



Simplified Structure



Alternative Structure

The alternative structure is based on ¶ 247.2 of the 2016 Book of Discipline:

The charge conference, the district superintendent, and the pastor shall organize and administer the pastoral charge and churches according to the policies and plans herein set forth. When the membership size, program scope, mission resources, or other circumstances so require, the charge conference may, in consultation with and upon the approval of the district superintendent, modify the organizational plans, provided that the provisions of ¶ 243 are observed.



Typical Simplified Structure

9 to 13 members elected by the Charge Conference

Six to Nine Members

2-3 (PPRC specialists)

2-3 (Trustees specialists)

2-3 (Finance Team specialists)

Board Chair

Lay Delegate to Annual Conference

Lay Leader

UMM rep

UWF rep

Youth rep



Three Types of Work for a Simplified Structure

1. **Fiduciary** = tending to the stewardship of tangible assets
2. **Strategic** = working to set the congregation's priorities and seeing that resources are aligned with those priorities
3. **Generative** = problem framing and sense making about the shifting environment of the congregation and community

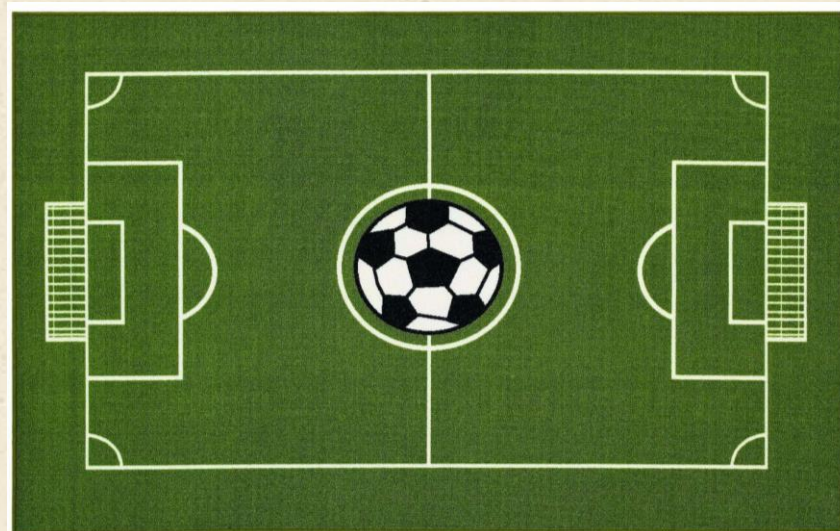


Simplified Structure

Sets Boundaries

Budgets, policy, goals, oversight, etc...

**NOT DAY-TO-DAY OPERATIONS OF
THE CHURCH**





Accountable Leadership

- **Board/Council** = Role is governance
- **Pastor** = Role is leading
- **Staff** (paid & unpaid) = Role is managing
- **Members** = Role is ministering



Two Challenges of a Simplified Structure

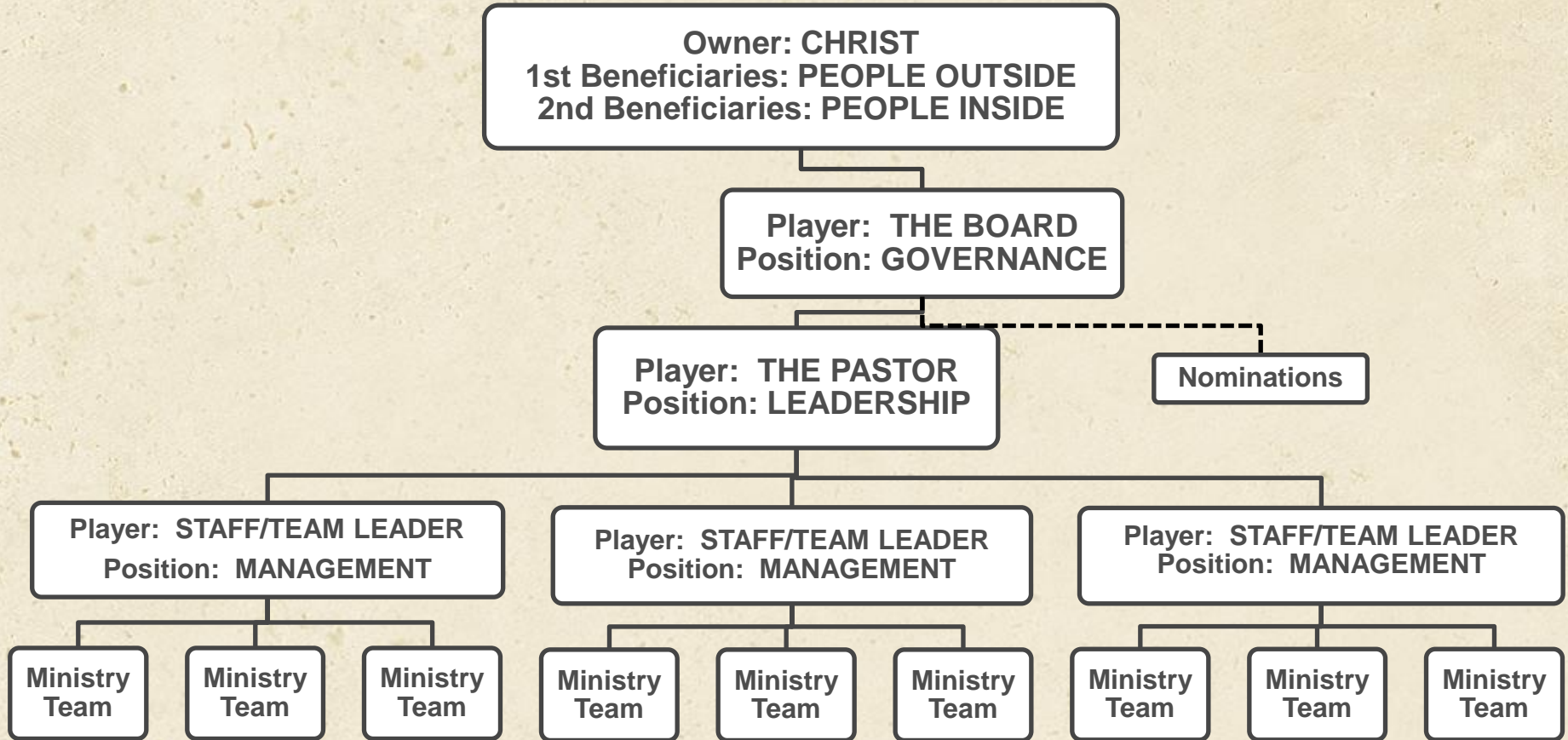
1. Management of Communication
2. Decision Making - Accuracy / Effectiveness





