

TOOLS FOR EFFECTIVE LOCAL CHURCH MANAGEMENT

A Project to Strengthen Local Church Ministry

**By Rev. Kenneth Ulmer, Project Director
During Sabbatical Leave from Position
Of
Associate Conference Minister for Administration
For the
Connecticut Conference of the UCC
860-233-5564
kenu@ctucc.org**

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DESCRIPTION OF THE PROJECT

Defining the Project

Tools for Effective Local Church Management grew out of exploratory conversations between the project director and Davida Foy Crabtree, Conference Minister of the Connecticut Conference during spring 2001. In my position as Associate Conference Minister for Administration for the Connecticut Conference I often provide church management resources to local churches. It was decided that the project would help local churches obtain resources.

Goal

The goal of the project was to develop a selected list of key resources for local church leaders to review. Further, participants would be asked to confirm that the list would be acceptable as the focus for the curriculum for a leadership-training workshop. The resources would promote and sustain effective local church ministry. The basic tenet of the project is that a strong local church is a foundational element for effective ministries in the state and national settings of the church.

Data Gathering Process

During the months of June and July 2001 the project director held interviews with the twelve churches listed in Table A below. The interviews were 1 1/2 hours in duration. With the exception of the three Ohio Conference churches, the interviews were held at the church facility.

The format for the interview was to present a 45-minute overview of selected church management tools as candidate components for a leadership training workshop. This was followed by a 45-minute group discussion to gather feedback on the proposed list of tools to determine interest in a 4-6 hour workshop for church leaders.

In total 45 persons participated in the interviews. The churches were UCC member congregations located in the conferences of Connecticut, Iowa and Missouri. In all instances the pastor of the congregation participated in the interviews. The contact for arranging the interviews was the pastor.

As the interviews began, it also became clear that local church leaders do not have time to unpack a resource. In one of the first interviews a layperson stated that most resources are "oven ready", what is needed are "microwave ready" resources. Thus began the concept of providing the selected church management tools in softcopy format and providing them on a CD-ROM. These resources then could be utilized as a model for local churches.

The project director's original intent was to arrange interviews with 9 churches -- three UCC congregations in the Conferences of Connecticut and Iowa and four in Missouri Mid-South. Conference staff in the respective Conferences identified the candidate congregations. Interviews were accomplished with all the congregations that were the primary choices of the project director. When the project was discussed with the Parish Life and Leadership Team of the national office of the UCC, it was decided to conduct another interview. Two churches in the Cleveland, Ohio area responded to the opportunity, thus bringing the number of interviewed churches to twelve.

There were three criteria for selecting a congregation.

1. A UCC congregation
2. 2 or more employees
3. Worship attendance of 100+ on a weekly basis

Information on the Participating Churches

Representatives from 12 congregations participated in the survey from the UCC Conferences of Connecticut, Iowa and Missouri Mid-South. Each of these churches is a UCC member congregation, has more than two employees, and has average worship attendance of over 100. Table A, List of Participating Congregations, presents information on the statistics of the churches.

Summary of Statistics on Participating Churches. The average weekly worship attendance, based on 12/31/2000 statistics, ranged from a low of 102 to a high of 260. Local Church Expenses ranged from \$81,900 to \$300,000. Annual gifts to Our Church's Wider Mission (OCWM) were from \$2,000 to \$21,400. There were four tithing churches -- gifts to OCWM exceeded 10% of Local Church Expenses.

Average annual gifts per member to OCWM and Local Church Expenses were \$26 and \$443, respectively. The per member contribution for the individual churches ranged from \$4.44 to \$56.94 for OCWM and \$176.78 to \$864.34 for Local Church Expenses.

Introducing Hilltop UCC

The project director has created a fictional UCC congregation, Hilltop UCC, to introduce the various resources to the reader. Hilltop UCC has 7 employees; has a worship attendance of over 100 on a weekly basis; is a tithing church; has recently revised vision statement and by-laws; has written job descriptions, personnel policies and administrative procedures; performs work goal and performance monitoring for support and ordained staff; has a program for abuse and sexual misconduct prevention; has an endowment fund that is guided by an investment policy and a total return investment and spending policy; has adopted socially responsible investment guidelines; uses efficient financial reporting and a consent agenda for church council meetings, and practices risk management.

