**ADMINISTRATION**

**FINANCIAL POLICIES**:

1) Conference boards, committees, and task groups shall organize without a treasurer except for the Board of Administration.

2) The fiscal year for the Conference and its churches shall be the calendar year.

3) Conference funds shall not be made available to support non-Free Methodist ministries and Agencies.

4) Any matter presented on the floor of the Annual Conference involving finances shall be referred to the Board of Administration with power to act unless the bar of the Conference elects to vote on the measure by two-thirds (⅔) majority of the bar.

5) The Conference Treasurer(s) and a person elected by the Conference BOA are designated as authorized signatories for the signing of Conference checks.

 6) All Conference records will be subject to a minimum of an annual review. The review is meant to be a process that provides reasonable assurance that good stewardship is being used in handling and accounting for the funds and other assets of the Conference. The ultimate goals of the audit include:

* 1. Protection for the Conference Treasurer from unwarranted charges of careless or improper handling of funds.
	2. Trust and confidence of the financial supporters and churches of the Conference in the way their money is being accounted for.
	3. Fiscal responsibility to assure that through turnover in personnel there will be continuity in accountability and transparency; and
	4. Assurance that gifts made to the church with restrictions attached are consistently administered in accordance with the donors’ instructions and to provide checks and balances for funds received and expended.

7.) An audit should: *(Further instructions on this can be found in the Treasurer’s handbook pg15)*

a. Independently verify the reports of the treasurer(s).

b. Follow the money and test how it is treated at different steps.

c. Document that donated and earned funds of the Conference have been used as stipulated by the donors.

8) The Conference Finance Task Force is a legal sub-committee of the Harvest Conference BOA.

9) All churches within the Harvest Conference records will be subject to a minimum of an annual review. The review is meant to be a process that provides reasonable assurance that good stewardship is being used in handling and accounting for the funds and other assets of the church.

10) The Conference office and all churches should/shall keep records of all financial statements and documents for a minimum of 10 years.

**FAIR SHARE(Apportionments):**

1. Fair Share/Apportionments is the monthly amount each church pays to support the Conference Budget and is based on a church’s adjusted income.
2. The Fair Share/Apportionments is approved annually by the BOA and the same formula is used to calculate how much each church owes for E.P.P. or “Home Ministries” to support the budget of the denomination.
3. Each local church is responsible for making monthly Fair Share/Apportionments payments and Home Ministries to the Conference and separate pension payments to the FMCUSA. Local church treasurers must submit required reports in a timely manner, as designated by the Superintendent and the denomination.

**PASS-THROUGH DEDUCTION POLICY:**

**These are the figures you should be using for the Annual Report, Capital Improvement, And Missions Expenditure forms!**

**Total Receipts for the year:** Enter on this line **ALL** monies received by the local church EXCEPT proceeds from loans, or from the sale of property, or from vendor reimbursements (i.e. if the church overpaid a bill and the vendor returned the amount overpaid). Do not count money transferred from one account to another if the money was originally received in a prior year. **Do include** checks received from the Conference for things other than loans (internship grants, recalibration money, reimbursements for expenses made for things like School of Ministry or training day) Please list the amount from the Conference and what it was for. These amounts should also appear on the Pass -Through Funds.

**Free Methodist World Missions**:Enter on these lines the total amount the church gave to Free Methodist World Missions. It has been separated into three lines: One for money sent to the Conference Office, one for money sent directly to FMWM, and one for money sent directly ICCM (**or is taken out of your account by ICCM**). Include only those amounts forwarded for support of FMWM missionaries (MSAs), country budgets (CPDs), and other budgeted Free Methodist World Missions uses. Do not include non-Free Methodist Missions work or Home Ministries on this line. Please ***see your Treasurer report spreadsheet that is sent to you the beginning of January***. Only those missions amounts received in this office and posted by the Conference Treasurer can be counted. December’s amounts will be transmitted to FMWM on December 31. That is what they will use for their EPP (Home Ministries) calculations. These are the ***same amounts you should use when doing the Annual Report.*** If you send money to FMWM, ICCM, or to the Conference after that for the year, it will not be counted by the denomination or the conference until the following year.

**God’s Choice Ministry**: Enter on this line the total amount the church gave to assisting God’s Choice Ministries in advancing **new locations** under the direction of Pastor Shirley Elosh. ***Do not place on this line monies used at the local church for the local God’s Choice Ministry.***

**Loan Payments (principal + interest)**: Enter on this line the total amount the church has paid in loan expense, both the principal and interest amount, for the current year.

