraud protection for all cardholders on a business account.

E. Authorization (see bylaws 16.1.F - 1.1, 1.4, 1.5)

The church council may authorize the church to adopt a reloadable prepaid debit card system with the Sr. Pastor, Treasurer and other designated person(s) listed as cardholders under the following provisions:
1. All financial transactions are exclusively for church business purposes. Personal charges of any kind are expressly not permitted, even in cases where the cardholder intends to reimburse the church for personal charges.
2. The authorized cardholder will serve as a personal guarantor for the charges incurred and will be responsible for any charges not substantiated by receipt.
3. All prepaid debit cards must include fraud protection insurance and be connected only to a church bank account that is FDIC insured.
4. The daily and monthly spending limits for each cardholder must be approved by the church council and documented in church council minutes annually.
5. The senior pastor must be the primary cardholder and the church treasurer must be an authorized account manager for the banking service used to manage the prepaid card(s).
6. Church bookkeeper, treasurer or other party responsible for logging transactions should **not** be an authorized cardholder or be related by blood or marriage to the senior pastor, except by written authorization from the District Supervisor.
F. **Disbursement** (see bylaws 16.1.F - 1.1, 1.5)

In accordance with banking regulations, all reloadable prepaid cards must be personalized and issued to individual cardholders with a unique personal identification number (PIN). Cardholders maintain the following responsibilities for all transactions:

1. Cards may only be used for online or point of sale transactions. **ATM transactions or other cash withdrawals are not permitted.**
2. All transactions must be documented with a receipt containing:
   - Date of transaction
   - Amount of transaction
   - A written description of the business purpose
   - Cardholder’s signature or proof of authorization (signature #1, bylaw 1.4)
3. All receipts must be submitted to the church bookkeeper and reconciled to the remaining balance **before** funds may be reloaded onto the prepaid card(s).
4. Receipts must be matched to the transaction history and submitted to the church treasurer for verification and signature (signature #2, bylaw 1.4) **before** funds may be reloaded onto the prepaid card(s).

G. **Custody & Review** (see bylaws 16.1.F - 1.4, 1.6, 1.7)

All electronic charges must be substantiated with receipts and reconciled to the transaction history log, which must indicate the remaining balance available for each card or account. Reconciliations should be conducted and/or reviewed by the church treasurer who shall sign and date the reconciled statement listing all individual charges made during the reconciliation cycle (signature #2, bylaw 1.4). Council members shall have viewing access to online accounts and supporting documentation for prepaid card reconciliations shall be made available for review to any council member for any proper purpose relating to the council’s duties upon request.
16.5 EZRA INSTRUCTIONS

The purpose of EZRA is to provide a relational database for the entire Foursquare denomination. The instructions below provide a summary of the basic features of EZRA. For additional information and/or coaching about EZRA, please contact your district office.

16.5.1 LOGGING IN

A. To gain access to EZRA, first call your district office.

B. From your browser, enter and access: http://ezra.foursquare.org. Your log-in name is your first initial, followed by your last name, all in lower case. Some with common names such as Smith, Jones, etc. may need to use their full first name.

C. The initial password for new users is the word “passw0rd” (without the ‘quotation marks’), where the sixth character is a zero.

16.5.2 PRIMARY FEATURES

EZRA has three primary features, which can be accessed by the buttons located in the top right of the page or by the drop-down menu located in the top left of the page. These features are:

- Organization Search
- Person Search
- Reporting System

16.5.3 ENTERING YOUR FOURSQUARE MONTHLY CHURCH REPORT (FMCR)

A. Click on Organization Search in the upper right hand of your EZRA screen, or from the Systems dropdown menu.

B. Type your church’s legal name (e.g., Los Angeles Foursquare) or the first few letters of the city your church is in if that is part of the church’s legal name. Press the “Enter” key or place your cursor over the “Search” button and press the left mouse button.

C. Choose your church from the list EZRA provides.

D. On your church’s Organization Detail screen, select the tab FMCR.

E. On the Church Monthly Report System page you may view the most recent report entered under Most Recent Reports. To view all the reports, click on “Show all reports,” and then place your cursor over the word “Approved” or “In Process” to the right of the month you want to view and press the left mouse button. You can scroll up and down the report to view all the data. To view the other side of the report, place your cursor over “Go to...”
and press the left mouse button. Place cursor over the “Return to Organization’s FMCR main page” and press the left mouse button to return to main page.

F. To enter a report, select the month and year on the far right column and click on “Continue.” Enter the appropriate information for the activity report. When finished, click on the “Go to finance report” button and continue filling in the information and save by clicking on “Update Finance” or “Update Activity.”

G. To enter another report, place the cursor over the “Return to Organization’s FMCR main page” and press the left mouse button.

H. To view a completed report for printing, or to e-mail, click on “view” to the right of the month. It is advisable to review each report currently in the system to verify its accuracy. You may make corrections at any time.

I. Senior pastors can approve reports entered by a secretary or bookkeeper by clicking on the “Update Activity” or “Update Finances” buttons. Reports are not complete until reviewed and updated by the senior pastor or someone to whom he has delegated Ezra access. You can add additional users to the EZRA system. Please call your district office for instructions on how to do so.

16.5.4 Reporting System

A. One of the most useful features of EZRA is its Reporting System. From your church’s Organization Detail page (see steps B-D of Entering Your FMCR in Section 16.6.3) you can view five informative reports –Contributions, FCSR, CMAR, Insurance and Loans. Just place your cursor over the name of the report you want to view and press the left mouse button and then on “Generate ASP report.”

B. To access these reports:

1. Place your cursor over the Reporting System button in the upper right corner of the screen, or select it from the System Menu in the upper left of the screen.

2. Select the report you want to view from the list of available church reports.

3. On the search page click on “Search” and type in the name of your church on the name line, or your church code number on the code number line and press enter or click on “Search.”

4. On the results page, click on the “Generate ASP Report” button.
5. To exit, scroll to the bottom of the screen and click on the “Back” button. Or, go to your browser’s “Back” button and press the right mouse button. Select the third or lower listing and click the left mouse button.
16.6 Legal Issues

16.6.1 Church Registration and Employer Identification Number

Local Foursquare churches are not organized as independent legal entities. Rather, they are recognized by the board of directors and registered with federal government authorities as subordinate units of the International Church of the Foursquare Gospel. Therefore, individual churches should not seek separate incorporation; all incorporation processes relate to the International Church of the Foursquare Gospel. In addition, no local church needs to request the acknowledgement of the federal government of its tax-exempt status. (Many local churches will, however, have to request acknowledgement from their state or local government in regard to sales and use tax, or property tax, if tax-exempt status is granted to churches in those states.)

The registration of a new local church as a Foursquare church triggers insurance premium liability for that local church, generally at a minimum monthly rate of $120.00 (depending on state regulations). Registration also triggers additional government reporting requirements for the parent corporation. As such, it is important not to “jump the gun” in registering a new church earlier than is actually necessary. Usually, a new church plant’s need for legal status to be able to conduct business in its community, or for liability insurance coverage for its activities while its planting team meets together prior to the plant’s public launch, can be met by the already established church serving as its parent or mother church.

A new church will generally need to be registered once it has developed to a point where it is necessary to independently account for tithes and offerings, be identified as a separate entity in its community, and/or have separate insurance coverage for its activities. This typically happens at the point where most new church plants are ready to launch as full-service churches in their local communities.

New church registrations are processed by the district office, which will provide the necessary paperwork.

Part of the registration process and paperwork involves applying for an EIN from the IRS. The application required for doing so is part of the church registration paperwork package that will be provided by the district office. In order to ensure that the IRS includes each new local church in Foursquare’s group exemption from federal taxation, it is imperative that the EINs for our new churches are only applied for by our central offices, rather than by local churches. Your district office will guide you through this process.

For more information on these subjects, contact your district office.
16.6.2 Care giving vs. Counseling

Some Foursquare churches in the past have added to their staff persons whose specific ministry and professional training is counseling. This practice is not recommended. Before employing such a professional, churches should consult with their district and ICFG corporate counsel to determine advisability in light of legal and insurance requirements. Foursquare churches should not use the terms “counsel,” “counseling” or “counselor.” In their place, the terms “care giver,” “biblical counsel,” “scriptural guidance” and “pastoral care” should be used. The following are some of the things to keep in mind:

A. All pastoral care provided by a local Foursquare church, whether by the senior pastor, assisting ministers, other paid staff, or volunteers should be based first and foremost on Scripture.

B. The Foursquare Insurance General Liability policy covers “all clergy” (pastors and lay ministers). The general liability policy does NOT cover professional activities such as would be rendered by an accountant, a physician, a lawyer or a licensed mental health care professional.

C. Pastoral care givers should be on staff as volunteers or at a set salary or hourly wage without receiving a percentage of any donations received by the church. Counseling on a fee basis must not be conducted in conjunction with the church’s ministry and MUST NOT be conducted on church property. Fee-based counseling comprises a separate business activity which MUST NOT have any connection with the ministry of the church.

   1. Tax exempt coverage is at risk when pastoral care givers receive a percentage of fees. Monies given to a licensed counselor must not be made payable to the church.

   2. There is no liability insurance coverage extended under Foursquare insurance to counselors receiving money direct from counselees. This constitutes a separate business and would exclude them from the church’s liability insurance coverage.

D. It is strongly recommended that Foursquare churches require all who receive pastoral care from church staff or volunteers to sign a waiver of liability. (See “Pastoral Care Policies” in 16A.)

E. Those providing pastoral care are strongly discouraged from receiving any money as a consideration for giving pastoral care, even if the money is termed as a “donation.” The exchange of money for services is an indicator of a professional relationship between the care giver and the parishioner. The greater the appearance of a professional relationship, e.g. mental health care counselor/counselee relationship, the more the pastoral relationship will be subject to the standards and requirements of a professional relationship. Thus, a greatly increased risk of liability is created.
F. Ministers and lay care givers should never hesitate to refer a person in need to a qualified professional in the community whenever the individual’s needs exceed the abilities of the ministry care giver.

16.6.3 Political Activities

ICFG, and all Foursquare churches, have been granted tax exempt status by the federal government pursuant to Internal Revenue Code section 501(c). This means that Foursquare churches do not pay federal income taxes on most kinds of income received by the church, and those who make financial donations to a Foursquare church are able to deduct these donations as charitable contributions on their individual tax returns.

With the grant of exemption from taxation, federal law also imposes some restrictions on the political activities of Foursquare churches. Continued enjoyment of tax exempt status is contingent upon strict compliance with the “rules” pertaining to church political activities.

A. Foursquare churches may not “participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.” This is an absolute prohibition, meaning that even a minor violation can cause an organization to lose its tax exempt status.

1. Prohibited activities – The IRS has identified 5 types of activities that it deems as violations of the prohibition against participating in a political campaign for a candidate for public office: (1) endorsement of candidates, (2) making donations to a candidate’s campaign, (3) engaging in fund raising on behalf of a candidate, (4) distributing statements of or about candidates, and (5) becoming involved in any other activity that may be beneficial or detrimental to any candidate.

a. Distribution of “voter education” materials. Voter education materials which are truly neutral in content and format may be legally distributed. The problem, however, is that such materials, while nominally designated as intended merely to “educate,” have often been in reality thinly veiled or blatant endorsements of candidates. Distribution of such materials by the church or at a church service, in the foyer, etc., is a clear violation of the law.

b. Foursquare ministers as individual citizens. Ministers in their capacity as an individual private citizen may support any candidate they choose “so long as those ministers do not in any way utilize the organization’s financial resources, facilities or personnel, and clearly and unambiguously indicate that the actions taken or statements made are those of the individual and not of the organization.” The IRS has determined that “when a minister of a religious organization endorses a candidate for public office at an official function of the organization, or when an
official publication of a religious organization contains an endorsement of a candidate for public office by the minister, the endorsement will be considered an endorsement by the organization. So, though the minister is free as a private citizen to endorse and in other ways support a political candidate for office, the minister may not do so at a church service, church event, in a church bulletin, etc.

2. Permitted activity – Churches may have political candidates address the congregation so long as (1) overt campaign activities (recruiting volunteers, fund raising, etc.) are avoided, (2) the same opportunity is afforded to all other qualified candidates, and (3) the congregation is informed before or after the speech(s) that the church does not endorse any candidate for political office.

B. In addition to the absolute prohibition of activities regarding political candidates, federal law also limits a tax-exempt organization’s ability to involve itself in political issues. This limitation is only slightly less stringent than those regarding candidates. Section 501(c)(3) of the Internal Revenue Code prohibits exempt organizations from engaging in “substantial efforts” to influence legislation. In a nutshell, this means that the church can occasionally speak out regarding political issues, pending legislation, etc. without difficulty. But, if the primary focus of the church’s attention and activities becomes political in nature rather than spiritual, the church will probably run afoul of this legal prohibition. There is no “bright line” test of what constitutes “substantial efforts.” Therefore, churches should exercise great wisdom and caution in regard to political issues.

16.6.4 UNDOCUMENTED ALIENS AND CHURCH INVOLVEMENT

If an undocumented alien (without proper immigration papers) attends a church, here are some guidelines regarding the individual’s involvement in the church. Clearly, employment is prohibited, but other levels of involvement are permitted as follows. An undocumented alien:

A. May be a member.

B. May be a volunteer.

C. Will be required to provide sufficient information to perform a background check, if volunteering in an area that requires a background check. A background check from the country of origin may be required.

D. May be a church council member.
16.6.5 Registered Sex Offenders and Church Attendance

If a registered sex offender attends a church and reveals his past to the pastor or some other church leader, the church is advised to follow the guidelines listed below. Being on a sex offender registry is a matter of public record, so there is no expectation of privacy regarding this information. Boundaries may be difficult to enforce, but they should be established as a pre-requisite to the person’s attending the church.

A. People to inform:

1. District supervisor and regional supervisor must be informed.
2. Church staff, especially those who work with minors should be informed.
3. Church leaders (elders, council members, ministry leaders) should be informed.
4. Any disclosure to the congregation should be done only with the advice and assistance of the Foursquare legal department.

B. Boundaries regarding the individual’s church attendance and access to church facilities:

1. He or she should have a mentor to whom he is accountable on a weekly basis, and who should coach him in the observance of the following boundaries.
2. He or she will be assigned a monitor whenever he or she is at the church facilities.
3. He or she should have a finite list of the church activities he or she may attend and the parts of the church facility that may be accessed.
4. He or she may not be in the children or youth areas.
5. He or she should always enter and exit through the same main entrance.
6. He or she should only use one designated restroom.

C. Boundaries regarding the individual’s interaction with church members:

1. He or she is free to interact with adults in the church.
2. He or she must take prior steps before spending time (at the church, a home or elsewhere in the community) with any church family with minors.
3. Before spending time (at the church, in a home or elsewhere in the community) with any church family with minors, the individual should inform his or her mentor, and request that the mentor inform the family so that the family can make an informed decision.

D. Conditions and boundaries for serving in the church:

1. He or she should attend the church regularly for a minimum of one year.

2. He or she should be accountable to a group in the church, led by his or her mentor, for a minimum of one year.

3. He or she may only serve in those areas which do not involve any contact with minors and which occur in public, open, easily visible areas.

16.6.6 COPYRIGHT PERMISSIONS

A. Music

1. Churches that project song lyrics onto an overhead screen or copy song lyrics into song sheets must either have permission of the copyright owner, or a license to use the lyrics. One of the easiest ways to obtain such a license is to purchase a subscription to a service such as Christian Copyright Licensing International (CCLI). Information is available at www.ccli.com.

2. A license is not needed for use of published hymnbooks/songbooks, or for music that is in the public domain (for example, most hymns published before 1940 are in the public domain).

B. Movies, DVD clips, TV clips

1. Copyright warnings on movies and other audiovisual works (including DVDs, Blu-Rays and movie streams or downloads) specify authorization for personal home use only. Public screenings – including within a church – require special permission. According to the Federal Copyright Act of 1976, violations may result in fines of up to $150,000.