Acknowledgements

The Project Director appreciates the generosity of the three organizations that contributed to the list of church management tools in this report. The resources presented here are successful, tested church management tools that have grown out of the life and work of two Connecticut UCC congregations and the Connecticut Conference. These organizations have given the project director permission to include adapted versions of their tool in this report. The organizations and the related resource are presented below.

Ridgebury Congregational Church of Ridgebury, CT
Constitution and By-Laws

First Congregational Church of Granby, CT
Vision and Mission Statements
Position Descriptions of the seven staff positions
Work Performance Monitoring and Feedback Process
Screening Form for Volunteers and Employees

The Connecticut Conference of the UCC
Personnel policies
Investment Policy for Endowments
Total Return Investment and Spending Policy
Consent Agenda
Auditing program to ensure effective, accurate financial administration.
Investments administered within Socially Responsible Guidelines
Tithing Church Status
Administrative Procedures Manual

Plans for the Use of the Resources

The future use of the church management resources gathered in this project is a work in progress. Activities are ongoing on the development of a workshop. Additional areas of interest are distribution to UCC congregations and keeping the resources current.

Workshop. The project director is searching for a congregation or group of congregations that desire to conduct a leadership-training workshop. The goal of the workshop would be to help local church leaders build on the infrastructure of their local church and leverage up the effectiveness of the ministries of the congregation.

Distribution. Conversations are ongoing between the project director and the staff of the Parish Life and Leadership Team of the National Office of the UCC regarding a mechanism for distribution of these resources. The search is for a method to deliver these resources to interested UCC congregations.

Keeping the resources current. Another topic under discussion is focused on future gatherings of additional church management tools that have been successful for UCC congregations. Once gathered and reviewed this list of resources would be enhanced by additional items.

Publication of the Resources Produced by the Project

Hardcopy versions of the resources in this report are available by obtaining a copy of the Appendixes to this report. **Softcopy** of the resources are being prepared in word processing format -- Microsoft Word 97, MicroSoft Word 6.0 and Word Perfect 5.0 -- on a CD-ROM entitled, Church Management Tools. No date has been set for the production and availability of the CD-ROM.

Participating Congregations

Table A below presents the participating congregations in three conferences of the United Church of Christ -- Connecticut, Iowa, and Missouri Mid-South.

Table A
List of Participating Congregations

| Church | Confrnce | Mbrs in 00 | Avg Wrshp | Lcl Ch Exp | LCE/Mbr | OCWM | OCWM/Mbr |
|--|----------|------------|-----------|-------------|----------|-----------|----------|
| Hartford, Faith | CT | 258 | 175 | \$223,000 | \$864.34 | \$2,500 | \$9.69 |
| Plantsville | CT | 522 | 152 | \$212,531 | \$407.15 | \$5,285 | \$10.12 |
| Rowayton | CT | 450 | 260 | \$299,844 | \$666.32 | \$2,000 | \$4.44 |
| Clarence, St. Johns | IA | 655 | 232 | \$115,789 | \$176.78 | \$20,364 | \$31.09 |
| Mason City | IA | 307 | 125 | \$178,249 | \$580.62 | \$10,100 | \$32.90 |
| Fredericksburg, Peace UCC | IA | 353 | 130 | \$81,938 | \$232.12 | \$8,800 | \$24.93 |
| | | | | | | | |
| St. L, Eden (Affton) | MO | 235 | 130 | \$116,277 | \$494.80 | \$7,875 | \$33.51 |
| St. Louis, Parkway UCC | MO | 402 | N/A | \$230,952 | \$574.51 | \$18,714 | \$46.55 |
| Union, Zion UCC | MO | 685 | 290 | \$170,675 | \$249.16 | \$21,433 | \$31.29 |
| Evangelical UCC | MO | 367 | 102 | \$245,074 | \$667.78 | \$15,123 | \$41.21 |
| N Ridgeville, First Congregational | OH | 244 | | \$83,978 | \$344.17 | N/A | |
| Westlake, Church of the Redeemer | OH | 281 | 125 | \$138,350 | \$492.35 | \$16,000 | \$56.94 |
| Totals | | 4,234 | 1,596 | \$1,874,329 | | \$112,194 | |
| Average for Participating Congrgtns | | 353 | 133 | \$156,194 | | \$9,350 | |
| Average \$ per member | | | | | \$443.00 | | \$26.00 |

INTRODUCTION

The various tools presented in the report are based on operationally tested management tools in existing congregations and the Connecticut Conference.