**Pass Through Funds**: see next page for specific items: Enter on this line the total amount the church gave for the purpose of being distributed to an outside entity and not used for church operational or ministry expenses. The following definitions are to be considered: **You will not be given credit for a pass through amount if it isn’t on a detailed list.** Please put an explanation of each item unless it is something easily recognizable (like Gideons or Samaritians’ Purse).

1.) **A charitable contribution receipt cannot be given.** An example would be families that sent children to Winter Weekend or Summer Camp, where the families wrote checks to the church and the church consolidated them into a single check to the camp or conference. Also, a group from the church going to an event (Concert, sports game, a play, bus trip, etc.) where the church collects the money from people going and writes a single check for the tickets.

2.) **The funds are designated from an individual to another charity.** Examples would be the Gideons, Operation Christmas Child, local crisis pregnancy center, (an outside ministry) makes a presentation in a service and people wrote checks to the church, and the church consolidated them into a single check written to that ministry. It is strongly suggested people write checks to the organization instead of the church.

3.) **Restricted funds received from an individual or organization.** An example would be a mission trip through the local church where individuals from another church or the local congregation wrote checks to the church for which the church is restricted to use only for their participation in the trip. This includes any donations for a specific person to go on a mission trip. **You cannot give a Charitable Contribution Receipt or Statement for this**. (If money is given for the mission trip group as a whole, a Charitable Contribution Receipt or Statement can be given.)

***\*Please note: Any ministry sponsored by the local church, for which the church takes legal responsibility, cannot be placed on this line. Any money for which the treasurer can give a charitable contribution receipt, (even if the person doesn’t want one) is not eligible to be a pass thru.***

Breakdown of Pass Through amounts in Annual Report:

Camps

 Conferences

 Concerts

 Mission Trips

 Other:

**Remodeling/ Major Repairs over $1,000.00.** Enter on this line the total amount of your church Remodeling/Major Repairs if that figure is $1,000.00 or greater. An example would an addition to the church or a repair to the roof, etc. Please list.

**Total of Expenses listed above for the year**: Enter on this line the total of Free Methodist World Missions; God’s Choice Ministry; Loan Payments; Pass Through Funds; Remodeling/Major Repairs over $1000.00.

**Total Receipts Minus Total Expenses**: Enter on this line the amount on the line for Total Receipts minus the amount on the line for Total Expenses.

**Pass Through Specific Items**

|  |  |  |  |
| --- | --- | --- | --- |
| **Item** | **Yes** | **No** | **Reason for “No”** |
| Funeral Dinners |  | X | Ministry sponsored by the church |
| Group/Study Materials |  | X | Ministry sponsored by the church |
| Love Offerings for specific person(s): someone who filled pulpit, Bereavements, visiting missionary, someone in need, concert at church |  | X | See attached articles |
| Non-catered Dinners |  | X | Ministry sponsored by the church |
| Flowers | X |  |  |
| Catered Dinners | X |  |  |
| Winter Weekend, Kids Camp, Ladies Retreat, Teen Camp, etc | X |  |  |
| Concerts at the church |  | X | Ministry sponsored by the church |
| Concert or Conference elsewhere | X |  |  |
| Sports event, Play, Bus Trip | X |  |  |
|  | X |  |  |
| Charitable organization: Gideons, Operation Christmas Child, Solid Rock Ministries, Crisis Pregnancy Center, Honeybags, Samaritans Purse, FCCA, Center of Hope, Blessings in a backpack, etc.  | X |  |  |
| Mission Trips | X | X |  |

If you have a question about any specific item for Pass Through, please call the Conference Office.

**Church Credit/Debit Cards/Reimbursement/Expenditures**

It is recommended churches use a reimbursement system where the purchaser uses his/her personal card or check and turns in a receipt for reimbursement, but if you choose to use a credit card anyway, here are some important notes and procedures to follow.

Very important point to note:

It is **ILLEGAL** to use church Credit/Debit cards for personal purchases. Pastors do this more often than we think, and it could put your whole Board on the hook for thousands of dollars in fines by the IRS and loss of the church’s tax exemption.

Church credit card should be kept **under lock and key** with limited individuals having access.

If the church’s credit card must be used to make a purchase for the church, the credit card will be signed out and returned through the church secretary/treasurer as follows:

The church secretary/treasurer will give the card user a copy of these procedures prior to signing out credit card.