2. Churches have the option of purchasing a license from services such as Christian Video Licensing International (CVLI), which has partnered with the Motion Picture Licensing Corporation (MPLC) to provide licensing for churches to show movies, etc. Information is available at www.cvli.com. It is important to note that not all movie productions are covered under CVLI. Screening of some movies/video productions requires direct purchase of a license from the producers.
16A Appendix

Pastoral Care Policies

Sound Biblical counsel and compassionate shepherd care are some of the blessings God has given his people in the person of pastors and teachers. We thank God with you that these resources are available as part of the ministry of [Church].

The pastoral counsel you may receive is provided free of charge, except for occasional nominal materials costs, as an outreach ministry of [Church]. The counsel is pastoral in nature, intended to provide you with sound Biblical instruction and application to the issues of life. The counsel you receive is not intended to be professional mental health care or legal counsel. The counselor you speak with has not received specialized training in medicine, psychology, psychiatry, or law. The counselor has received training in [describe, e.g. Biblical studies, pastoral care from Bible college].

While [Church] will honor the principle of disclosure of information on a “need-to-know” basis, [Church] cannot give any assurance of confidentiality regarding any information you may choose to disclose to the counselor. It is the policy of [Church] to report to appropriate persons and legal authorities evidence of child abuse, evidence of elder or dependent adult abuse, threat of physical harm to another, threat of self inflicted physical harm, and information that indicates a threat of harm to the congregation and/or ministry of [Church] and the International Church of the Foursquare Gospel.

As consideration for giving the pastoral care counseling you are requesting, [Church] and you agree that for any dispute arising out of the care relationship between you and [Church] and any employee, agent, or volunteer of [Church], the exclusive forum for resolving the dispute shall be the mediation and conciliation, and if necessary arbitration, services of Christian Legal Society. Any resulting arbitration is mutually agreed to be binding on all parties. Should Christian Legal Society not provide such services in this geographic locale, both [Church] and you agree that you and [Church] will each designate a Christian mediator/arbitrator who will then agree on a third Christian mediator/arbitrator to join them in forming a tribunal to mediate, and if necessary, arbitrate the dispute.

I have read, understood, and agree to be bound by the above stated policies of [Church].

Date: __________________________ Signature __________________________________

Authorization to Release Information

I, the undersigned, agree that information I may have disclosed to the pastoral counselor of [Church], may be released to appropriate authorities and persons on a “need-to-know” basis whenever, in the discretion of [Church], the information pertains to evidence of child abuse, evidence of elder or dependent adult abuse, threat of physical harm to another, threat of self inflicted physical harm, and/or information which indicates a threat of harm to the congregation and/or ministry of [Church] and the International Church of the Foursquare Gospel.

I willingly and knowingly release and hold harmless [Church], the agents, employees, and volunteers of [Church], and the International Church of the Foursquare Gospel, from all claims of loss, damage, and harm that may arise as a result of the disclosure of the above information.

Date: __________________________ Signature __________________________________
PASTORAL CARE AND PRAYER SUPPORT AGREEMENT

Name __________________________________________ Date ___/___/_____ 
Address ________________________________________________________________________ 
City __________________________ State __________ Zip ________________ 
Day phone ( ) ______________________ Evening phone ( ) ______________________ 
Birth date ___/___/_____ Date born again ________________________________________________________________________ 
Date water baptized ______________________ Date Spirit-filled ______________________ 
Marital status (Check one) _____Single _____Married 
Marital history (Check any that apply) _____Widowed _____Divorced 
Occupation ________________________________________________________________________ 
Are you a member of __________________________ Foursquare Church? ___Yes ___No 
If not, where is your church membership? ________________________________________________________________________ 
Address ________________________________________________________________________ 
City __________________________ State __________ Zip ________________ 
If a member, in which specific departments of ministry are you involved? ________________________________________________________________________ 
________________________________________________________________________________ 
Person you are seeing ________________________________________________________________________ 
Reason for appointment ________________________________________________________________________ 
If this is not your first appointment, please provide the following information: 
Name of first person seen ________________________________________________________________________ 
Number of previous sessions you have had ________________________________________________________________________ 

WAIVER

I the undersigned understand and am fully aware that this conference with the ministerial staff or other Biblical support team member is neither legal, medical, nor psychological, but is based solely upon the Word of God. I further understand that I can choose to receive or reject the information given to me.

With this understanding, I hereby release _______________ Foursquare Church, its ministerial staff, and biblical support team from any legal responsibility for any of my decisions or actions.

Signature of person receiving ministry: __________________________ Date: ________________
MINISTER’S HOUSING ALLOWANCE WORKSHEET

Minister’s Name:  

1. Rent amount, C.A.M. charges, or mortgage principal payments (including down payment)  

2. Mortgage interest  

3. Real estate taxes  

4. Insurance (home and contents)  

5. Maintenance and repairs of home and contents (including sales tax)  

6. Furniture and appliances (maintenance and repairs, including sales tax)  

7. Purchases/rental of tools and equipment needed to maintain and repair residence (gardening tools/equipment, carpentry. mechanical tools, cleaning equipment, etc.)  

8. Home furnishings (curtains, floor coverings, wall hangings, etc., including sales tax)  

9. Utilities  
   - Electricity  
   - Gas  
   - Water/Sewer  
   - Trash  
   - Cable/Internet  
   - Telephone  
   - Security  

   Total Utilities:  

10. Yard maintenance (lawn mowing, fertilizer, snow removal, plants, etc.)  

11. Miscellaneous (cleaning supplies, consumables such as light bulbs, etc.)  

   Total estimated housing expense for 20____ (year):  


CHURCH COUNCIL HOUSING ALLOWANCE RESOLUTION
(FOR LICENSED OR ORDAINED MINISTERS WHO LIVE IN A CHURCH-OWNED PARSONAGE)

The following resolution was duly adopted by the church council of ________________ Foursquare Church (hereafter referred to as the church) at a regularly scheduled meeting held on day of (day) of (month), 20____.

Section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income "the rental value of a home furnished to him/her as part of his/her compensation," or a church-designated allowance paid to him as part of his compensation to the extent used by him/her for actual expenses incurred in maintaining a church-owned parsonage. Reverend (minister's name) is compensated by the church exclusively for services as a minister of the gospel. The church provides Reverend (minister's name) with rent-free use of a church-owned parsonage as compensation for services that he/she renders to the church in the exercise of ministry. In addition the church also desires to pay Reverend (minister's name) for expenses that he/she incurs in maintaining the parsonage; therefore, it is resolved that the annual compensation paid Reverend (minister's name) for calendar year (following year) shall be $_________, of which $__________ is hereby designated to be a parsonage allowance pursuant to section 107 of the Internal Revenue Code. This designation shall apply to all future years unless otherwise provided by the church council.

Housing Allowance Council Resolution for licensed or ordained ministers who own or rent their homes:

The following resolution was duly adopted by the church council of ________________ Foursquare Church (hereafter referred to as the church) at a regularly scheduled meeting held on the_____ day of ________, 20____.

Section 107 of the Internal Revenue Code permits a minister of the gospel to exclude, from gross income for computing federal income taxes, church-designated allowance paid to him/her as part of his/her compensation to the extent used by him/her for actual expenses in owning or renting a home.

Reverend (minister's name) is compensated by the church exclusively for services as a minister of the gospel. It is resolved that the annual compensation paid Reverend (minister's name) for calendar year (following year) shall be $___________, of which $___________ is hereby designated to be a parsonage allowance pursuant to section 107 of the Internal Revenue Code. This designation shall apply to all future years unless otherwise provided by the church council.
FOURSQ UARE MONTHLY CHURCH REPORT (FMCR) INSTRUCTIONS

The FMCR is due by the 10th of every month.

Please note, ALL FIELDS in this report must have a numeric value. If a field is not applicable, please enter a zero.

FINANCIAL PAGE INSTRUCTIONS:

INCOME

Total Tithable Income (Tithes and Undesignated Offerings)
- All tithe and general offerings that are not restricted.
- All bequests and special gifts that are not restricted.
- All Sunday school/Christian education offerings that are not restricted.
- All miscellaneous unrestricted donations.

Total Designated Offerings
- All missionary offerings of cash or property that are restricted for Foursquare Missions International, other missions organizations, or missions outreach teams within the local church.
- All special offerings that are taken for a specific purpose identified by the local church or by the denomination, such as disaster relief, camp scholarships, local benevolence, etc.
- All building fund offerings of cash or property that are donor-restricted gifts which are to be used exclusively for the payment of building projects or to retire mortgage debt.
- All children, youth, and adult, offerings of cash or property that are donor-restricted for specific ministry projects directed at children, youth, or adults.
- All other restricted offerings and income not covered by one of the other restricted categories.
- All offerings taken or gifts made specifically for Foursquare Bible colleges in the United States.

Total Other Income
- All interest income earned form checking, savings, and investment accounts.
- All rental income received from the rental of church owned property.
- All income derived from or received at fundraising events (example bake sales, dinners, car washes, etc.), and from the sale of audio and video recordings. (Care must be given when posting these “quid-pro-quo” donations to donor accounts to insure that donation credit is given only for that portion of the contribution that exceeds the value of goods received by the donor.)

Total Income
This figure is derived by adding the totals of boxes 1, 2 and 3. (If you complete this form on the computer, the file will automatically calculate the total income.)
EXPENSES
(Only include actual expenses paid this month.)

Total Extension/Sunday School/CE Tithe
The amount sent monthly to the Foursquare lock box in Los Angeles, Calif. (together with the tithe/missions deposit coupon) in participation with the extension tithe (line A of T/M deposit coupon), and Sunday school tithe (Line F of T/M deposit coupon). Only include actual tithe submitted during the existing month, rather than the total amount due from that month’s tithable income.

Total General Missions (Unrestricted)
The amount sent monthly to the Foursquare lock box in Los Angeles, Calif., noted on line B of T/M deposit coupon, that is not designated for other specific missions use.

Total Restricted Missions
A. Foursquare Missions International (FMI)
   • FMI – Foursquare Missions Press: The amount sent to FMI for support of FMP (line C of T/M deposit coupon).
   • FMI – International Relief: The amount sent to FMI to support missions-directed relief efforts (line D of T/M deposit coupon).
   • FMI – Projects: The amount sent to FMI for missions projects identified by FMI (line G of T/M deposit coupon).
   • FMI – Earmarked: The amount sent to FMI for church/donor–identified support (line G of T/M deposit coupon).
   • FMI – Teams: The amount sent to FMI to cover insurance costs and/or other team-related expenses (line G of T/M deposit coupon).

B. Non-Foursquare Missions
   • Other foreign missions = Amounts paid to non-Foursquare foreign missions organizations. (These are not recorded on the coupon but are submitted on a mission giving credit form, which is available on EZRA.)
   • Other missions teams = Amounts paid for foreign missions team activity sponsored by local Foursquare churches and not connected with FMI. (These are not recorded on the coupon but are submitted on a mission giving credit form, which is available on EZRA.)

Total Personnel Expenses
All expenses related to employees are considered personnel expenses. All of the following are examples:
   • All salaries/wages/allowances including housing allowance = amounts paid for salary and benefits (payroll taxes, personnel insurance).
   • Payroll taxes = amounts paid by the church for payroll and Social Security (FICA) taxes, including amounts withheld from employee wages.
   • Personnel insurance = amounts paid by the church for healthcare, worker’s compensation, disability, and/or life insurance premiums.
   • Retirement = amounts paid by the church into personnel retirement accounts including the Foursquare retirement fund, 403b accounts, etc.
• Other personnel expenses (car allowances, premiums, flexible spending account service contracts -- but not the actual employee withholdings/contributions for health care expenses, dependent expenses, etc.)

**Total Loans/Lease Payments – Real Property**

**Total Loans/Lease Payments – Equipment, Auto, Etc.**

**Total Misc. Expenses**
• Insurance (property and liability)
• Maintenance
• Taxes

**Total Ministry Expenses**
• Office operations
• Telephone
• Utilities

**Total Other Expenses**
• Any other expenses for the month that is not listed above.

**Total Expenses**
This figure is derived by adding the totals of boxes 5 through 13. (If you complete this form on the computer, it will automatically calculate the total expenses.)

**ASSETS**

An asset is something owned that has value. In accounting terms, it is all the entries on a balance sheet that show the entire property or resources of the church as accounts and notes receivable, cash, equipment, real estate, etc.

**Total Bank/Cash Accounts**
• Checking accounts: total of all balances in checking accounts per last bank statement.
• Petty cash: total of all cash-on-hand.

**Total Investment Accounts**
• Savings account balances: total of all savings account balances per last bank statement.
• Investment account balances: total of all investment account balances, including securities, stocks, mutual funds, CDs, etc., per last statement.

**Total Furniture, Fixtures or Equipment Acquisitions > $10,000**
This category includes all individual capital (including vehicles) purchases and/or donations received this month with a value greater than $10,000. If original cost/value is not known, please estimate. *(Please submit the following information to the district office: item description, purchase/donation)*
Date, cost/value, and a copy of the receipt, invoice or canceled check. Do not include individual purchases if they are less than $10,000; they are included in the total other expenses category.

Total Furniture, Fixtures or Equipment Disposals > $10,000
This category includes all individual capital (including vehicles) purchases and/or donations disposed of this month with an original cost/value greater than $10,000. If original cost/value is not known, please estimate. (Please submit the following information to the district office: item description, purchase/donation date, and cost/value.)

Real Property Purchases
Real property purchases are the total value of all church-owned land and improvements (including buildings), based on a cost value. List only the cost value. The district office must have the final closing statement to be able to book the property.

Remodel Additions > $50,000 per Project
This includes new improvements and may include replacements (carpets, pews, fences, heating and air conditioning systems, sprinkler systems, and electrical systems), if they are improvements over the items replaced.

New Construction and Additions
Include here all expenses reported on a PT-22 during the month. With each PT-22, include a list of checks with check number, date, amount, and to whom paid, totaling entire project cost to date. If a single check is $10,000 or more, attach a copy of the invoice or canceled check. If a contractor was involved, attach a copy of the contract, change orders and/or progress reports. List land improvements (i.e., parking lots, landscaping) and building improvements separately.

Real Property Disposals
Please send all the closing papers received from the title company to the district office.

Total Assets
This is the process for obtaining this figure: add the totals of boxes 15, 16, 17, 19, 20, 21; subtract the totals of boxes 18 and 22. (If you complete this form on the computer it will automatically calculate the total assets.)

LIABILITIES

A liability is a debt: an obligation to pay a definite amount at a definite time in return for a past or current benefit.

Total Short-term Liabilities
Short-term liabilities are payments owed and payable within the next twelve months. Examples are accounts payable and outstanding bills such as Foursquare insurance premiums and any vendor balances due and payable, etc.
**Total Long-term Liabilities**
Long-term liabilities are amounts owed and payable beyond twelve months. Examples are the total of all property loan balances, equipment lease agreements, auto loan balances, etc., together with all contracted indebtedness.

**Total Construction Draws**
Include here all construction draw loan proceeds received during the month.

**Total Liabilities**
This figure is derived by adding the totals of boxes 24, 25 and 26. (If you complete this form on the computer, it will automatically calculate the total liabilities.)
**Activity Page Instructions**

Please note that all fields in this report must have a numeric value. If a field is not applicable, please enter a zero.

**Church Services**

- **Main services:**
  - If the church has multiple services so that children and parents attend during the same hour, the sanctuary attendance and the Sunday school attendance are added together to determine the main service(s) attendance.
  - If the church has a single service but has Sunday school and the service at different times so that individuals can attend both Sunday school and the service, then only the service attendance is included in the main service(s) attendance and the Sunday school attendance is shown separately.
- **Sunday evening:** The average weekly attendance during the month for all Sunday evening services.
- **Sunday school:** The average weekly attendance during the month for all Sunday school classes.