Accountable Leadership Organizational Chart

(From Winning on Purpose, by John Edmund Kaiser)





When we aim at nothing in particular, that's what we hit.





Mission

Our mission is making new disciples of Jesus Christ for the transformation of the world.

Everything flows from mission...





Vision



The unique way a congregation achieves or accomplishes the mission.

The key ingredients of a vision statement need to be outwardly focused, measurable, and provides a framework for goals and accountability for the congregation and staff.

What % of the mission field are you going to reach for Jesus?



New Leadership Agenda

Annually

- **Set goals**
- **Set budget**
- **Evaluate**



Church Wide Goals

- Who?
- When?
- Where?
- How?
- Did it work?



Specific

Measurable

Achievable

Relevant

Time-Based



New Leadership Agenda

1/3 – Spiritual Formation, Leadership Development, review of new people/families

1/3 – Review goals / Accountability and reallocation of assets

1/3 – Deal with pressing decisions/issues, help groups as needed, problem solving

Annually set goals and evaluate



Typical Agenda for Simplified Structure with Accountable Leadership

- Prayer
- Spiritual Formation
- Leadership Development
- Review of New People
- Review of Goals
- Pressing Issues/Problem Solving
- Approval & Questions from Packet
- Communication
- Prayer



The Focus Changes

The Focus and Conversation has to typically change to live into the accountable leadership model.

The Focus Changes



Trustees



LOCAL CHURCH TRUSTEES GUIDELINES

The following paragraphs are excerpts from
The Book of Discipline of the United Methodist Church
2016

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House



¶ 2530. 1

Local Church Board of Trustees' Organization and Membership

The board of trustees shall organize as follows:

1. Within thirty days after the beginning of the ensuing calendar or conference year (whichever applies to the term of office), each board of trustees shall convene at a time and place designated by the chairperson, or by the vice chairperson in the event that the chairperson is not reelected a trustee or because of absence or disability is unable to act, for the purpose of electing officers of the said board for the ensuing year and transacting any other business properly brought before it.



What Are My Basic Responsibilities?

The trustees together have several legal and administrative functions. They are to:

1. oversee, maintain, and supervise all local church property
2. report annually to the charge conference on the state of the church's property, equipment, investments and resources
3. ensure that the articles of incorporation of the congregation are kept up-to-date, if applicable



What Are My Basic Responsibilities?

4. be responsible, in conjunction with the pastor, for all use of the church buildings and grounds
5. maintain adequate insurance coverage on all church property and develop appropriate risk management policies.
6. Submit to the committee on finance the annual budget requests for insurance, property maintenance and improvement, and new property purchases
7. be accountable to the charge conference and to the church council.

Much of the work of the trustees is governed by specific requirements of The Book of Discipline of the United Methodist Church.



RESPONSIBILITY 1

1. oversee, maintain, and supervise all local church property



Important Ongoing Responsibilities

Conduct an annual inventory of all real property.

- If there is a parsonage, accompany the committee on staff/pastor-parish relations on at least one inspection and inventory of the parsonage(s) each year.
- Inspect and inventory all equipment and set up a maintenance schedule.
- Set up a schedule for painting and redecorating.
- Ensure that your facilities are accessible to persons with disabilities.
- Evaluate your insurance coverage annually. Work with your insurer to develop risk management policies for the church.



RESPONSIBILITY 2

2. report annually to the charge conference on the state of the church's property, equipment, investments and resources



Yearly Report

THE UNITED METHODIST CHURCH



CHARGE CONFERENCE

Report of the Trustees

The trustees are amenable to the Charge Conference and as such are required to make an annual report

(¶ 2550). Additional reports should be made as requested by the Charge Conference or Church Council or equivalent. Numbers in parentheses refer to paragraphs in the 2016 Book of Discipline.

Copies of this report should be filed with the recording secretary, pastor, district superintendent and the board of trustees.