1. The ministry lead should have an estimate of the total expense of the purchases they are requesting **PRIOR** to requesting the card. **The card cannot be taken for open ended purchases**.
2. If the requested charge amount exceeds $200, approval must be received by the Pastor prior to card purchase. If purchase is being made by the Pastor and exceeds that amount, approval of finance board should be sought.
3. The church secretary/treasurer will compare the estimated expense with the remaining credit available for the billing period. If sufficient credit is available, the card will be assigned to the Ministry Lead.
4. The card user will sign/initial the credit card user log and the church secretary will enter the out date in the log when the card is picked up.
5. The card user will be given the credit card and an Expense Record form. The card must be returned within 4 days of the date it is signed out along with marked receipts and an Expense Record form with a complete description of the items purchased and the ministry for which the purchase was made.
6. When the credit card is returned:

a. The church secretary will initial and date the credit card user log to record the return.

b. The church secretary will initial the credit card user log to record receipt of the completed Expense Record form.

**Professional Reimbursement Account (PRA), Mileage and Other Church Purchases by the Pastor**

When the pastor is being reimbursed for church purchases, mileage or PRA, use a form like the ones attached to the Conference’s Resource webpage. Do this monthly so that receipts will not be lost, and the pastor forgets what it was used for.

Churches are to reimburse mileage at the current IRS rate.

**RISK MANAGEMENT, INSURANCE, & LIABILITY FOR LOCAL CHURCHES**

**USE OF SOCIAL MEDIA FOR PASTORS AND CHURCHES**

*Awaiting final policy per Denomination*

**PREVENTION OF SEXUAL ABUSE IN THE LOCAL CHURCH**

**CHILD SEXUAL ABUSE PREVENTION POLICIES**

Definition Child Sexual Abuse:

General legal description includes any contact or interaction between a child and an adult in which the child is being used for the sexual stimulation of the adult or another person.

Policy Objectives:

The purpose of these policies is to assist your church to:

* Safeguard the children and youth of your church from sexual molestation.
* Protect church staff and volunteer workers from allegations of sexual abuse.
* Limit your church’s legal risk and liability due to sexual abuse.

To guard against sexual abuse, every church must implement an effective screening program. As an organization, the local church depends upon both paid workers and a large number of congregational volunteers, all must go through a screening process.

* All volunteers and paid employees in contact with children need to have a state criminal background check done and on file at the church.
* All volunteers and paid employees in contact with children need to complete training/acknowledge that they are a mandated reporter.
* All volunteers and paid employees in contact with children must be compliant with all regulations within their state for contact with children and have records on file at the church. Compliance extends to keeping said records up to date.

Should religious conversion make a difference for a worker who has been guilty of child molestation in the past?

Occasionally, such persons freely admit to a prior incident, but insist that they have since had a conversion experience and that they now present no risk whatsoever. The safest course would be to encourage such an individual to work in the church, but in a position not involving access to children or youth. A church that permits such an individual to work with children or youth, on the basis of the professed religious conversion, will have a virtually indefensible position should another incident of molestation occur. The church’s defense—that the molester claimed to have been converted—would likely be viewed with derision by a civil court. Churches that place a known child molester in a position involving access to children are taking an enormous risk.

Volunteers With Criminal Abuse Violations Not Accepted

Adults who have been convicted of or plead guilty to either child sexual or physical abuse should not work with children or youth in any capacity, volunteer or paid.

Follow The “Six Month” Rule

Volunteers should only be permitted to work with youth or children after they have been regular attenders of the church for six months. Such a policy gives the church an additional opportunity to evaluate applicants and volunteers and will help to repel persons seeking immediate access to children. The only exception to the “Six Month” Rule is a Member Transfer who is in good standing.