**Church Ministries Attendance**

List the average weekly attendance in each category. Extension (outside the church) ministries should be classified under “other.”

**Responses to Ministry**

List total responses for the month in each category.

**Church Membership**

- **Total members previous month:** This figure is taken from the total members box on the previous month’s FMCR (line 21).
- **New members:** List number of new members for the month being reported.
- **Deaths or withdrawals:** List number of deaths/withdrawals for the month being reported.
- **Total members:** Calculate by adding total members previous month to new members minus deaths or withdrawals \([\text{Line 18} + \text{Line 19}] - \text{Line 20} = \text{Line 21}\).
- **Active members:** These are members who, in the current year, have attended church services and/or contributed to the support of the church.

For greater detail on membership, please refer to Section 13.4 of the Handbook for the Operation of Foursquare Churches and Article 13.5 Membership in the Articles of Incorporation and Bylaws of the International Church of the Foursquare Gospel.

**Church Council**

Please answer all the questions and include dates.
Foursquare Missions Giving Credit
(Effective January 1, 2006)

Church contributions to the missions giving categories below qualify for missions giving credit.

Missions giving credit categories and explanations:

1. General missions giving to FMI Central Office
   (Tithe/Missions Coupon: Line B)
   Funds support our missionaries and countries.
   General giving credit and retirement credit.

2. Foursquare Missions Press
   (Tithe/Missions Coupon: Line C)
   Foursquare Missions Press prints tracts and booklets in other languages as a support to our overseas ministries.
   General giving credit and retirement credit.

3. FMI International Relief
   (Tithe/Missions Coupon: Line D)
   FMI appeals for financial support to specific global crises, disasters or to the FMI general relief fund.
   Earmarked giving credit with no retirement credit.

4. General missions giving to FMI Central Office designated to a Missionary Associate, Apprentice or Intern
   (Tithe/Missions Coupon: Line G)
   A Missionary Associate, Apprentice or Intern is a missionary who serves the ministry function much like a fully-funded missionary, but is funded by local congregations through FMI.
   General giving credit and retirement credit.

5. FMI Projects
   (Tithe/Missions Coupon: Line G)
   FMI highlights various projects and asks U.S. churches to support them beyond their regular general giving.
   General giving credit and retirement credit.

6. FMI Earmarked Giving
   (Tithe/Missions Coupon: Line G)
   Church support designated to countries, churches or leaders.
   Earmarked missions giving credit with no retirement credit.

7. FMI Affiliate
   (Missions giving credit form)*
   An Affiliate is a Foursquare church member serving with a non-Foursquare ministry. Funds do not flow through FMI.
   Earmarked missions giving credit with no retirement credit.

8. World Impact Teams
   (Missions giving credit form)*
   Church teams working with Foursquare and non-Foursquare ministries. Funds generally do not flow through FMI.
   Teams giving credit with no retirement credit.

* For a copy of this form visit http://fmi.foursquare.org. Look under Resources/Other Resources.
REQUEST FOR CHURCH MISSIONS GIVING CREDIT
For FMI Affiliate and World Impact Teams giving, not for general giving credit.

Church name _________________________________________________ Church code _______________________
Address _________________________________________________________________________________________
Telephone ____________________________________________________ E-mail ____________________________
Senior pastor _____________________________________________________________________________________

FMI Affiliate Giving:
Please attach a copy of the check.
Name of organization ___________________________________________ Country ______________
Name of FMI Affiliate being supported _________________________________________________________________

Expenses


Teams Giving:
Please itemize expenses. Personal expenses should not be included.
Team leader ______________________________________________________________________________________
Outreach Location _________________________________________________________________________________
Outreach Dates ________________________________________________Total Number on Team ______________

Expenses

Airfare _____________________________
Ground Transportation _____________________________
Food and Lodging _____________________________
Taxes, Tariffs _____________________________
Other: Please list _____________________________

Total

Senior Pastor’s Signature: ___________________________________________ Date: _______________

This form should be submitted to the address below within 15 days after the support is sent.

Foursquare Missions – Personnel Coord. • P.O. Box 26902 • 1910 West Sunset Blvd., Suite 700 • Los Angeles, CA • 90026-0176
16B APPENDIX

CHECKLIST OF FOURSQUARE CHURCH INDICATORS

Description

The following checklist is a resource adapted with permission from resources originally developed by staff and volunteers of the United Way of Minneapolis Area. It is intended for internal use by nonprofit organizations, and is not a tool for external evaluation. Its purpose is to assist organizations in gaining a better understanding of their administrative needs and to enable them to make appropriate changes in their administrative operations. Pastors and church leaders can use the checklist to identify their church’s administrative strengths and weaknesses so that they can help the church become more effective and efficient.

For an in-depth review of the spiritual health of a Foursquare church, pastors and leaders are encouraged to go through the natural church development survey. Information on this resource can be obtained from the district offices.

How to Use This Tool

The checklist indicators represent what is needed to have a healthy, well-administrated church. Since this instrument is a self-assessment tool, church leaders should evaluate each dimension honestly and use the responses to change or strengthen the church’s administrative operations.

Ratings

Each indicator is rated based on its importance to the operation and effectiveness of a church. The ratings are listed below:

- **E** -- Indicators with an “E” are essential or basic requirements to the operations of Foursquare churches. Churches that do not meet the requirements of these indicators could be in jeopardy.

- **R** -- An “R” rating signifies that these indicators are recommended as standard practice for effective churches.

- **A** – An “A” signifies additional indicators that churches can implement to enhance and strengthen their administrative operations and activities.

Checklist Responses

There are three possible responses to each indicator:
1. Needs work – This indicates that work has been done toward achieving this goal. There is an awareness of the need for this indicator, and progress has been made in attaining it.

2. Met – This indicates that the organization has fulfilled an essential management need. However, these indicators should be reviewed in the future to ensure that the organization remains healthy in view of the many internal and external changes that continually occur in all organizations.

3. N/A – This can indicate one of several possibilities:
   - The indicator is not applicable to the management operations of this organization.
   - The organization is not sure of the need to meet the requirements of this indicator.
   - The organization has not met and is not currently working on this indicator; the indicator may be addressed in the future.

Note: Responses to indicators should be reviewed carefully as part of an overall assessment of administrative operations. Indicators checked “N/A” due to uncertainty about the applicability to the church, must be further reviewed to determine if they should become a part of “doing business.” If the assessors simply do not know what the indicator means, further information may be needed to accurately assess the feasibility of its application. Indicators marked “N/A” because they have not been met but that apply to the church, may require immediate attention. Technical assistance, consulting, or training may be required to implement these indicators.

The indicators are designed to be informative and thought-provoking. The checklist can be used to achieve a beginning level of good administration and to improve existing administration. A useful tool for churches that are experiencing administrative problems, the checklist can pinpoint weaknesses so that action can be taken to improve the church’s health. All churches should use the checklist to reassess and to ensure compliance with established laws and regulations, and to continue improving administrative health through the indicator’s helpful suggestions.

Disclaimer

This checklist is designed to provide accurate and authoritative information regarding the topics covered. Legal requirements and non-legal administrative practice standards reflected herein are subject to change due to new legislation, regulatory and judicial pronouncements, and updated and evolving guidelines. All stated legal requirements are in effect as of September 1, 1995. The same are used with the understanding that the provision of this checklist does not constitute the rendering of legal, tax, or other professional services. If you or your organization requires professional assistance regarding these or other nonprofit tax, management, or accounting issues, contact your district office or your own professional advisors.

Adapted from resources developed by the United Way of Minneapolis Area. This information may be copied. Please give credit to the United Way of Minneapolis Area. The Management Assistance Program for Nonprofits 2233 University Avenue West, Suite 360 St. Paul, Minnesota 55114 (651) 647-1216. Not to be used for commercial purposes. Entered by Carter McNamara, PhD (last revised: Feb 23, 1998)
### LEGAL INDICATORS

<table>
<thead>
<tr>
<th>Rating</th>
<th>Indicator</th>
<th>Met</th>
<th>Needs Work</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>1. All Foursquare monthly reports, extension tithes, and missions offerings are current and submitted on time (Bylaws, Article 16.F.6).</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>2. The request for approval of the church’s slogan name has been submitted to the ICFG board of directors, through the district office, and a letter indicating board approval for the use of the slogan name is in the church’s files (Bylaws, Article 13.3).</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>E</td>
<td>3. The church’s legal name, including (Location) Church of the Foursquare Gospel appears on all church signs, in broadcasts, on vehicles, on stationery, in advertising, and on all similar displays or in connection with all similar uses (Bylaws, Article 13.3).</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>4. Federal and state payroll tax withholding payments are current.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>5. Quarterly and annual payroll report filings are current.</td>
<td></td>
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</tr>
<tr>
<td>E</td>
<td>6. Church acknowledges and discloses to the district office and council any lawsuits or pending legislation that may have a significant impact on the church’s finances and/or operating effectiveness.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>7. When the church council makes decisions, a quorum is present, along with the senior pastor, and accurate minutes are maintained.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>E</td>
<td>8. If the church has any business-related income subject to sales tax, state and city filings and payments are current.</td>
<td></td>
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<tr>
<td>E</td>
<td>9. Churches that participate in grassroots or direct lobbying have complied with all filings and government regulations.</td>
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</tr>
</tbody>
</table>

* Indicator ratings: E=essential; R=recommended; A=additional to strengthen church activities.

*Adapted from resources produced by the United Way of Minneapolis Area. Used by permission.*
### Governance Indicators

<table>
<thead>
<tr>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
</tr>
<tr>
<td>R</td>
</tr>
<tr>
<td>A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Met</th>
<th>Needs Work</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The roles of the church council and the senior pastor are defined and respected, with the senior pastor delegated as the executive officer of the church and the council focused on fiscal integrity of the church and transaction of such other business as may be required (Bylaws, Articles 14,16).</td>
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<tr>
<td>2. The nominating process for the church council ensures that the council remains appropriately diverse with respect to gender, ethnicity, culture, economic status, disabilities, and skills and/or expertise.</td>
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<tr>
<td>3. The church council members receive regular training and information about their responsibilities.</td>
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<tr>
<td>4. New council members are oriented to the church and are given information regarding the church’s vision, mission, values, bylaws, policies, and programs, as well as their roles and responsibilities as council members. In addition, council members are informed of denominational, district, and division relationships and participation.</td>
<td></td>
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<tr>
<td>5. Council organization is documented with a description of the council and council committee responsibilities.</td>
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<tr>
<td>6. If the council has any related party transactions between council members or their families, they are disclosed to the church council, senior pastor, and the district supervisor.</td>
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<tr>
<td>7. The church has at least the minimum number of members on the church council, as required by the bylaws (Article 16.1.A).</td>
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<tr>
<td>8. Each council member receives an updated set of the Foursquare bylaws and the council reviews the Foursquare bylaws on a regular basis.</td>
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<tr>
<td>9. The council has a process for handling urgent matters between meetings.</td>
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<td></td>
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<tr>
<td>10. Council members serve without payment unless the church has a policy identifying reimbursable out-of-pocket expenses.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>11. The church maintains a conflict-of-interest policy, and all council members and staff members review and/or sign to indicate compliance with the policy.</td>
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<tr>
<td>12. The council has an annual calendar of meetings. The council also has an attendance policy such that a quorum of the church council meets at least monthly.</td>
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<tr>
<td>13. Meetings have written agendas, and materials relating to significant decisions are given to the council in advance of the meeting.</td>
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<tr>
<td>14. The council has a written policy prohibiting employees of the church and members of employees’ immediate families from serving as council members.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Indicator ratings: E=essential; R=recommended; A=additional to strengthen church activities.

Adapted from resources produced by the United Way of Minneapolis Area. Used by permission.
### General Human Resource Indicators

<table>
<thead>
<tr>
<th>Rating*</th>
<th>Indicator</th>
<th>Met</th>
<th>Needs Work</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>1. The church has a written personnel handbook/policy that is regularly reviewed and updated: a) to describe the recruitment, hiring, termination and standard work rules for all staff; b) to maintain compliance with government regulations including Fair Labor Standards Act, Equal Employment Opportunity Act, Americans with Disabilities Act, Occupational Health and Safety Act, Family Leave Act, Affirmative Action Plan, etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>2. The church has a screening process to check the background of all applicants for staff and/or volunteer positions in the church.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>E</td>
<td>3. The church follows nondiscriminatory hiring practices as appropriate for religious organizations.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>4. The church provides to all council members and staff members a copy of or access to the written personnel policy. All staff members acknowledge in writing that they have read and have access to the personnel handbook/policies.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>5. The church has job descriptions that include qualifications, duties, reporting relationships, and key indicators.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>6. The church council conducts an annual review/evaluation of its senior pastor, based on a previously determined set of expectations.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>7. The senior pastor’s salary is set by the church council in a reasonable process and is in compliance with the church’s compensation plan and budget (Bylaws, Article 14.5, 16.F.9).</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>8. The church council has established a pastor’s retirement program as the church’s budget allows (Bylaws, Article 16.F.10).</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>9. The church requires employee performance appraisals to be conducted and documented at least annually.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>10. The church has a compensation plan, and a periodic review of salary ranges and benefits is conducted for all employees.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>11. The church has a timely process for filling vacant positions to prevent an interruption of ministries or disruption to church’s operations.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>12. The church has a process for reviewing and responding to ideas, suggestions, comments, and perceptions of all staff members.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>13. The church provides opportunities for employees’ and volunteers’ development and training within their job skill areas and also in such areas as ministry skills and personal development.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>14. The church maintains contemporaneous records documenting staff time in program allocations.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Indicator ratings: E=essential; R=recommended; A=additional to strengthen church activities.  
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<table>
<thead>
<tr>
<th>Rating</th>
<th>Indicator</th>
<th>Met</th>
<th>Needs Work</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>1. The church has a clearly defined purpose for the role of volunteers within the church ministry.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>E</td>
<td>2. Job descriptions exist for all volunteer positions in the church.</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>E</td>
<td>3. The church has a well-defined and effectively communicated volunteer management plan that includes a recruitment policy, description of all volunteer jobs, an application and interview process, possible stipend and reimbursement policies, clear definition of supervisory relationships, and any other volunteer personnel policy information.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>4. The church follows a recruitment policy that does not discriminate, but respects, encourages, and represents the diversity of the community.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>5. The church provides appropriate training and orientation to the church (i.e., its vision, values, mission, policies) to assist volunteers in the performance of their volunteer activities. Volunteers are offered training with staff in such areas as age level needs, church policies, legal requirements, use of church equipment and vehicles, etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>6. The church is respectful of the volunteers’ abilities and time commitment and has various job duties to meet these needs. Jobs should not be given to volunteers simply because the jobs are considered inferior for paid staff.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>7. The church does performance appraisals of volunteers periodically and communicates to the volunteers how well they are doing and/or where additional attention is needed. At the same time, volunteers are requested to review and evaluate their involvement in the church and the people they work with and to suggest areas for improvement.</td>
<td></td>
<td></td>
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<tr>
<td>A</td>
<td>8. The church does some type of volunteer recognition or commendation periodically, and staff regularly expresses appreciation for the volunteers and their efforts.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>9. The church has a process for reviewing and responding to ideas, suggestions, comments, and perceptions of volunteers.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>10. The church provides opportunities for members to volunteer.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Indicator ratings: E=essential; R=recommended; A=additional to strengthen church activities.