This document is the culmination of a sabbatical project in the summer of 2001. The purposes of the project are to:

1. -- build on existing local church infrastructure. As Associate Conference Minister for Administration for the Connecticut Conference, I respond to requests from new pastors, church treasurers, and search committee chairpersons. Often these requests are as if the congregation is beginning its operations from page 1, and do not build on the infrastructure of the past. One of the prompters for the sabbatical project is the hope that this can be a source of church management tools that will keep local churches from "reinventing the wheel".
2. -- provide tools that are ready for local churches to use. The majority of pastors are **iN**tuitive ("N" of the Myers-Briggs psychological types) versus congregations are **S**ensing ("S" on the Myers-Briggs psychological types). The Myers Briggs Type Indicator (Published by Consulting Psychologists Press, Palo Alto, California) is a recognized tool for identifying work styles. The intuitive psychological type is more focused on process than task, so if church management is left to the pastor concrete results and efficient systems will be illusive. To address this preponderance for process versus concrete outcomes, the church management tools referenced herein are presented in "microwave ready" format. They are tested, fully prepared, and available in softcopy versions. In this manner church leaders can access a tested tool in manipulatable format. A CD-ROM entitled, Church Management Tools, is available along with this document that contains Microsoft Word 6.0 and Word Perfect 6.0 formats of the tools described herein.
3. -- assist local church leaders to conduct effective meetings. Church leaders need to be regarded highly for their experience in the business world. Consider an individual in whose work experience decisions are made daily in dollar amounts over \$1,000. Further, consider that individual's frustration if the first church council meeting that she/he attends contains a 10-minute group discussion of a postage budget overage of \$10. A goal of this project is to encourage effective, efficient church management and meetings, so that local churches attract and retain the brightest and best church leaders.
4. -- strengthen the local church. The basic tenet of this project is that a strong local church is the key element in a strong ministry in other settings -- state and national -- of the church. These church management tools are recommended for those who seek to strengthen the local church enterprise.

FINDINGS

The policies, practices, and procedures (20 in all) that are briefly discussed in the Overview and presented in the Appendixes were confirmed by the local church leaders who participated in the interviews to be important components in local church management.

ADDITIONAL RESOURCE

The following resource is a good companion to the church administration tools that are presented in this report.

1. Church Administration and Finance Manual: Resources for Leading the Local Church. Otto Crumroy, Stan Kukawka, Frank M. Witman. Paperback - 544 pages (September 1998). Morehouse Publishing.

OVERVIEW OF TOOLS FOR EFFECTIVE LOCAL CHURCH MANAGEMENT

The several pages below and the Appendixes that follow delineate the five policies; twelve practices and three procedures that are presented as key aspects of local church management.

Policies (No. 1) Vision and Mission Statements that define the Current Ministries of the Church

A current vision statement is helpful in guiding the ministry of the local church. If your congregation does not have a current vision statement or has not reviewed your vision statement in the last 7-10 years, this would be a good place to start in revitalizing your ministry. The most helpful method is to convene a group of church leaders -- 40+ for medium-sized congregation -- for 3 to 4 meetings to develop the vision statement.

The Vision and Mission Statements of Hilltop UCC are presented as a model. The work of William Easum, consultant to local churches, has additional models of Vision and Value Statements. Source: Go to the website on the Internet. Address <http://www.easum.com>

See Appendixes, page 1 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 01vs.doc

Policies (No. 2) Up to Date Bylaws

The Constitution and By-laws of Hilltop UCC is presented for review by local churches that are developing or revising their organizational structure. The Church Council structure is the organizational type assumed in the tool. The lines of the document are numbered to enable easy referencing during group discussion of the language and concepts contained therein. The four committees and the concepts that are of special note are presented below.