Church _____ Charge
 District _____ Annual Conference

For the period beginning _____, and ending _____
DATE OF PRIOR CHARGE CONFERENCE DATE OF CURRENT CHARGE CONFERENCE

1. Organization for the present conference year was effective (date) _____, by electing the following officers (no less than three, and up to nine persons):

Name	Term Expires
President _____	_____
Vice President _____	_____
Secretary _____	_____
Treasurer _____	_____
Member _____	_____
Member _____	_____
Member _____	_____
Member _____	_____

2. Is the local church incorporated (¶2529.1a)? Yes No

3. a. Name or names in which title to each piece of property is recorded, as shown by civil land records (¶¶2536, 2538):

	Name(s)	Office	Book	Page
Church Buildings	_____	_____	_____	_____
Church Buildings	_____	_____	_____	_____
Parsonages	_____	_____	_____	_____
Parsonages	_____	_____	_____	_____
Other	_____	_____	_____	_____
Other	_____	_____	_____	_____

b. Who is the custodian of deeds and other legal papers? _____

c. Where are they kept? _____

4. Does each deed contain trust clause (¶2503)? Yes No

5. Do you have a long-term plan for the replacement of facilities and equipment as they deteriorate? Yes No

6. a. Insurance (¶2533.2, 2550.7)

Item Insured/Insurance	Replacement Value	Amount of Coverage	Type of Coverage	Company	Restricted By Coinsurance (Yes or No and amount)	Expires When
Church Buildings	\$ _____	\$ _____			Y <input type="checkbox"/> Amount:: N <input type="checkbox"/>	
Parsonages	\$ _____	\$ _____			Y <input type="checkbox"/> Amount:: N <input type="checkbox"/>	
Church Furnishings and Equipment	\$ _____	\$ _____			Y <input type="checkbox"/> Amount:: N <input type="checkbox"/>	
Parsonage Furnishings and Equipment	\$ _____	\$ _____			Y <input type="checkbox"/> Amount:: N <input type="checkbox"/>	
Vehicle(s)	\$ _____	\$ _____			Y <input type="checkbox"/> Amount:: N <input type="checkbox"/>	
General Liability		\$ _____			Y <input type="checkbox"/> Amount:: N <input type="checkbox"/>	
Worker's Compensation					Y <input type="checkbox"/> Amount:: N <input type="checkbox"/>	
Directors and Officers/Errors and Omissions/Crime		\$ _____			Y <input type="checkbox"/> Amount:: N <input type="checkbox"/>	
Professional Liability Coverage (Including Sexual Misconduct)		\$ _____			Y <input type="checkbox"/> Amount:: N <input type="checkbox"/>	

b. Have the buildings been inspected for fire and other safety hazards within the past year? Yes No

c. Have you assessed the of replacement value within the last 5 years? Yes No

d. Who performed the assessment? _____

e. Does the church have a Safe Sanctuary Policy? Yes No

f. Is the amount of insurance adequate? Yes No
(to determine adequacy of coverage, please use the GCFA Insurance Worksheet found at <http://www.gcfa.org/gcfa/united-methodist-church-minimum-insurance-requirements>)

7. a. Has an annual accessibility audit for church properties been conducted (¶ 2533.6)? Yes No
(attach as a report; an example accessibility audit form may be found at <http://www.gcfa.org/forms-and-resources>)

b. If needed, have you developed an accessibility plan? Yes No (Attach plan)

8. Provide a detailed list of income-producing and permanent funds:

Item	Date Received	Amount	Where Invested	Income	How Income is Used for Ministry

(Attach as a supplement a statement clarifying the manner in which these investments made a positive contribution toward the realization of the goals outlined in the Social Principles of the church and showing the investments are socially responsible..." ¶ 2533.5 and ¶ 2550.9)

President of Trustees _____

Printed Name: _____

Date: _____

Annual Report of the Board of Trustees, 2017-2020

Prepared and edited by the General Council on Finance and Administration, and authorized as the official form for this purpose.



The Trust Clause?

- The Chancellor requests that you please actually check to make sure that the Trust Clause is included in all of your deeds.
- ¶ 2501 of the Book of Discipline outlines the requirements of the Trust Clause.



Purpose & Scope of Safe Gatherings

- Rio Texas United Methodists are determined to provide an environment in which children, youth and vulnerable adults are safe from neglect or abuse. SG policy applies to all staff and volunteers, clergy or lay, who have direct or indirect contact with children or youth.
 - Vulnerable adults are persons over 18 years of age with physical, mental and/or developmental disabilities.
 - Children are persons 0-11 years of age.
 - Youth are 12-18 years of age.
- There is a Conference policy as well as each Local Church has a policy.



Key Local Procedures or Rules

- Trusted con Confianza
- Two Adult Rule.
- Five year older rule.
- Age Range of Volunteers: Youth 15-18 may serve as volunteers provided they serve under one or more certified adults.
- **Background Screens required of all Adult Leaders.** Adult Leaders are defined as no longer in High School.