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## Planning Indicators

<table>
<thead>
<tr>
<th>Rating</th>
<th>Indicator</th>
<th>Met</th>
<th>Needs Work</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>1. The church’s purpose and activities are in line with scripture, Foursquare doctrines/bylaws, and meet community needs.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>2. The church frequently evaluates, by soliciting both member and community input, whether its mission and activities provide benefit to the membership and community.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>3. The church has a statement of core values that is reflected in its ministries and activities and is communicated by its members.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>4. The core value statement includes the biblical, spiritual and denominational values which the church holds as non-negotiable.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>5. The organization has a clear, meaningful written mission statement which reflects its purpose, values and ministry target group and states how the church intends to accomplish its mission.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>6. The senior pastor, staff and church leadership periodically review the mission statement and modify it to reflect changes in the church and community.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>7. The senior pastor, staff and church leadership have developed and adopted a written strategic plan to achieve the church’s mission.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>8. The senior pastor, staff, leadership, volunteers and general members of the church participate in the planning process.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>9. The plan was developed by researching the internal and external needs and expectations of the ministry target group.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>10. The plan identifies the changing community needs including the church’s strengths, weaknesses, opportunities and threats.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>11. The planning process identifies the critical issues facing the church.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>12. The plan sets goals and measurable objectives that address these critical issues.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>13. The plan integrates all the church’s activities around the focused mission.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>14. The plan prioritizes the church’s goals and develops timelines for their accomplishments.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>15. The plan establishes an evaluation process and performance indicators to measure the progress toward the achievement of goals and objectives.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>16. Through work plans, human and financial resources are allocated to ensure the accomplishment of the goals in a timely fashion.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>17. The plan is communicated to all members of the church – council, staff, volunteers and the general membership.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Indicator ratings: E=essential; R=recommended; A=additional to strengthen church activities.

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## FINANCIAL INDICATORS

<table>
<thead>
<tr>
<th>Rating*</th>
<th>Indicator</th>
<th>Met</th>
<th>Needs Work</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>1. The church follows accounting practices which conform to generally accepted accounting principles and to standards established for Foursquare churches.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>2. The church has systems in place to provide the appropriate information needed by staff and church council to make sound financial decisions and to fulfill the bylaws (Article 16.F.1-3) and Internal Revenue Service requirements.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>3. The church prepares monthly financial statements including the Foursquare monthly report and may include a balance sheet and statement of revenue and expenses that are clearly stated and useful for the council and staff.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>4. The church prepares financial statements on a budget versus actual and/or comparative basis to achieve a better understanding of its finances.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>5. The church develops an annual comprehensive operating budget which includes costs for all ministries, administration and all sources of funding. This budget is reviewed and approved by the church council.</td>
<td></td>
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<tr>
<td>R</td>
<td>6. The church monitors costs of ministries through the documentation of staff time and direct expenses.</td>
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<tr>
<td>R</td>
<td>7. The church prepares cash flow projections.</td>
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<tr>
<td>R</td>
<td>8. The church periodically forecasts year-end revenues and expenses to assist in making sound management decisions during the year.</td>
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<tr>
<td>E</td>
<td>9. The church reconciles all cash accounts monthly.</td>
<td></td>
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<tr>
<td>E</td>
<td>10. The church has a review process to monitor that they are receiving appropriate and accurate financial information whether from a contracted service or internal processing.</td>
<td></td>
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<tr>
<td>E</td>
<td>11. If the church has rental contracts or other service income, procedures are established for the periodic billing, follow-up and collection of all accounts. Church has documentation that substantiates all billings.</td>
<td></td>
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<tr>
<td>E</td>
<td>12. Payroll is prepared following appropriate state and federal regulations and organizational policy.</td>
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<tr>
<td>E</td>
<td>13. Persons employed on a contract basis meet all federal requirements for this form of employment. Disbursement records are kept so 1099s can be issued at year end.</td>
<td></td>
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<tr>
<td>E</td>
<td>14. Churches that purchase and sell merchandise take periodic inventories to monitor the inventory against theft, to reconcile general ledger inventory information and to maintain an adequate inventory level.</td>
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<tr>
<td>R</td>
<td>15. The church has a written fiscal policy and procedures manual and follows it.</td>
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<td>E</td>
<td>16. The church has documented a set of internal controls, including the handling of cash and deposits, approval over spending and disbursements.</td>
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<tr>
<td>E</td>
<td>17. The church has a policy identifying authorized check signers and the number of signatures required on checks (three or more signatures on all Foursquare church financial accounts, two signatures on all checks and/or withdrawal slips).</td>
<td></td>
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<tr>
<td>E</td>
<td>18. All expenses of the church are approved by the church council and/or a designated person before payment is made.</td>
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<tr>
<td>R</td>
<td>19. The church has requested and received approval from the ICFG board to make investments in stock and/or bonds and has received approval for the sale of stocks or bonds donated to the church.</td>
<td></td>
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<tr>
<td>R</td>
<td>20. Capital needs are reviewed at least annually and priorities established.</td>
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<tr>
<td>R</td>
<td>21. The church has established a plan identifying actions to take in the event of a reduction or loss in funding.</td>
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<tr>
<td>R</td>
<td>22. The church has established, or is actively trying to develop, a reserve of funds to cover at least three months of operating expenses.</td>
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<tr>
<td>E</td>
<td>23. The church has suitable insurance coverage, as defined in the bylaws, which is periodically reviewed to ensure the appropriate levels and types of coverage are in place. (Article 17.6)</td>
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<tr>
<td>R</td>
<td>24. All employees, members, and volunteers who handle cash and investments are bonded to help assure the safeguarding of assets.</td>
<td></td>
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<tr>
<td>R</td>
<td>25. The church reviews income annually to determine and report unrelated business income to the IRS.</td>
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<tr>
<td>A</td>
<td>26. The church has an independent audit of their financial statements, prepared by a certified public accountant on a periodic basis (i.e., every 3-5 years).</td>
<td></td>
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<tr>
<td>A</td>
<td>27. In addition to the audit, the CPA should prepare a management letter containing recommendations for improvements in the financial operations of the church.</td>
<td></td>
<td></td>
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<tr>
<td>A</td>
<td>28. The church council, or an appropriate committee, is responsible for soliciting bids, interviewing auditors and hiring an auditor for the church.</td>
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<tr>
<td>A</td>
<td>29. The church council, or an appropriate committee, reviews and approves the audit report and management letter and with staff input and support, institutes any necessary changes.</td>
<td></td>
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</tr>
<tr>
<td>E</td>
<td>30. The audit, or a church-prepared annual report which includes financial statements, is made available to members, volunteers, contributors, and other interested parties.</td>
<td></td>
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<tr>
<td>A</td>
<td>31. Training is made available for council members and appropriate staff on relevant accounting topics and all appropriate persons are encouraged to participate in various training opportunities.</td>
<td></td>
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</tr>
</tbody>
</table>

* Indicator ratings: E=essential; R=recommended; A=additional to strengthen church activities. Adapted from resources produced by the United Way of Minneapolis Area. Used by permission.
**Administrative “To Do” List**

This checklist of administrative responsibilities is provided to help Foursquare pastors keep track of the administrative details they are asked to oversee. Each pastor should delegate as many of these tasks as possible to others in the church and train them in the duties and requirements for fulfilling each responsibility. This checklist should be kept in the church office and so that items can be checked off as they are completed.

**Weekly “To Do” List**

- Record attendance at each service, class and ministry conducted by the church.
- Receive offerings, recording amounts in proper categories (i.e., tithes, offerings, designated offerings, Sunday school offerings and youth offerings).
- Fill out deposit slip(s) and deposit offerings and other church income into appropriate bank account(s).

**Monthly “To Do” List**

- Pay all outstanding bills, including loan and/or lease payments, utilities, insurance premiums, equipment, and service contracts and supplies. Once all bills have been paid, salaries of pastor and staff may be paid up to the remaining balance of funds on hand (Foursquare bylaws, Article 14.5).

- If the church has employees and if more than $500 in withholding taxes are accumulated in a quarter, figure total taxes due each month and deposit along with a federal tax deposit coupon (FTD coupon #8109) in your bank by the 15th of the following month. See IRS Circular E, the employer’s tax guide and the employer’s supplemental tax guide. To order coupons or tax guides call 1-800-829-1040. This applies to preschools and schools as well as any other ministry of the church that pays salaries. Report all new employees to your state employment department.

- Complete Foursquare monthly church report and enter it into Ezra.
  - Compile attendance records for each service, class, and ministry; figure averages for each and enter on Foursquare monthly spiritual report.
  - Compile tithe and offering records for each week during the previous month; total and enter on appropriate lines of Foursquare monthly financial report.
  - Enter individual furniture and equipment purchases or donations with a cost or donated value of $10,000 or more. Attach copy of the purchase invoice or canceled check.
Enter all real property acquisitions, all new construction, and remodel projects with a total cost of $50,000 or more. Attach detail list of payments made that includes check date, check number, payee, description of payment and check amount. For each payment of $10,000 or more, attach copy of the invoice(s) paid or canceled check.

- Send Foursquare extension tithe check each month to ICFG.
- Send Foursquare missions giving check each month to ICFG.
- Run background checks and screen all new volunteers and staff who will be working with children and youth.
- Compile a list of all new songs introduced in worship over the past month and which come under the church’s Christian Copyright Licensing International (CCLI) copyright licensing agreement.

**Quarterly “To Do” List**

- File the 941 Form and pay appropriate taxes to the IRS if the church has lay employees or if it withholds income tax for clergy under voluntary withholding agreements and does not deposit withholding taxes monthly.
- Complete and return the Workers’ Compensation audit form to the insurance department and attach the 941 form if applicable. Workers’ Compensation coverage is not optional for pastors, whether they receive a salary or not.

**Semi-Annual “To Do” List**

Have fire safety equipment (e.g., sprinkler system, fire extinguishers and exit light system) inspected and serviced.

**Annual “To Do” List**

- Complete and return annual property report sent from ICFG, recording all of the following:
  - purchase or donation of furniture and equipment with a cost or donated value of $10,000 or more
  - purchase or donation of property
  - new construction projects (includes newly constructed building or any structural addition to an existing building)
remodel projects (includes changes to existing building structures and/or improvements such as first time installation of carpet or air conditioning) with a cost of $50,000 or more.

- Complete W-2 forms for all ministerial and lay employees and 1099 forms for all self-employed persons (including evangelists, musicians, and other ministry guests who received $600 or more from the church during the previous year), and distribute by January 31 of each year. This includes independent contractors. Also, provide a 1099-INT form by January 31 to anyone to whom the church paid $600 or more in interest during the previous year.

- Submit the Social Security Administration “Copy A” of each W-2 form issued to employees along with a W-3 transmittal form by February 28.

- Submit the IRS “Copy A” of each 1099-MISC form issued to self-employed persons, along with a 1096 transmittal form, by February 28.

- Review insurance coverage on the church to see that it adequately reflects the replacement value of buildings, furnishings and equipment owned by church.

- Conduct a yearly safety seminar with all church staff (paid and volunteer) reviewing policies for safe use of church vehicles, equipment and facilities.
GENERAL CHART OF ACCOUNTS
(RECOMMENDED STANDARD FOR USE WITH QUICKBOOKS)

What follows is commonly called a chart of accounts. This is an accounting system that allows for the categorization of assets (income) and liabilities (expenses). If you are not familiar with general accounting principles, known as GAP, this may look a little strange. However, you will find it easy to navigate with just a little practice. This system will also help you in running reports to monitor spending and adjusting your annual budget. In the event that you want to have your books audited for eligibility for grants or loans, this will make your audit quite smooth.

When running reports for the church council and/or the congregation’s annual meeting, you can simply leave the numerical distinctions out and use the words for clarity of income and expenses.

**ASSETS**

1000 Checking account
1010 Savings account

1500 Building
1501 Building: Accum. dep.

1520 Sound equipment
1521 Accum. dep.
1530 Computers/Printers
1531 Accum. dep.
1540 Copiers/fax
1541 Accum. dep.
1550 School computers
1551 Accum. dep.
1580 School copiers/fax
1581 Accum. dep.

1600 Church vehicles
1601 Accum. dep.
1620 School vehicles
1621 Accum. dep.

**LIABILITIES**

2200 Federal payroll tax
2210 Social Security tax
2211 Medicare tax
2220 State payroll tax

**************************************************************************
REVENUES/SUPPORT

Church

4000  Tithes/offering
4001  Special offering
4010  Missions offerings
4020  Retreat/conferences
4030  Benevolence
4040  Building fund

School

4200  Tuition
4210  Late payment fees
4211  Late pick-up fees
4212  Returned check fees
4213  Collections fees
4220  Lunch money
4230  Field trips
4240  Registration fees
4250  Curriculum fees
4260  Uniforms (T-shirts)

EXPENSES

Facility

Church

5000  Maintenance
5001  Permits and related fees
5010  Cleaning supplies
5020  Equipment
5030  Repairs
5040  Utilities
5041  Electricity
5042  Natural gas
5043  Water/sewer
5044  Heating oil

School

5050  Maintenance
5051  Permits and related fees
<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5060</td>
<td>Cleaning supplies</td>
</tr>
<tr>
<td>5070</td>
<td>Repairs</td>
</tr>
<tr>
<td>5080</td>
<td>Utilities</td>
</tr>
<tr>
<td>5081</td>
<td>Electricity</td>
</tr>
<tr>
<td>5082</td>
<td>Natural gas</td>
</tr>
<tr>
<td>5083</td>
<td>Water/sewer</td>
</tr>
<tr>
<td>5084</td>
<td>Heating oil</td>
</tr>
</tbody>
</table>

**Ministry**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5200</td>
<td>Sunday supplies</td>
</tr>
<tr>
<td>5201</td>
<td>Offering envelopes</td>
</tr>
<tr>
<td>5202</td>
<td>Bulletins/bulletin inserts</td>
</tr>
<tr>
<td>5203</td>
<td>Visitors’ packets</td>
</tr>
<tr>
<td>5204</td>
<td>New believers’ packets</td>
</tr>
<tr>
<td>5205</td>
<td>Sunday fellowship/hospitality</td>
</tr>
<tr>
<td>5206</td>
<td>Communion</td>
</tr>
<tr>
<td>5207</td>
<td>Bibles</td>
</tr>
<tr>
<td>5210</td>
<td>Honorariums for guest speakers</td>
</tr>
<tr>
<td>5211</td>
<td>Hotel/hospitality for guest speakers</td>
</tr>
<tr>
<td>5240</td>
<td>Christian education</td>
</tr>
<tr>
<td>5241</td>
<td>Curriculum</td>
</tr>
<tr>
<td>5242</td>
<td>Supplies/snacks</td>
</tr>
<tr>
<td>5300</td>
<td>Outreach</td>
</tr>
<tr>
<td>5310</td>
<td>General evangelism</td>
</tr>
<tr>
<td>5320</td>
<td>Community outreaches</td>
</tr>
<tr>
<td>5330</td>
<td>Benevolence</td>
</tr>
<tr>
<td>5331</td>
<td>Church members</td>
</tr>
<tr>
<td>5332</td>
<td>Non-members</td>
</tr>
<tr>
<td>5340</td>
<td>Visitors</td>
</tr>
<tr>
<td>5400</td>
<td>Youth</td>
</tr>
<tr>
<td>5410</td>
<td>Jr. youth group</td>
</tr>
<tr>
<td>5420</td>
<td>Youth group</td>
</tr>
<tr>
<td>5430</td>
<td>U-Turn</td>
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</tbody>
</table>

**Administration**

**Church**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>6000</td>
<td>Salaries</td>
</tr>
<tr>
<td>6001</td>
<td>Senior pastor</td>
</tr>
<tr>
<td>6002</td>
<td>Assisting ministers</td>
</tr>
<tr>
<td>6003</td>
<td>Secretaries/receptionists/bookkeepers</td>
</tr>
<tr>
<td>6004</td>
<td>Maintenance staff</td>
</tr>
<tr>
<td>6010</td>
<td>Equipment</td>
</tr>
</tbody>
</table>
6020  Office supplies
6021  Postage
6030  Telephone
6031  Office phones
6032  Cell phones
6033  Conference calls
6040  Technology
6041  Software
6042  Internet usage
6043  Server
6044  Software licenses/renewals/fees
6100  Benefits
6110  Medical insurance
6120  Housing
6130  Utilities
6140  Car repairs/gasoline/insurance
6150  Retirement