1. Communications Committee. See ByLaws, Article XIII. Puts in one committee all aspects of communications to members and the wider community -- printed, electronic, educational, and advertising -- for coordination and standardization of formats and content.
2. Ecclesiastical Fine Arts Committee. See ByLaws, Article XIV. Includes consideration of décor and environment for alterations, additions or repairs to church facilities.
3. Mission and Social Action Committee. See ByLaws, Article XVI. Puts in one committee the tension of assigning financial resources to local **and** wider community settings for carrying out faithful ministries of mission, including participation in justice and peace issues.
4. Church Ministries Committee. See ByLaws, Article XVII. A new name and role for the more common Pastoral Relations Committee. This Committee is to function as an advocate for the ministries of Hilltop UCC and an advocate for the needs and concerns of both the congregation and its ordained ministers.

See Appendixes, page 2 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 02by.doc

Policies (No. 3) Written Personnel Policies

Every employer needs clear statements of employment practices. Even though a local church may not have a published employee handbook, the actions in relation to employees that have been taken in the past comprise the employment policies. Personnel policies need to be written and distributed to employees. The Employee Handbook of Hilltop UCC is provided to assist with this task. Of special note are four sub-sections:

Employment at Will, *See Section 1 - Employment Policies*. A statement that the relationship between employer and employee is able to be terminated “at will” by either party. In other words, the work offered by the employer is not guaranteed employment for the lifetime of the employee.

Harassment, *See Section 2 - Standards of Conduct and Ethics*. A series of paragraphs that define and describe actions that are harmful to individuals and the work environment and are to be avoided.

Parental Leave, *See Section 5 - Time away from Work*. Provides clear language regarding permission to be absent from work for parental duties for children, spouse/partner, or parents. Also defines whether the time off work is paid or unpaid, and it applies to employees of both genders.

Unemployment Compensation. *See Section 7 - Leaving Our Employment*. Churches in the United States are exempt from the requirement to contribute to federal and state unemployment insurance; thus employees of local churches are not eligible to receive unemployment benefits, including when she/he is terminated involuntarily.

See Appendixes, page 12 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 03eh.doc

Policies (No. 4A) Investment Policy

A written policy on endowments is a key component for providing information to the beneficiaries of the investment assets of the local church. It is also a declaration of intent that can be useful to potential donors. The Investment Policy for Endowments of Hilltop UCC is the resource that is offered. Note that the lines of the document are numbered to enable easy referencing during group discussion. There are 5 sections in the policy:

- I. Investment Objectives
- II. Investment Policy Guidelines
- III. Performance Evaluation
- IV. Reporting
- V. Asset Mix

See Appendixes, page 27 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 04Ain.doc

Policies (No. 4B) Total Return Investment and Spending Policy

A policy statement on total return investment and spending is another key component for managing investment assets of a local church. The Total Return Investment and Spending Policy of Hilltop UCC is the resource that is offered. The resource offers discussion, background, and a policy statement on this aspect of investments.

See Appendixes, page 29 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 04Btr.doc

Practices (No. 5) Consent Agenda

A Consent Agenda is a packet of documents and reports that are to be considered, but do not require discussion, at the upcoming meeting of the church council or governing board. Examples are given in the appendix.

The consent agenda packet is to be read in advance of the meeting. These items are mailed two weeks prior to the meeting along with the agenda for the meeting. If no one (voting members) asks to discuss any of the

documents/reports in the Consent Agenda packet, all items are adopted and made part of the meeting. An item may be removed from the Consent Agenda by a voting member simply stating that she/he has questions to be answered on the stated item. A motion to adopt the consent agenda accomplishes acceptance of the Consent Agenda items, with any exclusions noted. Thus it is included in the minutes of the meeting.

The Consent Agenda allows those present at the meeting to consider, as a group, those items that require little or no discussion. Thus there is more time for those items that do require discussion.