RESPONSIBILITY 3

3. ensure that the articles of incorporation of the congregation are kept up-to-date, if applicable



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SOSDirect provides the following:

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- Electronic filing of UCC documents for as low as \$5.00 per document and for electronic filing of business organizations for fees set by statute. **Certificates of formation, applications for registrations, name reservations; changes to registered agents/offices and assumed name certificates can be filed online. Dissolutions, terminations and withdrawals for corporations and limited liability companies; cancellation of certificates or registrations of limited partnership; registration of Texas LLPs and withdrawals of foreign LLPs also may be filed electronically. Applications for reinstatement following tax forfeiture and amendments to change the name of business and professional corporations may be filed through SOSDirect. In addition, annual statements, limited partnership and nonprofit corporation reports may be filed using SOSDirect.**
- **Turntime for web filings is generally within 2 business days following date of receipt.**
- Enhanced search capabilities for business organizations including searching by entity name, name of person listed as a registered agent, officer or director of a corporation.
- Expands records available online and includes records filed with the SOS relating to:
 - Corporations
 - Limited Partnerships
 - Limited Liability Companies
 - Assumed Names
 - Trademarks
 - Limited Liability Partnerships
 - Foreign and State Financial Institutions
 - Uniform Unincorporated Nonprofit Associations
 - Probate Code filings by Foreign Corporate Fiduciaries
 - UCC Financing Statements
 - Federal Liens
- Allow users to order copies and certificates relating to business and UCC records over the Internet.
- Allow users to view copies (when images are available) of filed documents over the Internet, print copies of those documents on computers in their office, and generate certificates relating to those documents in their office.
- Bulk Order information pertaining to Business Organizations data files or UCC data files and images is provided in [Help/Fees](#).



BUSINESS ORGANIZATIONS INQUIRY - VIEW ENTITY

Filing Number: 162349101 **Entity Type:** Domestic Nonprofit Corporation
Original Date of Filing: April 2, 2001 **Entity Status:** In existence
Formation Date: N/A **Non-Profit Type:** N/A
Tax ID: 32003302232 **FEIN:**
Duration: Perpetual
Name: NORTHWEST HILLS UNITED METHODIST CHURCH
Address: 7050 VILLAGE CENTER DR
 Austin, TX 78731-3024 USA

REGISTERED AGENT		FILING HISTORY	NAMES	MANAGEMENT	ASSUMED NAMES	ASSOCIATED ENTITIES
View Image	Document Number	Filing Type	Filing Date	Effective Date	Eff. Cond	Page Count
	7078354	Articles Of Incorporation	April 2, 2001	April 2, 2001	No	3
	207315060001	Report Notice	March 11, 2008	March 11, 2008	No	1
	209660960002	Nonprofit Periodic Report	March 24, 2008	March 24, 2008	No	2
	668334710002	Nonprofit Periodic Report	April 28, 2016	April 28, 2016	No	2
	741185360002	Nonprofit Periodic Report	May 30, 2017	May 30, 2017	No	2
	757170070002	Certificate of Assumed Business Name	August 16, 2017	August 16, 2017	No	2
	807990160002	Nonprofit Periodic Report	April 16, 2018	April 16, 2018	No	2

Instructions:
 To place an order for additional information about a filing press the 'Order' button.



501(C)(3)

- go to:
<https://www.umcgroupuling.org/einstart>
- You will need your church's Employer Identification Number (EIN)



Responsibility 4

4. be responsible, in conjunction with the pastor, for all use of the church buildings and grounds



Responsibility 5

5. maintain adequate insurance coverage on all church property and develop appropriate risk management policies.



Year	# of Claims	Premium	Losses Incurred	Loss Ratio
2015	120	3,648,930	2,048,578	56.1%
2016	137	3,883,635	10,610,094	273.2%
2017	260	3,557,214	8,587,273	241.4%
2018	110	3,862,498	1,453,461	37.6%
2019	117	4,475,208	13,541,621	302.6%
		19,427,785	36,241,027	



GCFA's Minimum Insurance Coverage Recommendations

Church Mutual coverage meets GCFA recommendations in the following areas:

- Property – replacement value with 90% co-insurance
- Crime
 - **Employee Dishonesty (Crime)**
\$100,000/\$1,000 Deductible



What are the Recommended Limits for Insurance?

- Liability
 - General Liability \$1,000,000; \$3,000,000 aggregate
 - Volunteers Included as insureds/employees
 - Pastoral Professional \$1,000,000 Each Occurrence
 - Directors & Officers Liability \$1,000,000
 - Sexual or Physical Abuse or Molestation \$1,000,000 Each Occurrence/\$2,000,000 Aggregate
- Workers Compensation



Workers' Compensation Insurance for Church Employees

All Rio Texas Conference churches carry Workers' Compensation at \$1 million per incident.



Responsibility 6

6. Submit to the committee on finance the annual budget requests for insurance, property maintenance and improvement, and new property purchases



Responsibility 7

7. be accountable to the charge conference and to the church council.



¶ 2533.1

1. Subject to the direction of the charge conference as herein before provided, the board of trustees shall receive and administer all bequests made to the local church; shall receive and administer all trusts; and shall invest all trust funds of the local church in conformity with laws of the country, state, or like political unit in which the local church is located. Nevertheless, upon notice to the board of trustees, the charge conference may delegate the power, duty, and authority to receive, administer, and invest bequests, trusts, and trust funds to the permanent endowment committee or to a local church foundation and shall do so in the case of bequests, trusts, or trust funds for which the donor has designated the committee or the local church foundation to receive, administer, or invest the same.



Socially Responsible Investing

¶ 2533.5

The board of trustees is encouraged to invest in institutions, companies, corporations, or funds that make a positive contribution toward the realization of the goals outlined in the Social Principles of our Church. The board of trustees is to act as a socially responsible investor and to report annually to the charge conference regarding its carrying out of this responsibility. When such property is in the form of investable funds, the board of trustees shall consider placement for investment and administration with the United Methodist foundation serving that conference or, in the absence of such a foundation, with the United Methodist Church Foundation. A conscious effort shall be made to invest in a manner consistent with the Social Principles and the creation of an investment policy.