School

6200  Salaries
6201  Director
6202  Teachers/aides
6203  Secretaries/receptionists/bookkeepers
6204  Maintenance staff
6220  Office supplies
6240  Telephone
6241  Cell phones
6242  Advertising/phone book
6300  Benefits
6310  Medical insurance
6400  Curriculum/supplies
6401  Books/non-consumables
6402  Consumables
6403  Computer software/educational
6440  Extra-curricular supplies
6441  Art supplies
6442  Music supplies
6443  Gym supplies
6400  Equipment
6410  Classrooms
6411  Desks/chairs/tables
6450  Offices
6451  Copiers/faxes
6452  Laminators(binding machines)
<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>6600</td>
<td>Housing</td>
</tr>
<tr>
<td>6610</td>
<td>Maintenance</td>
</tr>
<tr>
<td>6611</td>
<td>Repairs</td>
</tr>
<tr>
<td>6612</td>
<td>Permits and related fees</td>
</tr>
<tr>
<td>6620</td>
<td>Utilities</td>
</tr>
<tr>
<td>6621</td>
<td>Electricity</td>
</tr>
<tr>
<td>6622</td>
<td>Telephone</td>
</tr>
<tr>
<td>6623</td>
<td>Natural gas</td>
</tr>
<tr>
<td>6624</td>
<td>Water/sewer</td>
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</tbody>
</table>

**Vehicles**

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<th>Code</th>
<th>Description</th>
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<tbody>
<tr>
<td>6700</td>
<td>Church vehicles</td>
</tr>
<tr>
<td>6701</td>
<td>Registration/license plates/annual fees</td>
</tr>
<tr>
<td>6710</td>
<td>Repairs and maintenance</td>
</tr>
<tr>
<td>6720</td>
<td>Gasoline/fuel</td>
</tr>
<tr>
<td>6730</td>
<td>Insurance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>6800</td>
<td>School vehicles</td>
</tr>
<tr>
<td>6801</td>
<td>Registration/license plates/annual fees</td>
</tr>
<tr>
<td>6810</td>
<td>Repairs and maintenance</td>
</tr>
<tr>
<td>6820</td>
<td>Gasoline/fuel</td>
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<tr>
<td>6830</td>
<td>Insurance</td>
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</tbody>
</table>

**Insurance**

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<th>Code</th>
<th>Description</th>
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<tbody>
<tr>
<td>6900</td>
<td>Insurance</td>
</tr>
<tr>
<td>6910</td>
<td>Liability insurance</td>
</tr>
<tr>
<td>6920</td>
<td>Property insurance</td>
</tr>
<tr>
<td>6930</td>
<td>Workers’ Compensation insurance</td>
</tr>
</tbody>
</table>

**Taxes**

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<thead>
<tr>
<th>Code</th>
<th>Description</th>
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<tbody>
<tr>
<td>7000</td>
<td>Taxes</td>
</tr>
<tr>
<td>7050</td>
<td>Federal payroll taxes</td>
</tr>
<tr>
<td>7100</td>
<td>State payroll taxes</td>
</tr>
<tr>
<td>7150</td>
<td>Social Security taxes</td>
</tr>
<tr>
<td>7200</td>
<td>Medicare taxes</td>
</tr>
</tbody>
</table>
RESOURCES FOR MANAGING MINISTRY

FINANCIAL

**Church and Clergy Tax Guide**, Richard R. Hammar, Christian Ministry Resources, P.O. Box 1098, Matthews, NC 28106, (704) 841-8066, updated annually.


**Church Treasurer Alert!** Monthly publication designed to provide accurate and authoritative information in regard to church finances. Published by Christian Ministry Resources, P.O. Box 1098, Matthews, NC 28106, (704) 841-8066.

**Clergy Finance & Tax.** A twice-yearly compendium of financial and tax tips for ministers. Published by Ministers Life Resources, 400 Robert St. North, St. Paul. MN 55101-2098, (800) 328-6124.


**Pastor's Tax & Money.** Monthly newsletter reporting on the latest developments in clergy and church money and management. Published by Pastor's Tax & Money, P.O. Box 50188, Indianapolis, IN 46250-0188.

LEGAL

**Church Law & Tax Report.** A review of legal and tax developments affecting ministers and churches. They also cover a wide range of reports and audio cassettes on legal and tax issues of interest to pastors and churches. Published bimonthly by Christian Ministry Resources, P.O. Box 1098, Matthews, NC 28106, (704) 841-8066.

MANAGEMENT


**Christian Management Association.** A professional organization providing resources and training to help leaders manage Christian organizations and churches more effectively. CMA, P.O. Box 4638, Diamond Bar, CA 91765, (909) 861-8861.

**National Association of Church Business Administrators.** www.NACBA.net
16C APPENDIX

THE MANAGEMENT OF MONIES

It is hereby established that (Legal Name) Foursquare Gospel Church, herein known as (insert slogan name), will have, for the purposes of conducting business, one checking account into which all funds collected shall be deposited as soon as possible after offerings have been received (16.1, F1.1). This checking account will contain multiple funds, which shall have an accurate accounting on forms apart from the check registry where all checks and deposits are recorded.

NOTE: It is unwise to establish multiple checking accounts for the purpose of managing funds. This system actually creates a lack of accountability and greater chance for mismanagement. Each church should have one checking account, using business checks and not personal type checks, into which all monies should be deposited.

According to the bylaws of the International Church of the Foursquare Gospel (16.1, F 1.3 and 1.4), each check issued by ________ Foursquare Gospel Church shall require two signatures. Every check shall have the signature of 1) the senior pastor (or his designate in the event an administrative or executive pastor is part of the pastoral staff with such duties assigned to him), or 2) the church treasurer.

It shall be further established that the church treasurer will work at the pleasure of the church council as per the bylaws of the International Church of the Foursquare Gospel (16.5, A-H) with oversight by the senior pastor or his pastoral staff designate, i.e. an administrative or executive pastor, so that, in keeping with said bylaws, the financial decision-making will rest within the church council.

All church indebtedness shall be settled from this account, and all check registries, either paper or electronic, shall be kept as a part of the church records for no less than 7 years. Cancelled checks, or their images provided by the bank, shall be kept not less than 7 years; after such time they may be disposed of by shredding. In the event that a petty cash fund is established for minimal purchases or the paying of day laborers, funds to establish said petty cash fund, and all reimbursements to the petty cash fund, shall come by way of a check drawn from this account.

The church council may, for the purpose of gaining interest or for the more appropriate management of monies, establish a savings account through a local bank or transfer funds into the church’s account with the International Foursquare Loan Fund (IFLF).

Let it be further established that the church council, with the church treasurer and the senior pastor, or his designate, will establish an annual budget to be approved on or before December 1 of each fiscal year which will run from January 1 to December 31 in accordance with the policies set forth by the International Church of the Foursquare Gospel. In the event that the
church income is drastically altered, a review of the annual budget will be performed at any time as deemed necessary.

The church council will review the salaries of all employees on an annual basis no later than the meeting occurring during the month of November. During the December meeting of the church council, all salaries, whether altered for the coming year or not, shall be presented and approved in the minutes. Alterations in salary or benefits shall be made at the direction of the church council and based on the availability of church funds. When evaluating church salaries, it is essential that ALL salaries (*) fall within 40% of the total income of the church from tithes and offerings only; additional church income shall not be included in this figure. (EXAMPLE: If the total income from tithes and offerings for the preceding year is $100,000.00, the total of ALL salaries and benefits should not exceed $40,000.00)

NOTE: When the church is free from all indebtedness, the 40% rule may be edged up a few percentage points, but wisdom is such that salaries should always fall within 40% of the income from tithes and offerings.

NOTE: For audit purposes, and for IRS purposes, ALL salaries must be approved BEFORE the first paycheck of the year is written. This is most essential when dealing with a pastor’s housing allowance. It is for that reason that salaries MUST be reviewed and approved prior to January 1 of the year in which the salary is to be paid. The church council minutes provide the only real proof to a pastor’s housing allowance, so there MUST be an accurate accounting.

(*) Salaries shall be understood to include any monies paid to pastors, assistants, accountants, administrators, secretaries, directors of music or Christian education, or any other person(s) receiving regular compensation for work completed.

This rule shall exclude any monies paid to day laborers, repairmen or guest speakers.
GENERAL FUND DISBURSEMENT POLICY DURING FINANCIAL EMERGENCIES

In time of general church financial emergency, unless otherwise directed by the church council, monies from the general fund shall be disbursed to relieve church indebtedness in the following order:

1. Tithe
2. Loans and leases
3. Other current and past due church financial obligations
4. Salaries
   a. Staff
   b. Pastor

A financial emergency shall be defined as any time the church budget has fallen short for three consecutive months and all non-designated funds have been disbursed with indebtedness remaining. At such time, the offerings for the next month will be disbursed in the order outlined above, and an attempt to reestablish the church budget will be made. During such times, no less than two council members will meet on a weekly basis with at least the senior pastor to authorize the disbursement of funds by the church treasurer or the person physically writing the checks to pay bills at the time.

At any time the church budget falls short for four (4) consecutive weeks, all extra expenditures will cease until any budget deficits have been relieved. It will be the responsibility of the church treasurer and/or the senior pastor to bring such information to the church council immediately upon the fourth consecutive week of failure to meet budget.

In the event of general financial emergency or threat of closure, all monies that are donor restricted MAY NOT be transferred to the general fund for the relief of general church indebtedness without permission of the donor. In the event of church closure, every attempt must be made to contact the donors who have contributed to any restricted donations. Once the donors have been contacted, monies should be returned to the donor or disbursed according to their wishes. Once all attempts to contact donors have failed and documentation supporting those attempts secured, all remaining money may be transferred into the general fund for use at the church council’s direction.
THE GENERAL FUND

Let it be established that a general fund shall be created for management of collected monies and the relief of church indebtedness into which shall be deposited all church offerings not properly marked and designated for placement into a specific, established fund.

The general fund shall hold the monies for expenses, including but not limited to, salaries, taxes, utilities, and miscellaneous vendors. Monies for such expenses shall be disbursed at the direction of the church council.

Expenditures, including but not limited to, routine maintenance items for facilities and vehicles, routine materials for the furthering of established ministries, office supplies, with the exception of large equipment, and items under the total dollar amount of $500.00*, may be purchased with the authorization of the senior pastor, by a member of pastoral staff or the ministry head for which the materials purchased will be used, without special permission from the church council.

Within the general fund there may be additional, internally established funds designed solely for the purpose of management. The funds may include but shall not be limited to, salaries/taxes, insurances, utilities, convention, parsonage, and vehicles. These additional funds shall be managed in accordance with the policies set forth in this document.

* The amount is a suggestion but should be altered to an amount appropriate for the budget and needs of the church.
DIFFERENCE BETWEEN UNRESTRICTED FUNDS AND RESTRICTED FUNDS

"Unrestricted" funds are donations that are available for the church to use toward any purpose.

Restricted funds are when the donor designates or "restricts" the use of their donations to a particular purpose or project. Examples would be donations toward sponsoring children to summer camp or a building project. Typically these projects are preapproved by the church council and communicated to the congregation, in which case the donations are tax-deductible.

Regardless, all funds should be deposited into the same checking account (or savings account when applicable) and tracked accordingly to prevent mismanagement of funds.
SIMPLE, EFFICIENT FILING FOR CHURCHES

Churches need to keep a variety of documents in files. These include membership and baptism records, weddings performed *, paid bills, banking records, tax records, and historical records and information.

* Note: The records of weddings performed MUST STAY WITH THE CHURCH. A pastor may copy the wedding records for his own personal files, but may not remove the wedding records from the local church. These are legal records and must remain at the church. In case of church closure, these documents, along with all other permanent records must be sent to the district office.

There are many ways files can be organized. For example:

- Paid bills (one file folder for each vendor’s bills)
- Taxes (one folder should contain the federal and state withholding tables)
  - Federal
  - State
  - Local/municipality
- Banking information
  - Monthly checking account statements
  - Cancelled checks (or photo copies)
  - Savings account statements
  - IFLF statements
  - Investment account statements
  - Resolutions
- Permanent records
  - Wedding records
  - Baptism records
  - Baby dedication records
  - Membership records
  - Church history records
- Permanent financial records
  - Annual reports
  - Church council meeting minutes

Congregational tithe records must be retained permanently. While envelopes are not required, it is good practice to retain donor envelopes for one year. Some churches include the following on the annual receipt provided the donor: “Any documentation, including offering envelopes, that the church relied on in preparing this summary will be disposed of in one year. Therefore please review this summary carefully and inform the church office of any discrepancy.” This statement will relieve the church of storing envelopes for many years.

The IRS requires certain information to be included in the annual statements given to donors. A sample document, which meets IRS requirements, is attached; you may customize it for your church. Any unmarked or undesignated contribution should be considered a tithe/offering.
Metropolis Foursquare Church  
1234 Main Street  
Metropolis, USA, 00000  

Contribution Statement for (year)  

For the abovementioned period, our records indicate that you made the following contributions. If no value is listed, this means that no goods or services were provided, or their value was insignificant or consisted entirely of intangible religious benefits. If you received goods or services in return for your contribution, the deductible portion of your contribution is the amount by which it exceeds the value of the goods or services received in return (as noted below). This, of course, assumes that you otherwise qualify for a charitable contribution deduction. Should you have any questions about any amount reported or not reported on this statement, please notify the church treasurer within 90 days of the receipt of this statement or before April 30 of the year following the fiscal year of the statement, whichever comes first. Statements that are not questioned within the allotted time frame will be considered to be accurate, and any supporting documentation (such as offering envelopes) retained by the church may be discarded at the discretion of the church.