**Supervisory Policies and Procedures**

1. Use a Team Approach — **Consider** adopting a “two-adult” rule. Such a rule says that two adult supervisors should be present during any church activity. Preferably one of these adults would be a parent of one of the participating children or youth, or at minimum, someone over 21 years of age. This rule reduces the risk of sexual molestation and reduces the risk of false accusations of molestation by individuals seeking a quick legal settlement. (If two people are impossible for your churches current situation, adapt the environment for easy group supervision, and work towards this goal.)
2. Discuss Suspicious Behavior Immediately - Any inappropriate conduct or relationships between an adult worker and a child or youth should be confronted immediately and investigated. Prompt warnings should be issued when appropriate and the situation should be monitored very closely. The adult worker’s services should be terminated immediately for continued violation of such warning or for a single serious violation. Church staff should note when a child or youth appears aloof or withdrawn or exhibits a marked personality change. This may indicate a problem that deserves attention.
3. Provide Adequate Personnel - Programs that involve children and youth should always include adequate supervisory personnel. Supervision should also be maintained before and after the event until all children are in the custody of their parents or legal guardians.
4. Use a Church Identification Procedure for nursery, children, and young youth - Procedures should exist for the church nursery that clearly identify the child and the child’s parent or guardian. Children should only be released to a properly identified and preauthorized adult.
5. Child(ren) Registry - Annually parents will register their children, nursery through eighth grade, for any children programing they will attend including VBS, JR Church, Youth Group and Sunday School. This can be done on one form or as events arise.
6. Department Leaders – Department leaders shall monitor activity in their departments, being present at all functions or appointing designated replacement if they are unable to be there. They should ensure that all volunteers and staff are compliant with policy, procedure, and state regulations.

**Bathroom Policy**

(1) No child goes without an adult. (If at all possible/necessary, go as a group having a designated bathroom and hand washing time.)

(2) Open the door and do a quick glance to see if anyone is in the bathroom.

(3) Adult waits outside door.

(4) If wait seems long, open door, but deal with student from the hallway.

(5) If a young child needs help, leave the bathroom door open, the stall door open, and stay in view. (If you have a group of children with you have them stand at the door)

 Suggested Per Denomination

**SEXUAL HARASSMENT POLICY:**

The Free Methodist church is committed to creating and maintaining a work environment free of sexual harassment. As such, the Church prohibits sexual harassment of its employees in any form. Employees must not engage in such prohibited conduct. Any employee determined to be responsible for unlawful harassment will be subject to appropriate disciplinary action, up to and including termination.

Sexual harassment is an assault on a person’s privacy and integrity. Sexual harassment can also destroy the ministry itself through a decline in morale, loss of respect for the responsible party and through grieving God’s blessing. All employees must be allowed to work in an environment free of unwelcome sexual overtures.

* Sexual harassment includes conditioning another employee’s job status – continued employment, promotions, salary increases, or work assignments, for instance – on giving sexual favors. It also includes unwelcome sexual advances between co-workers, such as requests for sexual favors, or other verbal, physical, or visual conduct of a sexual nature.
* Prohibited unlawful sexual harassment includes, but is not limited to, the following behavior:

•   Unwanted sexual advances, invitations, or comments

•   Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings, screen savers or gestures;

•   Physical conduct such as assault, unwanted touching, blocking normal movement or interfering with work

•   Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors; and

•   Retaliation for having reported or threatened to report harassment.

* Any employee who is aware of any instances of sexual harassment should report the alleged act immediately to his or her supervisor. Any employee who believes he or she has been subject to sexual harassment should do the same.
* If the employee is uncomfortable in discussing the matter with the supervisor or if the supervisor is not available, the employee should report the alleged act immediately to the Superintendent of their CONFERENCE. Employees are encouraged to be prompt in reporting such behavior.
* Any report or complaint should include details of the incident or incidents, names of the individuals involved and names of any witnesses. A thorough and objective investigation of the allegations will take place immediately and will be handled as confidentially as possible. Upon completion of the investigation, the appropriate parties will be notified of the findings.
* If it is determined that unlawful harassment has occurred, effective remedial action will be immediately taken in accordance with the circumstances involved.
* The Church will not retaliate against any employee for filing a complaint and will not tolerate or permit retaliation by management, employee(s) or co-workers.
* All employees shall sign a disclosure document stating they have read, understood, and will comply with stated policy.

 **Anti-Harassment, Bullying, and Complaint**

The Free Methodist Church is committed to a work environment in which all individuals are treated with respect and dignity. Everyone has the right to work in a Christian and professional atmosphere that promotes equal employment opportunities and prohibits unlawful discriminatory practices, including harassment and bullying.