Q & A

The Focus Changes



**Finance
Committee**



Church as a Business

Combined Local Church Operating Expenses	\$ 75,178,566
Apportionments Collected	\$8,166,417
Other Benevolences	\$ 5,498,814
Pensions & Benefits	\$ 5,861,472
TOTAL	\$ 94,705,269



FINANCE COMMITTEE



Who is on Finance?

¶ 258.4 There shall be a committee on finance, elected annually by the charge conference upon recommendation by the committee on nominations and leadership development or from the floor, composed of the chairperson; the pastor(s); a lay member of the annual conference; the chairperson of the church council; the chairperson or representative of the committee on pastor-parish relations; a representative of the trustees to be selected by the trustees; the chairperson of the ministry group on stewardship; the lay leader; the financial secretary; the treasurer; the church business administrator; and other members to be added as the charge conference may determine. It is recommended that the chairperson of the committee on finance shall be a member of the church council. The financial secretary, treasurer, and church business administrator, if paid employees, shall be members without vote.

The positions of treasurer and financial secretary should not be combined and held by one person, and the persons holding these two positions should not be immediate family members.



Four Duties of Finance

- Budgeting and Management
- Stewardship and Income
- Reporting and Communication
- Audit and Internal Controls



Budgeting

All financial askings to be included in the annual budget of the local church shall be submitted to the committee on finance. The committee on finance shall compile annually a complete budget for the local church and submit it to the church council for review and adoption. The committee on finance shall be charged with responsibility for developing and implementing plans that will raise sufficient income to meet the budget adopted by the church council. It shall administer the funds received according to instructions from the church council.



What is God calling us to do?

Who will do it?

What will it cost?



Stewardship

Where there is no stewardship ministry area, stewardship shall be the responsibility of a subgroup of the committee on finance or shall be assigned to a task group that shall report to the church council.

The committee shall carry out the church council's directions in guiding the treasurer(s) and financial secretary.



Keys to Effective Stewardship

- Have you prayed about it?
- Does the Leadership Team tithe?
- Does the pastor tithe?
- Is the program based on the giver's need to give or the church's need to receive?
- Can you draw a straight line from each line item of your budget to your mission?
- Do you talk about stewardship all year?
- Stewardship moments



Reporting and Communication

- The importance of transparency
- Reports for Church Council



Giving Tracking Sheet

2012		8:00	9:30	11:00	5:30		MO ATTEND &	TOTAL	AVG PER	MO OFFERING &		PRESCHOOL	PDO	KIDS		1st TIME		
SVC	DATE	1ST	2ND	3RD	4TH	TOTAL	AVG WKLY ATT	OFFERING	ATTENDEE	AVG WKLY OFF	BUILDING	RECEIPTS	RECEIPTS	ATTEND.	OFFER.	FAMILIE S	INCOME	
1	1/1	10	20	125	40	195	JANUARY	\$5,000.00	\$25.64	JANUARY							\$5,000.00	
2	1/8	12	25	122	45	204	1,056	\$5,000.00	\$24.51	\$25,000.00							\$5,000.00	
3	1/15	35	14	127	43	219	211	\$5,000.00	\$22.83	\$5,000.00							\$5,000.00	
4	1/22	33	27	122	47	229		\$5,000.00	\$21.83								\$5,000.00	
5	1/29	27	22	120	40	209		\$5,000.00	\$23.92								\$5,000.00	
6	2/5					0	FEBRUARY		#DIV/0!	FEBRUARY							\$0.00	
7	2/12					0	0		#DIV/0!	\$0.00							\$0.00	
8	2/19					0	0		#DIV/0!	\$0.00							\$0.00	
9	2/26					0			#DIV/0!								\$0.00	
10	3/4					0	MARCH		#DIV/0!	MARCH							\$0.00	
11	3/11					0	0		#DIV/0!	\$0.00							\$0.00	
12	3/18					0	0		#DIV/0!	\$0.00							\$0.00	
13	3/25					0			#DIV/0!								\$0.00	
14	4/1					0	APRIL		#DIV/0!	APRIL							\$0.00	
15	4/8					0	0		#DIV/0!	\$0.00							\$0.00	
16	4/15					0	0		#DIV/0!	\$0.00							\$0.00	
17{2}	4/22					0			#DIV/0!								\$0.00	
18	4/29					0	MAY		#DIV/0!	MAY							\$0.00	
19	5/6					0	0		#DIV/0!	\$0.00							\$0.00	
20	5/13					0	0		#DIV/0!	\$0.00							\$0.00	
21	5/20					0			#DIV/0!								\$0.00	
22	5/27					0			#DIV/0!								\$0.00	
YTD:ATTEN DANCE		117	108	616	215	1,056	OFFERING	\$25,000.00			\$0.00	\$0.00	\$0.00	0	\$0.00	0	\$25,000.00	
# OF WEEKS:		5			5						BUILDING	PRESCHOOL	PDO	*Average	SS ATT	SS OFF	VISITOR FAMILIE S	TOTAL INCOME
YTD. AVERAGE ATTENDANC E		23	22	123	43	211	OFFERING	\$5,000.00	\$23.67	-(PER ATTENDEE)			AVERAGES:	#DIV/0!	#DIV/0!	0	\$5,000.00	
									\$5,000.00	\$23.67	-(PER ATTENDEE INCLUDING BUILDING)	ATTENDANCE IS ONLY PRE K - 5TH GRADE NO YOUTH OR NURSERY						