<table>
<thead>
<tr>
<th>Date of Contribution</th>
<th>FORM (P or C)</th>
<th>Gross Amount</th>
<th>Tithes and Offerings</th>
<th>Missions</th>
<th>Building Fund</th>
<th>Benevolence</th>
<th>Other</th>
<th>Value and description of goods and services provided to you by the church (for contributions over $75.00)</th>
<th>Description of donated property (valued at $250 or more by donor)</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
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</table>

**TOTALS**
## Metropolis Foursquare Gospel Church

### Sample Financial Report

**December 2005**

### Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries</strong></td>
<td>2,736.02</td>
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<tr>
<td>Pastor Clark Kent</td>
<td>2,263.14</td>
</tr>
<tr>
<td>Lois Lane</td>
<td>73.88</td>
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<tr>
<td>Tuition – Isaiah</td>
<td>399.00</td>
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<tr>
<td><strong>Vehicles</strong></td>
<td>817.53</td>
</tr>
<tr>
<td>Gas/ Van</td>
<td>40.25</td>
</tr>
<tr>
<td>Pastor’s van</td>
<td>89.28</td>
</tr>
<tr>
<td>Repair/Van</td>
<td>225.00</td>
</tr>
<tr>
<td>Pastor’s van</td>
<td>360.00</td>
</tr>
<tr>
<td>License Plate Renewal</td>
<td>103.00</td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td>1,234.59</td>
</tr>
<tr>
<td>PEPCO - annex</td>
<td>105.93</td>
</tr>
<tr>
<td>PEPCO - church</td>
<td>127.05</td>
</tr>
<tr>
<td>Washington Gas</td>
<td>148.52</td>
</tr>
<tr>
<td>Bell Atlantic</td>
<td>320.23</td>
</tr>
<tr>
<td>Bell Atlantic Mobile</td>
<td>290.86</td>
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<td>Griffith Oil - Budget</td>
<td>242.00</td>
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<td><strong>Insurance</strong></td>
<td>1,768.54</td>
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<tr>
<td>Medical</td>
<td>946.58</td>
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<tr>
<td>Property</td>
<td>482.25</td>
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<td>Van</td>
<td>201.50</td>
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<tr>
<td>PA auto</td>
<td>138.21</td>
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<tr>
<td><strong>Office</strong></td>
<td>198.25</td>
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<tr>
<td>Meter Rent</td>
<td>30.19</td>
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<td>Postage</td>
<td>70.31</td>
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<tr>
<td>Computer cord</td>
<td>54.55</td>
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<tr>
<td>AOL</td>
<td>23.20</td>
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<tr>
<td>Bible software</td>
<td>20.00</td>
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<tr>
<td><strong>Benevolence</strong></td>
<td>180.00</td>
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<tr>
<td>Lex Luthor</td>
<td>100.00</td>
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<tr>
<td>Christmas</td>
<td>80.00</td>
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<tr>
<td><strong>Evangelism</strong></td>
<td>378.55</td>
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<tr>
<td>Hallelujah Outreach</td>
<td>378.55</td>
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<tr>
<td><strong>Miscellaneous</strong></td>
<td>5,958.07</td>
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<tr>
<td>Tithe</td>
<td>1,514.52</td>
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<td>Missions</td>
<td>341.27</td>
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<td>CE tithe</td>
<td>13.23</td>
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<tr>
<td>Conference</td>
<td>946.87</td>
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<td>Offering envelopes</td>
<td>573.23</td>
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<tr>
<td>Sermon illustration</td>
<td>500.00</td>
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<td>Plumber</td>
<td>450.00</td>
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<tr>
<td>Supplies</td>
<td>341.43</td>
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<td>Cassette tapes</td>
<td>314.80 (blank)</td>
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<tr>
<td>Meals</td>
<td>231.75</td>
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<tr>
<td>Description</td>
<td>Amount</td>
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</tr>
<tr>
<td>Cleaning</td>
<td>210.00</td>
</tr>
<tr>
<td>Books</td>
<td>105.36</td>
</tr>
<tr>
<td>Heaters</td>
<td>103.59</td>
</tr>
<tr>
<td>Ret’d check and fees</td>
<td>103.06</td>
</tr>
<tr>
<td>Terminix</td>
<td>85.00</td>
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<tr>
<td>SHARE</td>
<td>75.00 (Food baskets)</td>
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<tr>
<td>Magazines</td>
<td>27.72</td>
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<tr>
<td>Helium</td>
<td>21.24</td>
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<tr>
<td>Flow-Thru</td>
<td>322.00</td>
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<tr>
<td>Retreat</td>
<td>332.00</td>
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**Total expenses - $13,603.55**

**Income**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Tithes and Offerings</td>
<td>15,145.18</td>
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<tr>
<td>Missions</td>
<td>241.27</td>
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<tr>
<td>Building Fund</td>
<td>20.00</td>
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<tr>
<td>Benevolence Fund</td>
<td>210.00</td>
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<tr>
<td>Sunday School</td>
<td>132.32</td>
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<tr>
<td>Miscellaneous</td>
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<tr>
<td>Christmas offering</td>
<td>1,467.45</td>
</tr>
<tr>
<td>Rent</td>
<td>700.00</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>606.41</td>
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<tr>
<td>Special offering</td>
<td>329.00</td>
</tr>
<tr>
<td>Ret’d check/replacement</td>
<td>50.00</td>
</tr>
<tr>
<td>New Creation Foursquare</td>
<td>20.00 (church plant)</td>
</tr>
</tbody>
</table>

**Total Income – 18,921.63**
17 REAL ESTATE TRANSACTIONS

17.0 THE ELEMENTS OF A PROPERTY TRANSACTION

The creation of a lease, lien, trust deed, grant deed, mortgage, or other general building contract(s) must progress through the following steps. Check with your district supervisor before signing any real estate transaction. If you are required to sign any document(s), be sure that the contingency "Subject to the approval of the governing board of the International Church of the Foursquare Gospel" is included above your name.

A. Before beginning any property transaction, churches should meet the following criteria:

1. All Foursquare Monthly Church Reports (FMCRs) have been submitted.
2. Ten percent district extension tithe has been received for the past year.
3. Contribution has been made to Foursquare Missions International (FMI).
4. All insurance and loan payments are current.

B. District supervisor gives approval to proceed.

C. Membership votes on the proposal in a formally-called meeting.

D. Forms submitted to the district office.

E. District supervisor reviews forms and submits a request to the board of directors.

F. Upon board approval, central offices process documentation, including a board resolution specifying the parameters of the transaction.

G. The senior pastor then may inform the congregation of the board’s decision and carry out the resolution.

17.1 EASEMENTS/RIGHT OF WAYS

An easement is a right given by an owner of a property so another person or entity can use a portion of the land for special purposes, such as roads, gutters, curbs, sidewalks, telephone and electric lines, etc. The board of directors must approve all transactions that encumber church property, easements included.

Normally the entity desiring an easement will provide the necessary documentation, including an engineer's drawing to outline, with land measurements, and exactly what is being requested. As
easements grant legal right for someone to enter and use the property, the documentation should be complete and accurately detail the rights and usages of both the church and the requesting agency. See Appendix 17A, Section 1 for step-by-step guidelines.

17.2 DEMOLITION

Removal or demolition of all buildings, including sheds that have been put on a foundation on the church property, must be board-approved in advance of the demolition. In many cases, the city will require that the church obtain a permit to remove a building. Please check with your city government to determine their rules and procedures. The construction materials in older buildings may have lead and asbestos contamination; the church must be prepared to pay a local company to remove these hazardous materials in a safe manner. The church should receive a receipt when the building has been demolished. See Appendix 17A, Section 2 for step-by-step guidelines.

17.3 LEASE OUT

When a church leases its facilities to another church or civic group, the lease must be approved by the board of directors. In some cases, receiving income from a non-religious non-profit could change the church’s property-exempt status. Please use the ICFG-approved lease-out agreement form, available from your district office. See Appendix 17A, Section 3 for step-by-step guidelines.

17.4 LOAN REFINANCE (OUTSIDE)

See Appendix 17A, Section 4.

17.5 LOAN REFINANCE (IFLF)

See Appendix 17A, Section 5.

17.6 LEASE EXTENSION/REPLACEMENT

See Appendix 17A, Section 6.

17.7 McPHERSON MEMORIAL EXTENSION FUND (MMEF)

See Appendix 17A, Section 7.
17.8 Property Sales/Disposals (Bylaws, Article 17.4)

Sales of any church property should be discussed with the district supervisor before action is taken at the local level. After obtaining the supervisor's permission, discuss the matter with church leadership. When leadership is in agreement, a membership meeting and vote should be called according to article 13.5.12 of the bylaws. Article 17.1.C and article 17.4 of the bylaws give direction on how to proceed with the membership vote.

A. To establish a fair market price for the property, have the property appraised or have a market analysis done by a real estate broker. Also, be sure to determine the original cost of the property. The board of directors must approve the sale price.

B. A cover letter by the pastor should accompany the Purchase and Sale Agreement. It should include the reason for the sale, what the proceeds of the sale are to be used for and any other pertinent information.

C. The complete step-by-step process for the sale of properties is described in Appendix 17A, Section 8.

17.9 Leases (Bylaws, Article 17.1)

A. Lease versus rental/license – If the agreement you enter into is for exclusive use it is considered a Lease. If on the other hand it is shared space or non-exclusive use it is a rental or license. Whether a lease or month-to-month tenancy, all such agreements must be reviewed by the board of directors.

B. Before agreeing to proceed with the lease of any property, check with the zoning commission of your city or county. It is recommended that you obtain a conditional use permit.

C. Leases for established non-Foursquare churches that wish to come into Foursquare – If the church has an existing lease in place, that lease must be presented to the Foursquare board of directors for approval. It is required that Foursquare be aware in advance of all obligations, including leases, that the denomination will be assuming, directly or indirectly, when a church comes into Foursquare.

D. The insurance department will not extend insurance coverage to a leased building prior to the effective date of the lease or the approval of the board. Allow at least three weeks for review and approval by the Board of Directors. Please plan your first use of the building at a date that is after the effective date of the lease, to allow time for any physical preparations (cleaning, decorating, etc.) needed.
E. You should not sign any agreement for ICFG without the clause, "Subject to the approval of the governing board of the International Church of the Foursquare Gospel" being inserted above your signature. To be legal, all documents must be signed by authorized corporate officers. If you are asked to sign any other document, contact the district office for guidance first.

F. The process for lease approval is detailed in Appendix 17A, Section 9.

17.10 LOANS (OUTSIDE)

All loans must be approved by the ICFG board of directors and must be secured in the name of ICFG, with the legal name of the church included. The process for obtaining loans is detailed in Appendix 17A, Section 10.

17.11 LOANS (IFLF)

Currently, there is a moratorium on International Foursquare Loan Fund (IFLF) loans. For more IFLF information see Appendix 17A, Section 11.

17.12 ACQUISITIONS (PURCHASES, DONATED PROPERTIES AND ADOPTIONS) (Bylaws, Article 17.1)

Whether a church purchases property and/or buildings or receives donated property, board approval is required, and the first steps require contacting the district office. For specific procedures, see Appendix 17A, Section 12.

A. In order to take a tax deduction for donated property the donor will need an IRS form 8283 with section B completed. This section requires signatures by the church, a qualified appraiser and the donor. See IRS publication 526, form 8283 and the separate instructions for form 8283. These may be obtained from the IRS by calling 800-829-3676.

B. Sometimes donors wish to give property to the church in return for a sale price that is less than the fair market value (FMV) of the property. This permits the donor to take a tax deduction for the difference between the sale price and the FMV. This is called a "bargain sale" and must also be substantiated on Form 8283 Section B. See IRS publication 526 for details regarding a bargain sale.

17.13 ENVIRONMENTAL REPORTS FOR PROPERTY ACQUISITIONS

Environmental disclosures and property inspections are required for all property acquisitions. More information on these procedures is found in Appendix 17A, Section 13.
17.14 New Construction and Remodeling

A. See Appendix 17A, Section 14 for an overview of the required process for construction and remodeling.

B. Foursquare now has a construction consultant who provides guidance to churches that undertake construction and remodeling projects. For more information, contact your district office or Property Services.

C. It is important to communicate with local governmental agencies prior to beginning the process. Be aware of and able to comply with zoning laws, permit, bond and inspection requirements, and any other local regulations that are pertinent to the project.

D. Contact Foursquare Insurance before beginning the project to ensure all necessary coverage is in place.

17.15 Property-restricted Savings Withdrawals

Church savings accounts are intended for property needs of the church. Details on the definition of property needs, required documentation and process steps are found in Appendix 17A, Section 15.

17.16 Insurance (Bylaws, Article 14.4.J & L; Article 17.6)

All Foursquare churches are required, under our bylaws, to insure real estate, building contents, vehicles, activities and employees (workers' compensation). It is recommended that each church be insured though the Foursquare insurance program, which is handled through the Foursquare Financial Solutions insurance services department. If a provider other than the Foursquare insurance program is used, the local church using the church legal name shall be named as the insured and the International Church of the Foursquare Gospel must be named as additional insured on all policies, using the local church address and the following requirements must be satisfied:

• A complete copy of all outside insurance policies shall be filed with the FFS insurance services department when the policy is acquired by the local church and annually or at each renewal date a new binder shall be filed with FFS insurance services. If the policy is mailed to the church address, you must advise your insurance office that a copy must be mailed to the FFS insurance department at the central office address. Whenever a new carrier is acquired a complete new policy is to be sent in as well.

• The local church using its legal church name shall be named as the insured. The International Church of the Foursquare Gospel must be named as an additional insured.
• The amounts of coverage shall be determined by the ICFG board from time to time.

• The policies shall be placed preferably with "A-" to "A++" carriers as listed in Alfred M. Best's insurance guide. Reciprocals or assessable mutual companies are not acceptable.

A. The following types of coverage shall be secured when applicable:

1. **General Liability, or Casualty** (Coverage amount: $2,000,000) – This policy provides coverage for “negligent” acts. If our organization or our employees/volunteers negligently causes “bodily, personal injury or property damage” to a third party, general liability insurance provides coverage. Liability insurance pays a third party who is damaged as a result of church negligence. The minimum required is $1,000,000 per occurrence. The coverage amount of $1,000,000 per occurrence must also apply to sexual misconduct claims.

2. **Property** (Coverage amount: 100% replacement cost of church owned buildings and contents) – This policy pays to repair or replace ICFG-owned buildings and/or church owned contents that have sustained loss or damage from an insured peril.
   
a. **Course of construction** (builders risk) – This is included in the ICFG insurance program and provides insurance to cover the needed coverage when a church is in the construction phase of a building program. See Section 17.14 and Appendix 17A, Section 14 for more information.
   
b. **Earthquake/flood** – Earthquake and flood insurance is part of the Foursquare insurance program but not required unless an outside lender demands the coverage. It is highly recommended that churches located in flood zones take out National Flood Insurance on their own.

3. **Directors and Officers/Employment Practices Insurance** (Coverage amount: $5,000,000 per occurrence, $1,000,000 minimum) – This policy is designed to protect against claims alleging harm attributable to the governance or management of an organization. It provides coverage for any wrongful act of directors, officers, district supervisors, executive council, pastors, and church council members. The definition of wrongful act may include actual and alleged acts, error and omissions, misleading statements and neglect or breach of duty.

4. **Activities** (Coverage amount: $50,000 per occurrence) – Activities insurance pays medical costs associated with injury occurring during church activities. This policy is secondary to any other applicable group insurance. It pays medical cost for accidental injuries to all members of the church including dependents and invited guests while taking part in a church-sponsored and supervised activity, including scheduled and non-scheduled sports. It includes the following:
a. Students are covered if they attend Christian schools and daycare centers that are approved by the ICFG board and the Christian education department.

b. Sports participants.

c. Volunteers are covered while they are participating in a church-sponsored event.

5. **Workers’ compensation** (Coverage amount: state statutory amounts) – This insurance pays for medical and indemnity costs associated with injury sustained by an employee during the course of his or her employment.

   a. Workers’ compensation coverage is required by Foursquare bylaws and must be provided for all employees, including the pastor if compensated, even if the pastor is the only church staff member to receive a salary. Housing allowance is considered salary in this situation.

   b. There are five states that require direct interaction with the state and are not permitted to participate in our group policy: Ohio, North Dakota, Washington, West Virginia, and Wyoming. Churches located in one of these monopolistic states should contact their state for assistance. These churches must provide copies of their insurance policies to the Foursquare insurance department.

6. **Automobile** (Coverage amount: $300,000/$500,000, combined single limit) – All church-owned vehicles must carry liability insurance in the amount of $300,000/$500,000.

   a. The Foursquare insurance program will only insure the church-owned vehicle if the church’s property insurance is in the program, and if in the program the church is covered for $2,000,000 in liability coverage. ICFG is self-insured for vehicles in the Foursquare program for comprehensive and collision coverage with a deductible. Foursquare does not provide coverage for 15-passenger vans.

   b. The policy must cover hired/non-owned autos. These are vehicles the church leases, hires, rents, or borrows.

7. **Crime** (Coverage amount: $50,000 per occurrence) – This covers employee dishonesty, depositors’ forgery, loss of money and securities.

   **B. Claims** -- Detailed claim procedures are included in the insurance website www.4sqfs.org/insurance. Each line of insurance has different instructions and/or claim agencies that process your claims. You may call FFS insurance services department for assistance as well. Please be prepared to give the following information:
1. Church legal name and ID number

2. Date of the occurrence

3. Detailed description of the injury/accident and the name and age of the person injured, if applicable

Do not assume a claim is covered or not covered. The validity of a claim should be determined after the claim has been reported. If in doubt, call the Foursquare claims administrator for assistance (213-989-4403). Please keep a copy of all claim paperwork in your files for future reference.