* Therefore, the Free Methodist Church expects that all relationships among persons in the office will be business-like and free of bias, prejudice, and harassment. It is sin and, in every way, unacceptable for any employee, whether a manager, supervisor, or co-worker, to harass another employee.
* It is the policy of Free Methodist Church to ensure equal employment opportunity without discrimination or harassment based on race, color, gender, national origin, age, disability, genetic information, marital status, amnesty, or status as a covered veteran.
* Free Methodist Church encourages reporting of all perceived incidents of discrimination or harassment. It is the policy of Free Methodist Church that all such reports be promptly and thoroughly investigated.
* Free Methodist Church prohibits retaliation against any individual who reports discrimination or harassment or who participates in an investigation of such reports.
* Any sexual harassment should immediately be reported to a supervisor, or member of the board, or human resources director. Any report of sexual harassment shall be addressed pursuant to the policies and procedures of Chapter 7 of the Free Methodist Church-USA Book of Discipline and in conformity with local, state and federal law.
* Any abuse or criminal offense must be reported immediately to local and/or state authorities pursuant to respective laws
* Harassment based on any other protected characteristic is also strictly prohibited. Under this policy, harassment is verbal, written or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her race, color, gender, national origin, age, disability, citizenship, genetic information or any other characteristic protected by law or that of his/her relatives, friends or associates, and that
	+ a) has the purpose or effect of creating an intimidating, hostile or offensive work environment.
	+ b) has the purpose or effect of unreasonably interfering with an individual's work performance.
	+ c) otherwise adversely affects an individual's employment opportunities.
* Harassing conduct includes epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes; and written or graphic material that denigrates or shows hostility or aversion toward an individual or group and that is placed on walls or elsewhere on the employer's premises or circulated in the workplace, on Company time or using Company equipment via e-mail, phone (including voice messages), text messages, tweets, blogs, social networking sites or other means.
* Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events.

 Suggested Per Denomination

**INSURANCE**

All churches must be in compliance with the insurance guidelines recommended by the FMCUSA.

* Everylocalchurchmustcarryfire,generalliability,sexualabusecoverage,medical,andgeneralcomprehensiveinsurance,pertheminimumrequirementsof theFMCUSA.
* Each local church is responsible for providing/offering workers compensation, life and long-term disability insurance. It is highly recommended that the church consider providing tenant insurance and short-term disability where applicable.Life and long-term disability are available thru the Conference.

 **LITIGATION**

If the local church faces any litigation of any kind, it must immediately inform the Conference Director of Operations and the COO of the FMCUSA.

**CHURCH PROPERTY CHANGES – BUYING, SELLING, LOANS, LEASEHOLD IMPROVEMENTS, ETC**.

**Purchase/Lease/Remodel**

When a local church in the Harvest Conference plans to purchase, remodel, or alter properties and the cost for such a project will exceed 10% of its annual income (regardless of available funds)​, the following guidelines will be followed:

1)The Director of Operations serves as the liaison between the local church and conference in all matters relating to church property changes. The Director has no authority to act and all final decisions will be made by the BOA.

2)Contact the Director of Operations as far in advance as possible to consult with him/her on the intentions of the church. If a property purchase is being considered.

3)Complete, send, and present to the BOA a​ Building Project/Loan Application​. This will allow the Board of Administration opportunity to dialog with the local board, committee, (or another designated group) if deemed necessary. The Director of Operations shall advise the pastor if and when a presentation is required by the church to the BOA.

 4)If a formal presentation to the Board of Administration is required, the following persons from the local society will be present when the presentation is made: pastor, trustee, chairperson, and any other representative involved in property improvement, unless waived by the BOA.

5)When the presentation is made, written evidence of the vote of the society or the governing body (in instances where the society has transferred power to act for them) will be presented, including the society’s or governing body’s vote, written material regarding the number of eligible voting members, number of those members actually present, and the numbers casting yes and no votes on a project.

6)Working drawings and plans must be presented for proposed new structures and for alterations to existing structures.

7)If changes involve purchasing property, written evidence of equal property values must be presented (local realtor, bank appraiser, etc.).

8)Evidence of the local society’s ability to secure needed finances and its ability to repay, along with the impact of same on the local budget, and the Conference obligation will be shown. Also, if indebtedness is anticipated, the local church will be required to process the ​FMCUSA Application for Permission to Mortgage​

9)History of average worship attendance and finances for past two years plus current year’s attendance and income/expenses and performance against budget to see growth trends and church health will accompany application.

10)The Board of Administration may act on the application, table it for further review, or approve it contingent upon obtaining further information or documentation.

**Application to Sell**

Property Application to Sell Property should include a written appraisal of value, rationale for sale, and disposition of funds so received. Local churches must present written evidence of the vote to sell including how many are eligible to vote, the number who actually voted, and the number voting yes and no. Approval for the sale must from the Conference and Free Methodist Church USA in Indianapolis.

**Abandoned Property**

The Board of Administration shall have authority to dispose of abandoned properties at their discretion for the best use of the conference and in conjunction with the guidelines specified in the ​FMCUSA Book of Discipline​.