Giving Tracking Sheet

OPERATIONS BUDGET WEEKLY			BUDGET YTD	\$0.00		OVER (UNDER) YTD{1}	\$25,025.00		
{1} YTD Offering plus YTD Sunday School plus YTD Building minus Budget YTD.						SPECIAL SERVICES	ATTENDANCE		OFFERING
{2} Sunrise attendance added to 8:00						Ash Wednesday			
						Holy Week Service			
						Easter Sunrise			
						Christmas Eve 12/23			
						Christmas Eve 2:30			
						Christmas Eve 4:00			
						Christmas Eve 5:30			
						Christmas Eve 7:00			
						Christmas Eve 8:30			
						Christmas Eve total	0		



Reporting and Communication

- Reporting to the church
 Missional Budget
- The committee shall carry out the church council's directions in guiding the treasurer(s) and financial secretary



Reporting and Communication

Tax Records

Donors who make a contribution of \$250 or more must have a “contemporaneous written acknowledgment from the donee organization.” This written document should include the church’s name (perhaps on letterhead) and provide the following data:

- 1. The name of the donor.**
- 2. The date and amount of each contribution of \$250 or more during the year.**
- 3. A statement that no goods or services were provided to the donor in exchange for the contribution. (an exception, of course, is the “intangible religious benefits” provided by the church’s ministry.)**
- 4. A description and good faith estimate of the value of any noncash property contributed.**

Record Retention



- <http://gcah.org/resources/managing-records-of-the-annual-conference-and-local-church>

This booklet offers answers to many

common questions about which records to keep and for how long.



ARCHIVES & HISTORY

General Commission on Archives and History

THE UNITED METHODIST CHURCH

Records Management Guidelines

**Guidelines for Managing Records of
the Local Church**
2017 Edition



Record Retention

Some of the suggested retention periods are for legal reasons, while others are based on practical considerations. You may want to keep some records longer than the table suggests.

Some of the reasons to keep files and records include legal requirements, potential relevance in future litigation, and the needs of the organization, as well as historic importance.

Of particular importance is the retention of insurance policies and related documents. From time to time, lawsuits are brought which reach back many years.

Therefore, it is important to determine the policy in effect at the time that a claim arose.



Audits & Internal Controls

¶ 258.4 cont'd

c) The committee on finance shall establish written financial policies to document the internal controls of the local church. The written financial policies should be reviewed for adequacy and effectiveness annually by the committee on finance and submitted as a report to the charge conference annually.



Internal Controls Minimums

Internal policies, at a minimum, might include:

- **who collects, counts, records, and deposits all monies**
- **who is part of the counting team (not less than two non-family members should count and verify offerings (258.4a))**
- **distribution on contribution records**
- **authorization process for purchases**
- **check signing policy**
- **bank reconciliation**
- **reimbursement policy with documentation**
- **petty cash disbursement/purposes/accounting**



Internal Controls Resources

We suggest the following resources may be helpful in developing Internal Controls policies:

- a) “Guidelines for Leading Your Congregation 2017-2020 – Finance” may be ordered from Cokesbury (ISBN 9781501829666 for \$3.99).**
- b) “2017-2020 United Methodist Church Financial Records Handbook”, publication date August 2018, order from Cokesbury (ISBN 9781501835711).**



Counting and Separating Duties

¶ 258.4 cont'd

a) The committee shall designate at least two persons not of the immediate family residing in the same household to count the offering. They shall work under the supervision of the financial secretary. A record of all funds received shall be given to the financial secretary and treasurer. Funds received shall be deposited promptly in accordance with the procedures established by the committee on finance. The financial secretary shall keep records of the contributions and payments.



Financial Secretary

- Receives funds
- Oversees counting
- Keeps donor records



Treasurer

- Keeps records
- Prepares reports
- Disburses funds



Audits

¶ 258.4 cont'd

d) The committee shall make provision for an annual audit of the financial statements of the local church and all its organizations and accounts...

A local church audit is defined as an independent evaluation of the financial reports and records and the internal controls of the local church by a qualified person or persons...



Audits

- The audit may include:
 - **1) a review of the cash and investment reconciliations**
 - **2) interviews with the treasurer, financial secretary, pastor(s), finance committee chair, business manager, those who count offerings, church secretary, etc., with inquiries regarding compliance with existing written financial policies and procedures**
 - **3) a review of journal entries and authorized check signers for each checking and investment account**
 - **4) other procedures requested by the committee on finance.**



The Local Church Audit Guide

LOCAL CHURCH AUDIT GUIDE



Rev. Aug 2017

www.gcfa.org



Additional Considerations

¶ 258.4 cont'd

- f) Contributions designated for specific causes and objects shall be promptly forwarded according to the intent of the donor and shall not be used for any other purpose. 11
- g) After the budget of the local church has been approved, additional appropriations or changes in the budget must be approved by the church council.
- h) The committee shall prepare annually a report to the church council of all designated funds that separate from the current expense budget.

11. See Judicial Council Decision 976.



Figuring Apportionments

1. Qualified Expenses
2. Find Conference Wide
Total Expense
3. Determine the Decimal
4. Multiply by the Budget



So, Why did ours change?

- Local Church Spending relating to the Conference Total
- The Conference Budget
- Closed Churches

The Focus Changes



SPRC

Protocol

- There can be no meetings without the pastor present (exceptions can only be granted by the pastor or the District Superintendent).
- We don't do secret or "parking lot" meetings.