C. Lawsuits -- Churches and ministers may be sued just as any other entity or individual. Lawsuits are commenced by an aggrieved party filing a complaint with the court. The court then issues a summons, which is a legal notice to the person being sued (the defendant) of the lawsuit and the need to defend himself or herself. Whenever a church or minister is served with a Summons and Complaint, the senior pastor should immediately contact the district office, ICFG’s corporate counsel (213-989-4211) and the FFS insurance claims administrator (213-989-4403). Typically, the insurance carrier will respond by providing an attorney to assist the church and/or pastor in defending the lawsuit. Do not attempt to defend the case through an attorney in your local congregation.

D. Health and accident insurance -- Health and accident insurance covers medical care costs associated with injury and illness which are not otherwise paid by any other form of insurance. This coverage is not available through the Foursquare insurance program. This insurance is recommended, but it is not required.

17.17 Pyrotechnics

A. In response to a request for guidelines, the Foursquare board of directors adopted the following policy regarding pyrotechnics. The guidelines listed below will help you comply with both safety and insurance requirements:

1. Hire an outside contractor licensed in the handling and use of pyrotechnic special effects for each event.

2. Require the contractor to submit a written plan well in advance of each event in order to allow review and revision by Foursquare personnel, city and county government agencies, insurers, and others. The plan should specifically account for variables arising from indoor events (ceiling heights, exits, etc.) and outdoor events (weather, adjacent structures, etc.).
3. Require the contractor to obtain and provide copy of a permit for use of pyrotechnic materials and devices from the local fire department or other applicable government agency having jurisdiction over the event.

4. Require the contractor to obtain and provide proof of liability insurance, naming International Church of the Foursquare Gospel as an additional insured. The required policy limits should be no less than $5 million dollars per occurrence, issued by an insurance carrier admitted in the state where the event will occur with a financial Best rating of “A” or better.

5. Require the sponsoring church or camp, etc. to develop and have in place a written emergency plan to deal with any accidental occurrence.

6. Establish appropriate verbal and physical barriers to ensure that all Foursquare personnel, volunteers, and event attendees have no contact with the pyrotechnic materials or devices; this would include set up before the event and clean up after the event.

B. Each of the following steps must be implemented in order for a camp, school or church to conduct a pyrotechnics event:

1. Sponsor (camp, school, church) requests “Pyrotechnics Compliance Form” from the district.

2. Sponsor completes the form, attaches copies of the following as required by the policy, and sends it to the district at least 45 days prior to the date of the proposed event:
   
   a. License of contractor licensed in the handling and use of pyrotechnics.

   b. Written event plan by the contractor.

   c. Use permit from the local fire department or applicable government agency.

   d. Proof of contractor’s liability insurance, naming International Church of the Foursquare Gospel as an additional insured.

   e. Written emergency plan by the sponsor.

   f. Statement signed by contractor which agrees to prohibit all Foursquare personnel and event attendees from any contact with pyrotechnics.

3. District reviews form and attachments for accuracy and completeness, and coaches sponsor accordingly.
4. District presents completed form to district supervisor for approval.

5. District presents completed form and attachments to insurance services department to confirm compliance with policy.

6. District communicates response of insurance services department to the sponsor. If the insurance services department indicates any areas in which the form or attachments fail to comply, the district will advise the sponsor to make the necessary corrections in order to resubmit the form and attachments to the insurance services department.

7. Sponsor includes in event registration or application form a statement that advises parents that pyrotechnics will be included in the event.
17A Properties

1. Easements/Right of Ways

I. Policy
   A. District supervisor approval.
   B. Executive committee approval via “FTR -fast track report.”
   C. Review of all agreements / Property Services (gov’t-utility) or Legal Dept. (private).

II. Documentation Required
   A. Request letter of explanation from pastor.
   B. Legal documents.
   C. Signed PT term sheet by council and pastor.

III. Process Steps/Roles & Responsibilities
   A. Church
      • Church has reports current in EZRA.
      • Request letter of explanation from pastor.
      • Membership vote approving terms of request.
      • Contacts district and forwards the documentation required above.
   B. District
      • Approves and forwards to Property Services.
   C. Property Services or Legal Dept.
      • Reviews documents for accuracy (recommends correction when necessary).
      • Sends PT term sheet to church for council signatures.
   D. Church
      • Council signs PT form and returns to Property Services.
   E. Property Services
      • Creates story page for board (if necessary) and forwards documents to Corporate Secretary’s Office for signatures and processing.
   F. Corporate Secretary’s Office
      • Copies are scanned and original signed documents are sent back to appropriate party and distributed to all departments accordingly.
2. DEMOLITION

I. POLICY
   A. District supervisor approval.
   B. Executive committee approval via “FTR - fast track report.”
   C. Must adhere to local environmental regulations.

II. DOCUMENTATION REQUIRED
   A. Request letter of explanation from pastor.
   B. Signed PT term sheet by council and pastor, including environmental adherence agreement language.

III. PROCESS STEPS/ROLES & RESPONSIBILITIES
   A. Church
      • Church has reports current in EZRA.
      • Request letter of explanation from pastor.
      • Membership vote approving terms of request.
      • Contacts district and forwards the documentation required above.
   B. District
      • Approves and forwards to Property Services.
   C. Property Services or Legal Dept.
      • Reviews documents for accuracy (recommends correction when necessary).
      • Sends PT term sheet to church for council signatures.
   D. Church
      • Council signs PT form and returns to Property Services.
   E. Property Services
      • Creates story page for board (if necessary) and forwards documents to Corporate Secretary’s Office for signatures and processing.
   F. Corporate Secretary’s Office
      • Copies are scanned and original signed documents are sent back to appropriate party and distributed to all departments accordingly.
3. LEASE OUT

I. POLICY
   A. District supervisor approval.
   B. Executive committee approval via “FTR - fast track report.”
   C. Use of approved ICFG lease-out agreement.
   D. Maximum 5 year term.
   E. Property Services review of all agreements.

II. DOCUMENTATION REQUIRED
   A. Request letter from pastor.
   B. ICFG-approved lease-out agreement.
   C. Signed PT term sheet by council and pastor.
   D. Insurance verification (ICFG is additionally insured).

III. UNDERWRITING GUIDELINES
   A. Does not violate property tax exemption.
   B. Lessee is properly insured naming ICFG as additionally covered.
   C. UBIT or other local tax obligations will be considered.

IV. PROCESS STEPS/ROLES & RESPONSIBILITIES
   A. Church
      • Church has reports current in EZRA.
      • Request letter of explanation from pastor.
      • Membership vote approving terms of request.
      • Contacts district and forwards the documentation required above.
   B. District
      • Approves and forwards to Property Services.
   C. Property Services or Legal Dept.
      • Reviews documents for accuracy (recommends correction when necessary).
      • Sends PT term sheet to church for council signatures.
   D. Church
      • Council signs PT form and returns to Property Services.
   E. Property Services
      • Creates story page for board (if necessary) and forwards documents to Corporate Secretary’s Office for signatures and processing.
   F. Corporate Secretary’s Office
      • Copies are scanned and original signed documents are sent back to appropriate party and distributed to all departments accordingly.
4. Loan Refinance (outside)

Any extension, modification or refinance that is greater than 90 days.

I. Policy
   A. Amortization remains consistent with original term.
   B. District supervisor approval.
   C. Executive committee approval via “FTR - fast track report.”
   D. Property Services review of all agreements.

II. Documentation Required
   A. Term sheet or commitment letter.
   B. Signed PT term sheet by council and pastor.

III. Underwriting Guidelines
   A. Refinances requesting additional funds must show the ability to cash flow with loan payments not to exceed 30% or fixed expenses not to exceed 80% of monthly gross undesignated income.
   B. Amortization shall remain consistent with the original term unless addition funds are requested above or beyond 25% of current balance.

IV. Process Steps/Roles & Responsibilities
   A. Church
      • Church has reports current in EZRA.
      • Contacts district and forwards the documentation required above.
   B. District
      • Approves and forwards to Property Services.
   C. Property Services or Legal Dept.
      • Reviews documents for accuracy (recommends correction when necessary).
      • Sends PT term sheet to church for council signatures.
   D. Church
      • Council signs PT form and returns to Property Services.
   E. Property Services
      • Creates story page for board (if necessary) and forwards documents to Corporate Secretary’s Office for signatures and processing.
   F. Corporate Secretary’s Office
      • Copies are scanned and original signed documents are sent back to appropriate party and distributed to all departments accordingly.
5. Loan Refinance (IFLF)

Any extension, modification or refinance that is greater than 90 days.

I. Policy
   A. Amortization remains consistent with original term.
   B. District supervisor approval.
   C. Financial conditions:
      1. $500,000 or less a .25% renewal fee on current IFLF maturing loans (may be paid in cash or added to the loan).
      2. Loans in excess of $500,000 will have a 1.5% renewal fee (can be paid in cash or added to the loan).
      3. Loans over $500,000 will have a 5 year maximum term and will be priced 1% above the current IFLF fixed rate.
   D. Executive committee approval via “FTR - fast track report.”
   E. Loan workouts:
      1. Loans where the church is unable to meet the current loan terms will be in workout status.
      2. One year maximum term with quarterly review.
      3. Monthly payments will be determined based on the church’s capacity to pay based on a review of the church’s financial statements.
      4. Monthly payments will be applied to principal only.
      5. Interest rate will be adjusted on a quarterly basis to the weighted average credit line interest rate.
      6. Payments received on non-accrual loans may be applied to principal only.

II. Documentation Required
   A. Signed PT term sheet by council and pastor.

III. Underwriting Guidelines
   A. Refinances requesting additional funds must show the ability to cash flow with loan payments not to exceed 30% or fixed expenses not to exceed 80% of monthly gross undesignated income.
   B. Amortization shall remain consistent with the original term unless addition funds are requested above or beyond 25% of current loan balance.

IV. Process Steps/Roles & Responsibilities
   A. Church
      • Church has reports current in EZRA.
      • Contacts district and forwards the documentation required above.
   B. District
      • Approves and forwards to Property Services.
   C. Property Services or Legal Dept.
      • Sends PT term sheet to church for council signatures.
   D. Church
• Council signs PT form and returns to Property Services.

E. Property Services
• Creates story page for board (if necessary) and forwards documents to Corporate Secretary’s Office for processing.

F. Corporate Secretary’s Office
• Copies are scanned and original signed documents are sent back to appropriate party and distributed to all departments accordingly.
6. LEASE EXTENSION/REPLACEMENT

Any lease, license or rental extension agreement that renews or extends a current lease or a new location that replaces the location and purpose of current lease.

I. POLICY
   A. Five year maximum term including any automatic extensions.
   B. DISTRICT SUPERVISOR approval.
   C. Executive committee approval via “FTR.”
   D. Property Services review of all agreements.

II. DOCUMENTATION REQUIRED
   A. Request letter from pastor.
   B. Legal documents.
   C. Signed PT term sheet by council and pastor.

III. UNDERWRITING GUIDELINES
   A. When lease payment is increased by more than 10% of previous year, church must show ability to cash flow with fixed expenses not to exceed 80% of gross undesignated income.
   B. No substantial decrease in attendance or tithable income (10%) from previous year.
   C. Lease matrix will apply.

IV. PROCESS STEPS/ROLES & RESPONSIBILITIES
   A. Church
      • Church has reports current in EZRA.
      • Request letter of explanation from pastor.
      • Contacts district and forwards the documentation required above.
   B. District
      • Approves and forwards to Property Services.
   C. Property Services or Legal Dept.
      • Reviews documents for accuracy (recommends correction when necessary).
      • Sends PT term sheet to church for council signatures.
   D. Church
      • Council signs PT form and returns to Property Services.
   E. Property Services
      • Creates story page for board (if necessary) and forwards documents to Corporate Secretary’s Office for signatures and processing.
   F. Corporate Secretary’s Office
      • Copies are scanned and original signed documents are sent back to appropriate party and distributed to all departments accordingly.
7. McPherson Memorial Extension Fund (MMEF)

A gift that is requested from the district supervisor to assist churches in the purchase of a building, parsonage or raw land (for pioneer work only), construction or remodel projects and or transfer costs for churches coming into Foursquare including appraisal, environmental testing and closing costs. Criteria of construction and remodel projects are defined further in appropriate policy sections.

I. Policy

A. An approved project or purchase that is complete (evidenced by final closing statement or occupancy permit).

B. All stewardship compliance.

C. Must have district supervisor approval and recommendation.

D. Executive committee approval via “FTR.”

E. Gift scale.

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<td>$1,000,000 and up</td>
<td>See U/W Guidelines</td>
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II. Documentation Required

A. PT-9 from district supervisor.

B. Final closing statement, occupancy permit and or construction documentation.

III. Underwriting Guidelines

A. Projects or purchases greater than $1,000,000 may use 10% of the church’s annual contribution to the Extension Tithe Fund, not to exceed a gift of $25,000.

B. All stewardship requirements of reporting, tithing, missions giving, loan and insurance payments are current for a minimum of six months.

IV. Process Steps/Roles & Responsibilities

A. District
   • Approves and forwards to Property Services.

B. Property Services
• Checks that all documentation is complete.
• Adds request to “FTR - fast track report,” creates resolution if necessary and forwards documents to Corporate Secretary’s Office for processing.

C. Corporate Secretary’s Office
• Makes copies and sends to Loan department for check preparation.

D. Loan Department
• Sends check to district for presentation to church.
8. Property Sales/Disposals

I. Policy
A. Sales price must be within 10% of substantiated market value (Broker opinion of value or appraisal).
B. Membership approval and council certification.
C. District supervisor approval.
D. Property Services review of all agreements.
E. Full Board for any sales over $2,000,000.
F. Receivables are acceptable only under the following:
   1. Property is free and clear of encumbrances.
   2. Down payment will cover all closing costs and delinquent insurance and or subsidized loan payments against the church on any property.
   3. A loan servicing company is used to process payments and final reconveyance.

II. Proceeds
A. Closing costs and fees.
B. Pay off all outstanding loans attributed to the subject property.
C. Pay off all delinquent insurance or loan subsidies.
D. Remaining net proceeds are placed in a restricted IFLF savings account for future property needs of the church.
E. Property needs are defined as the following:
   1. Real property improvement.
   2. Maintenance repairs (paint, roof, HVAC, etc.).
   3. Land improvement (landscaping, parking or permanent signage, etc...).
   4. Tenant improvements (build-outs).
   5. Trade fixtures (chairs, tables, sound equipment etc.; excludes office equipment, desks, computers and ministry related items).
F. 10% of the net proceeds may be requested for non-property use. Resolution and PT form must state the requested dollar amount and purpose of non-property use.

III. Documentation Required
A. Request letter from pastor.
B. Signed PT term sheet by council and pastor.
C. Legal documents (sales agreement).

IV. Underwriting Guidelines
N/A
V. PROCESS STEPS/ROLES & RESPONSIBILITIES

A. Church
   • Church has reports current in EZRA
   • Request letter of explanation from pastor.
   • Membership vote approving terms of request.
   • Contacts district and forwards the documentation required.

B. District
   • Approves and forwards to Property Services.

C. Property Services
   • Reviews documents for accuracy (recommends correction when necessary).
   • Sends PT term sheet to church for council signatures.

D. Church
   • Council signs PT form and returns to Property Services.

E. Property Services
   • Creates story page for board (if necessary) and forwards documents to Corporate Secretary’s Office for signatures and processing.

F. Corporate Secretary’s Office
   • Copies are scanned and original signed documents are sent back to appropriate party and distributed to all departments accordingly.
9. Leases

I. Policy
A. Membership approval and council certification for new leases.
B. District supervisor approval.
C. Executive committee approval via FTR if payments are under 10% of gross undesignated income, FT within lease matrix.
D. Property Services review of all agreements.

II. Documentation Required
A. Request letter of explanation from pastor.
B. Signed PT term sheet by council and pastor.
C. Agreements.
D. ICFG Addendum signed by owner
E. Financials:
   1. 3 years and under EZRA reports.
   2. More than 3 years includes 1 year P&L & budget.

III. Underwriting Guidelines
   • According to lease matrix.

IV. Process Steps/Roles & Responsibilities
A. Church
   • Reports current in EZRA.
   • Request letter of explanation from pastor.
   • Membership vote approving terms of request.
   • Contacts district and forwards the documentation required.
B. District
   • Approves and forwards to Property Services.
C. Property Services
   • Reviews documents for accuracy (recommends correction when necessary).
   • Sends PT term sheet to church for council signatures.
D. Church
   • Council signs PT form and returns to Property Services.
E. Property Services
   • Creates story page for board (if necessary) and forwards documents to Corporate Secretary’s Office for signatures and processing.
F. Corporate Secretary’s Office
• Copies are scanned and original signed documents are sent back to appropriate party and distributed to all departments accordingly.
10. LOANS (OUTSIDE)

I. Policy
   A. Church is a chartered member.
   B. Membership vote with majority approval and council certification on terms for loans.
   C. District supervisor approval.
   D. Executive committee approval via “FTR” 15% or less, “ET” for loans over $1,000,000 and full board for all loans over $2,000,000 (new money).
   E. Property Services review of all agreements.
   F. Loan terms and conditions:
      1. No pre-payment penalties.
      2. Amortization not to exceed 25 years.
      3. No financial covenants.

II. DOCUMENTATION REQUIRED
    A. Request letter of explanation from pastor.
    B. Term sheet, commitment letter or loan documents.
    C. Signed PT term sheet by council and pastor.
    D. Financials:
       1. “FTR or FT” 12 months EZRA reports.
       2. “ET” and “FB” 2 years financials, balance sheet and current budget.
    E. Construction loan draws
       1. Draws are approved by Property Services.
       2. Each draw request should be documented by pay reconciliation.
       3. Each item $10,000 or over includes a receipt of payment, cancelled check or vendor statement showing invoice was paid.

III. UNDERWRITING GUIDELINES
    A. Loan payment is 30% or less than gross undesignated income and fixed costs are less than 80% of gross undesignated income.
    B. Church has 20% down payment of total acquisition or project.
    C. Loans greater than $2,000,000 of new money must be presented to full board.

IV. PROCESS STEPS/ROLES & RESPONSIBILITIES
    A. Church
       • Reports current in EZRA.
       • Request letter of explanation from pastor.
       • Membership vote approving terms of request.
       • Contacts district and forwards the documentation required.
    B. District
• Approves and forwards to Property Services.

C. Property Services
• Reviews documents for accuracy (recommends correction when necessary).
• Sends PT term sheet to church for council signatures.

D. Church
• Council signs PT form and returns to Property Services.

E. Property Services
• Creates story page for board (if necessary) and forwards documents to Corporate Secretary’s Office for signatures and processing.

F. Corporate Secretary’s Office
• Copies are scanned and original signed documents are sent back to appropriate party and distributed to all departments accordingly.
Outside Loans

Payment is 30% of total Non-Designated Income

NO

Loan Agreement
- No Prepayment
- Max. 25 yr Amortization
- No Financial Covenant

NO

District Explanation
Executive Track

YES

Loan is 15% or Less of Total Non-Designated Income

NO

YES

FAST TRACK REPORT

NO

YES

FAST TRACK

NO

YES

EXECUTIVE TRACK

NO

YES

FULL BOARD

Under $1,000,000

Under $2,000,000

Over $2,000,000

Under $2,000,000

Under $2,000,000
11. Loans (IFLF)

I. **Policy**
   A. Membership vote with majority approval and council certification of terms for loans.
   B. District supervisor approval.
   C. Loan terms and conditions:
      1. Loan maximum $500,000.
      2. Standard term 20 years with 5 year interest rate reset.
      3. .75% origination.
      4. Auto debit for monthly payments (.5% rate increase if not on auto debit).
      5. Fixed rate loans only based on current IFLF indicated rate.
      6. 5% late fee for payments received 15 days after the due date, minimum fee $25.
      7. No construction loans.

II. **Documentation Required**
   A. Request letter of explanation from pastor.
   B. Signed PT term sheet by council and pastor.
   C. Financials:
      • 12 months EZRA reports (current).

III. **Underwriting Guidelines**
   • Loan payment is 30% or less than gross undesignated income and fixed costs are less than 80% of gross undesignated income.

IV. **Process Steps / Roles & Responsibilities**
   A. Church
      • Reports current in EZRA.
      • Request letter of explanation from pastor.
      • Membership vote approving terms of request.
      • Contacts district and forwards documentation required.
   B. District
      • Approves and forwards to Property Services.
   C. Property Services
      • Sends PT term sheet to church for council signatures.
   D. Church
      • Council signs PT form and returns to Property Services.
   E. Property Services
      • Creates story page for board (if necessary) and forwards package to Corporate Secretary’s Office for processing.
   F. Corporate Secretary’s Office
• Copies are scanned and original signed documents are sent back to appropriate party and distributed to all departments accordingly.
12. ACQUISITIONS

I. POLICY
   A. Church is a chartered member.
   B. Membership vote with majority approval and council certification for purchases
   C. District supervisor approval.
   D. Property Services review of all agreements.
   E. Property inspection.
   F. Environmental adherence according to attached policy and guidelines.
   G. Insurance adherence.
   H. Executive committee approval via “FTR” 15% or less, “ET” anything over $1,000,000 and full board for all purchases over $2,000,000.

II. DOCUMENTATION REQUIRED
   A. Request letter of explanation from pastor.
   B. Signed PT term sheet by council and pastor.
   C. Agreements and or addendums.
   D. Financials:
      1. “FTR or FT” 12 months EZRA reports.
      2. “ET” and “FB” 1 year financials, balance sheet and current budget.
   E. Appraisal or broker’s opinion of value.
   F. Property inspection and applicable environment reports.

III. UNDERWRITING GUIDELINES
   A. Clear title with title insurance.
   B. Broker’s opinion of value or appraisal.
   C. Acquisitions above $2,000,000 will be submitted to the full board.
   D. Church must clearly indicate the ability to pay all new expenses relating to property.

IV. PROCESS STEPS
   A. Church
      • Reports current in EZRA.
      • Request letter of explanation from pastor.
      • Membership vote approving terms of request.
      • Contacts district and forwards the documentation required.
   B. District
      • Approves and forwards to Property Services.
   C. Property Services
      • Reviews documents for accuracy (recommends correction when necessary).
      • Sends PT term sheet to church for council signatures.
   D. Church
• Council signs PT form and returns to Property Services.

E. Property Services
• Creates story page for board (if necessary) and forwards documents to Corporate Secretary’s Office for signatures and processing.

F. Corporate Secretary’s Office
• Copies are scanned and original signed documents are sent back to appropriate party and distributed to all departments accordingly.
13. ENVIRONMENTAL REPORTS FOR PROPERTY PURCHASES

When bringing a property into Foursquare by purchase, gift, or adoption, it is necessary to make sure no environmental problems exist that could render the property unusable, or require expensive cleanup. The same process is needed whether the property is vacant land, a church facility, a house, or whether it is purchased, donated, or brought into Foursquare by adoption. To keep this paper simple, we will use the term “purchase” to represent all methods of taking a property into Foursquare.

The environmental condition of a property is determined from the following inspections and reports. Also, our purchase negotiations and decisions concerning the property will be hinged on what these reports tell us. All inspections and reports should be addressed to International Church of the Foursquare Gospel.

**PT-21:** This is our environmental disclosure form to be completed by the seller within a few days of initiating the purchase and submitted to the ARC as part of the request package. This form should be considered a report from the seller, disclosing to us the condition of the property and any environmental issues we should know about. The report is to the “best of the seller’s knowledge” which is often incomplete, unprofessional, and in some cases non-existent (when the seller didn’t occupy the property). If the seller refuses to complete the form, the property should be visually inspected by the local church and filled out to the best of their ability, with a notation that the seller refused to complete and sign the form.

The PT-21 may show items that need further investigation, and may indicate an environmental report already exists. If a report exists, it should be requested and reviewed. If items needing further investigation are noted, qualified and licensed professionals should be consulted to determine the extent of concern and the means of correction.

**PROPERTY INSPECTION:** If the property includes a structure (building, house, condo, etc.), a structural inspection should be ordered within 10 days of initiating the purchase. If the structure was built before 1981, the local church should seek and hire an environmental professional to inspect the structure and prepare a report that must be addressed to International Church of the Foursquare Gospel. It should also hire a qualified professional to inspect the soundness of mechanical and structural elements of the structure. The type of professional and qualifications for these inspections may vary by state depending on each state’s licensing requirements; in any case a qualified licensed professional should be sought who will inspect and report the items we request.

**Vacant land** is screened for environmental issues by obtaining an environmental report, which is ordered by the ARC (see below EDR report). A Phase I will be required if the EDR comes back as an “elevated risk.”

**A building** is also inspected for environmental issues. The site is screened by an EDR report, but if the building was built before 1981, the building also requires a physical hazardous materials inspection by a qualified licensed professional to determine the presence of contaminate (asbestos, lead paint, PCBs and radon gas) and recommend methods of abatement. Below are brief descriptions of each of these materials. Beyond environmental concerns, the structure and mechanical systems also should be inspected for structural integrity, safety and maintenance issues — call Property Services for details.
Asbestos is a microscopic mineral fiber that, if inhaled, can lead to cancer. It is found in many building materials, including insulation for piping, boilers, furnaces; fireproofing; floor and ceiling tiles; adhesives; walls, ceilings and siding; etc. Fibers embedded in lung tissue over time may cause serious lung diseases including: asbestosis, lung cancer or mesothelioma.

Lead is a highly toxic metal that was used for many years in products found in the interior and exterior of homes and other buildings. Lead paint is commonly found in walls, windowsills, baseboards, stair rails, porch railings, and other painted surfaces. Lead can cause a range of health effects, from behavioral problems and learning disabilities, to seizures and death. Children 6 years old and under are most at risk, because their bodies are growing quickly.

Radon is a cancer-causing natural radioactive gas that you can’t see, smell or taste. It seeps into buildings from the surrounding soil. The EPA ranks indoor radon among the most serious environmental health problems facing people today. Radon is the leading cause of lung cancer among non-smokers and the second leading cause of lung cancer in America, claiming 20,000 lives annually.

Professionals should be screened by the church to assure they are qualified with adequate experience and properly licensed in accordance with their state’s requirements to perform the required inspections.

The property inspector should be shown the completed PT-21 so any items of concern can be addressed in the inspection report. It is also recommended that the inspector be given a copy of the EDR, or phase 1 report if there are items that should be included in the inspection.

EDR REPORT (also known as TSP or Screen report): This report is ordered by Property Services following receipt of the request package; the cost (about $145) is passed on to the local church with a copy of the invoice and report. Foursquare orders all their reports from EDR (Environmental Data Resources, Inc.), thus saving about 40% off the normal fee.

This report is a collection of data posted by environmental agencies. The agencies are listed in the report along with maps of the immediate area, geological charts showing water flow and elevation, location of nearby environmental problem sites, and a summary of the report information concerning each site.

Each report rates the property as “elevated risk” or “low risk.” If the property is “low risk,” it is acceptable, but further investigation must be done if it is “elevated risk.” It is important to know that the report only collects data and notes the location of the sites in relation to the target site (the property being purchased). The risk rating is determined by a variety of factors which may include the nearness of the contaminated sites, irrespective of whether the sites are still active or cleaned up.

Board policy requires the church perform a Phase I for any “elevated risk” report.

PHASE 1 REPORT: This report can only be performed by a qualified licensed environmental professional. The local church should hire a professional who will be able to prepare a report in a timely and expert manner. The cost may range from $1,000 to $5,000 depending on the property and complexity of issues. The report focuses on the target property and consists of a visual inspection of the target site and research of records concerning the target site and surrounding properties. The completed report will address all items of concern.
and note any further investigation that would be required. If further work needs to be done, the phase 1 report will call for a Phase 2 testing.

**Phase 2 Report:** The Phase 2 inspection is more comprehensive and may be up to 2 or 3 times more expensive than the Phase 1; the price will depend on the complexity of issues and size of property. This report can only be performed by a qualified licensed environmental professional; it may be done by the same inspector who did the Phase 1 (if qualified to do a phase 2), or the local church may elect to hire someone else. Consider asking seller to pay part or all of the costs for this report.

The Phase 2 inspection will involve core samples of water and soil that will be analyzed for contaminates. This report should give a clear picture of environmental risks associated with the property and enable the board to determine whether the property should be purchased. A Phase 3 remediation report will be required if the parties desire to clean up the reported contamination.

**Professionals:** It is of utmost importance to be sure professionals meet the state and federal requirements to perform the various inspections we request. Their written certification of qualifications should be included as part of the report. Please contact Property Services in advance of any testing to confirm the qualifications of any professional(s) performing your environmental inspection(s).
Asbestos or Lead Paint

Daycare School

NO

Built Before 1981 and Condition of Asbestos or Paint areas are

NO

NO TESTING

YES

TEST
14. **Construction/Remodel**

A project includes the following: 1) the footprint of the building is increased or altered, 2) a structural change to the building is made, e.g. changes to a load-bearing wall, roof, etc.

I. **Policy**
   A. Majority approval by church membership and certification of council for projects.
   B. District supervisor approval.
   C. Property Services review of all agreements.
   D. Executive committee approval via “FTR” 15% or less, “ET” anything over $1,000,000 and full board for all purchases over $2,000,000.

II. **Documentation Required**
   A. Request letter of explanation from pastor.
   B. Signed PT term sheet by council and pastor.
   C. Agreements and or addendums.
   D. Plans and specs.
   E. Financials:
      1. “FTR and FT” 12 months EZRA reports.
      2. “ET” and “FB” 1 year financials, balance sheet and current budget.
   F. Ongoing construction documentation:
      1. Draws are approved by Property Services.
      2. Each draw request should be documented by pay reconciliation.
      3. Each item $10,000 or over should include a receipt of payment, cancelled check or vendor statement showing invoice was paid.
   G. Finished Project:
      1. Full pay reconciliation.
      2. Occupancy permit.
      3. Lien releases showing property is clear.

III. **Underwriting Guidelines**
   A. 25% contingency funds available added to total project costs.
   B. Executive committee approval via “FTR” 15% or less, “ET” anything over $1,000,000 and full board for all projects over $2,000,000.
   C. Church must clearly indicate the ability to pay all new expenses relating to property improvement.
   D. COC insurance coverage for cost of project.
   E. Contractor indemnification for environmental hazards.
   F. Church has hired a bondable G.C.

IV. **Process Steps/Roles & Responsibilities**
   A. Church
• Reports current in EZRA.
• Request letter of explanation from pastor.
• Membership vote approving terms of request.
• Contacts district and forwards the documentation required.

B. District
• Approves and forwards to Property Services.

C. Property Services
• Reviews documents for accuracy (recommends correction when necessary).
• Sends PT term sheet to church for council signatures.

D. Church
• Council signs PT form and returns to Property Services.

E. Property Services
• Creates story page for board (if necessary) and forwards documents to Corporate Secretary’s Office for signatures and processing.

F. Corporate Secretary’s Office
• Copies are scanned and original signed documents are sent back to appropriate party and distributed to all departments accordingly.
15. Property Restricted Savings Withdrawals

I. Policy
   A. Savings accounts are intended for property needs of the church.
   B. Property needs are defined as the following:
      1. Real property improvement.
      2. Maintenance repairs (paint, roof, HVAC, etc.).
      3. Land improvement (landscaping, parking or permanent signage, etc.).
      4. Tenant improvements (build-outs).
      5. Trade fixtures (chairs, tables, sound equipment etc.) excludes office equipment, desks, computers and ministry related items).

II. Documentation Required
   A. Signed request from pastor including item invoices, totals and amount requested.
   B. Signed approval from district supervisor.

III. Process Steps/Roles & Responsibilities
   A. Church
      • Contacts district and forwards the documentation required.
   B. District
      • Forwards documentation and approval to IFLF department for disbursement.