Membership

- Only church members can serve on the PPRC.
- The Lay Leader and the Lay Delegate to AC serve on the PPRC.
- Two people from the same household cannot serve on the PPRC.
- Family members of the pastor or staff may not serve on the PPRC.





Supervision

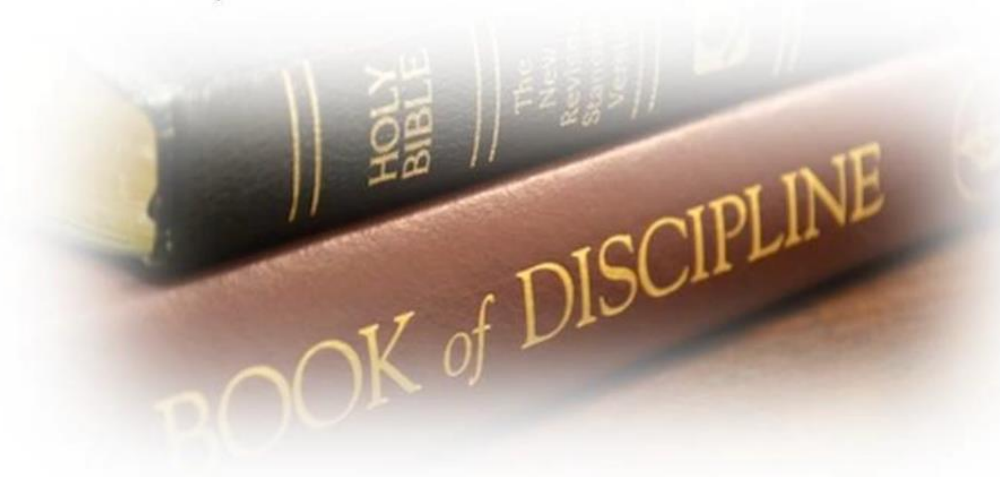
- The PPRC is not the pastor's supervisor; the District Superintendent has that role.





PPRC's Role

- The PPRC's work is consultative/interpretive. It is also collaborative and supportive.
- The job description of the PPRC and the job description of the pastor are set forth in The Book of Discipline (current version).
- These should be reviewed annually.





PPRC's Role

- Healthy PPRCs function as a “heat shield” or advocate for the pastor, in order to make it possible for the pastor to lead rather than simply manage the church.





Pastor's Role

- The primary criterion for evaluating the pastor should be the “mission of the church”.





Pastor's Role

- The Pastor is the supervisor for all staff.
- The PPRC should strive to support that responsibility.
- Insubordination never furthers the mission of the church.





PPRC vs. SPRC

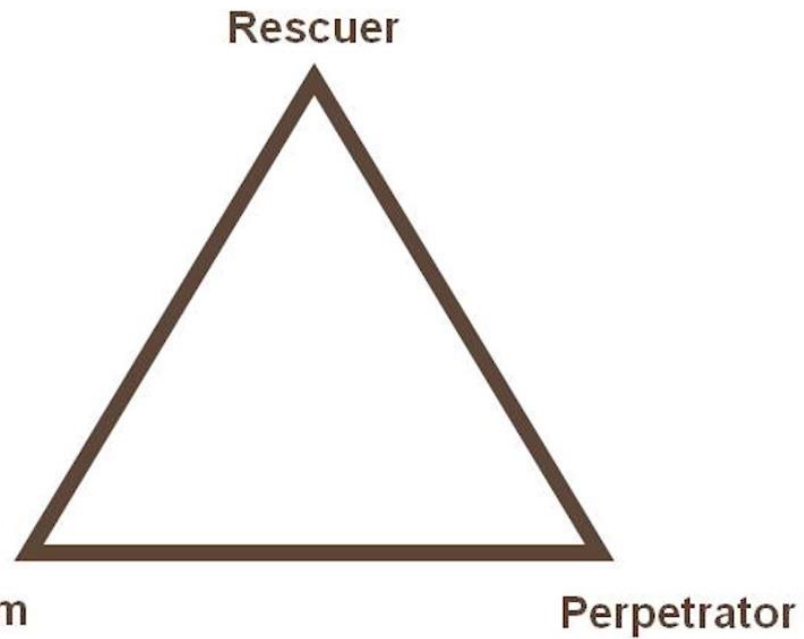
- In multi-staffed churches, we recommend functioning as a PPRC rather than a SPRC. In other words, delegate hiring, firing, and evaluation of the staff to the pastor.
- The Cabinet has developed a “Sample Resolution for Staff Evaluation and Accountability” to give the pastor this authority. See your DS for details.





Pitfalls

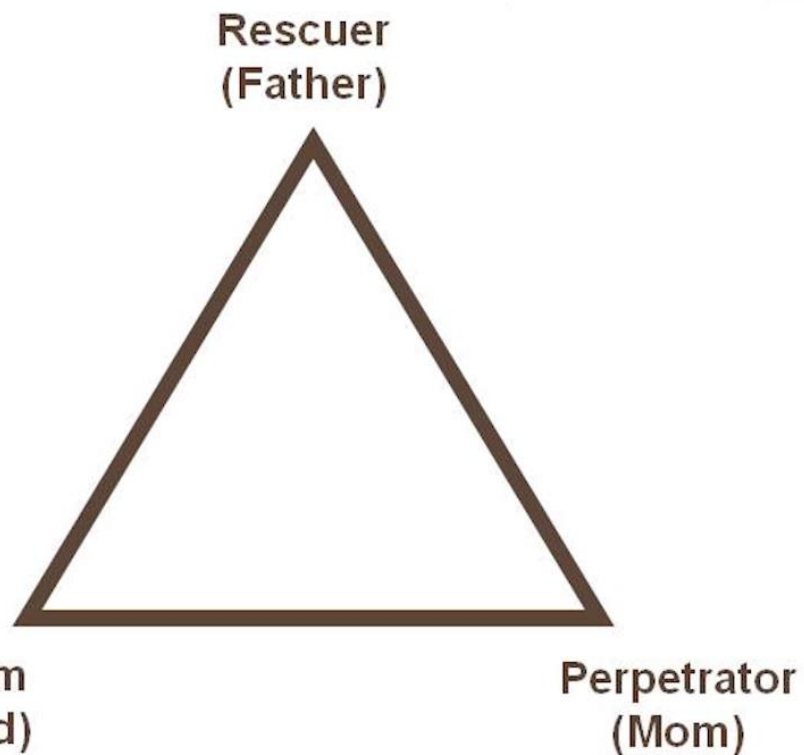
- Triangulation Theory 101





Pitfalls

- Triangulation Theory 101





Pitfalls

- Follow these steps (cont.)
 - 4) Do not deal with anonymous. Complainants need to be named (exceptions are in cases of alleged abuse).
 - 5) It is not the job of the PPRC chair to solve problems, only to convene the committee and make sure that issues are dealt with fairly.
 - 6) If I get a call/letter/email, this is how I will handle it...





Pastoral Support

- The PPRC recommends salary to the Church Council, after consulting with the Finance Committee; the Church Council makes recommendations to the Church Conference.





Goal Setting and Evaluations

- In many districts, pastor evaluations occur in the Fall.
- Regardless of when it takes place in the year, this is the process:
- The pastor and PPRC receive an evaluation form and complete it together, then forward it to the District Superintendent.





Goal Setting and Evaluations

- The evaluations are geared to helping the pastor become more effective.
- Last year's evaluations/goals should be regularly reviewed.





Consultations

- Do not take surveys or polls.
- You have been chosen for this position for YOUR perspectives.
- Surveys and polls triangulate members of the congregation, involve other non-elected persons in the conversation, and can ultimately lead to a division in the congregation.





Accountability

- How can the PPRC work with the District Superintendent to hold the Pastor accountable for (measureable) goals
- Tie the achievement of (measureable) goals to salary
- Make it clear that if (measureable) goals aren't achieved, you will not be recommending that he/she be returned.





Accountability

- Do NOT hold pastors accountable for goals without also giving them authority to lead!





Accountable Leadership Model

- Bureaucratic: Responsibility – Authority = Safe but not Effective
- Autocratic: Responsibility + Authority – Accountability = Effective but not Safe





Accountable Leadership Model

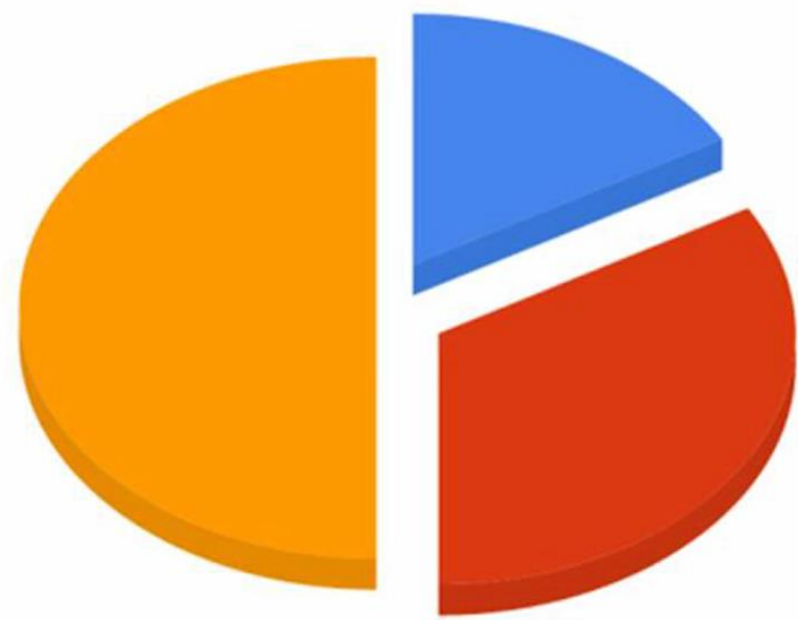
- Bureaucratic: Responsibility – Authority = Safe but not Effective
- Autocratic: Responsibility + Authority – Accountability = Effective but not Safe
- Accountable Leader: Responsibility + Authority + Accountability = Safe & Effective





Budget

- Total Staff Budgets should not exceed more than 50% of the church's expected general budget receipts.





Leadership

- Leadership happens best when we function as a team.
- Pastors are advised to meet regularly and often with the PPR Chair, Lay Leader, and Church Council Chair. Make a Covenant that you will not “surprise” each other.





New Leadership Agenda

- 1/3 – Spiritual Formation, Leadership Development, review of new people/families
- 1/3 – Review goals / Accountability and reallocation of assets
- 1/3 – Deal with pressing decisions/issues, help groups as needed, problem solving

Annually set goals and evaluate



Typical Agenda for Simplified Structure with Accountable Leadership

- Opening Prayer
- Spiritual Development
- Leadership Development
- Review of New People
- Review of Goals
- Pressing Issues
- Packet Review
- Communication
- Closing Prayer



**Accountable
Leadership**