See Appendixes, page 30 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 05ag.doc

Practices (No. 6A) Efficient and Effective Financial Reporting

A Sample Chart of Accounts is offered as the resource here. The example is based on the most numbering common conventions for a chart of accounts. Note the suffix (.1 and .2) which is part of the accounts assigned to expenses for OCWM Support and Other BNV (Benevolence) Gifts, which can be used

See Appendixes, page 31 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 06Ach.doc

Practices (No. 6B) Sample of Year to Date Summary Financial Statement

Often Church Council members receive too much detail on the finances of the local church. A summary financial statement for Hilltop UCC for the 4-month period ending 4/30/01 is presented. Income is presented on 5 lines and expense is presented on another 6 lines. Year-to-date information is displayed along with the annual budget for each of the 11 lines. Additionally, a "Variance" column displays the percentage that year-to-date activity is of the entire year's activity. A long-form version is presented below in the Departmental Report.

See Appendixes, page 32 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 06Bfs.doc

Practices (No. 6C) Sample Year to Date Departmental Report

The longer form financial statement for the 4-month period ending 4/30/01 is presented in the Sample Year to Date Departmental Report for Hilltop UCC. This report is intended to be a regular item for reporting to the committee that oversees the financial activity for the local church. Additional detail is provided on the various sub-categories for expenses. Year-to-date information is displayed along with the annual budget for each line on the report, and, similar to the summary form, a "Variance" column displays the percentage that year-to-date activity is of the entire year's activity.

See Appendixes, page 33 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 06Cfd.doc

Practices (No. 7) Auditing Program

An auditing program is provided as another key tool for effective local church management. This tool is presented to assist local churches with annual reviews of the quality of the bookkeeping and accounting management systems used in the church office. The tool contains 5 chapters: General, Preaudit Planning, Review and

Assessment of Internal Controls, Substantive Testing of Transactions and Account Balances, and a short bibliography for resources for performing an audit. Seven worksheets are presented in two formats, the first is a sample from an actual audit and the second is a ready-to-use template.

See Appendixes, page 34 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 07ap.doc

Practices (No 8A) Written Position Descriptions

The job descriptions for the seven staff of Hilltop UCC are provided. The seven position descriptions are:

- Minister
- Associate Minister
- Administrator
- Coordinator of Children's Ministries
- Director of Music Ministries
- Organist
- Sexton

See Appendixes, page 74 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 08Apd.doc

Practices (No 8B) Work Goal and Performance Monitoring

Employee performance monitoring is another key tool for local church management. Different processes are recommended for the support staff (lay employees) and the ordained staff. Exhibit 9A provides a system for the support staff, 9B for the ordained staff.

The process described in this exhibit presents a shared method (mutual action plan) of providing feedback to employees on their work product. The proposed tool differs from the more common one-evaluator, hierarchical appraisal system, e.g., the President evaluates the Vice Presidents, Vice Presidents evaluate the Directors, etc. The Work Goal and Performance Monitoring Process presented here is a model that assigns the monitoring to three key lay members of the Church Council, the Moderator, Senior Trustee and Senior Deacon, with assistance by several others.

Editor's Note: This tool is **presented as a model.** It is to be modified to meet the needs of the local church, not to be used without contemplating the best configuration for the specific local church and modifying the model appropriately.

See Appendixes, page 81 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 08Bwg.doc

Practices (No. 9A) Feedback Process for Support (Non-ordained) Staff

The Feedback Process is based on reviewing the written job description for the employee's position and requesting that the employee identify their work goals for the coming program year in accord with the key job tasks stated in the job description.

Note that one individual is assigned the role of Feedback Coach and each position is assigned an Advocate. The timetable for the process is from September through May. A blank template is provided on the CD-ROM for developing a different reporting designation chart.

See Appendixes, page 84 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 09Afs.doc

Practices (No. 9B) Feedback Process for Ordained Staff

Providing work goal performance monitoring for ordained staff is more complex than that for support staff. This task is comparable to evaluating a Chief Executive Officer of a corporation along with a full understanding of the vision and mission of the enterprise. This is a three-way conversation involving local church leaders, the ordained individual and the vision of the local church.

This exhibit provides an alternative if no feedback process has occurred or is not yet developed.

See Appendixes, page 86 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 09Bfo.doc

Local church and clergy evaluation resources can be obtained by contacting the Parish Life and Leadership Team at United Church Local Church Ministries, 700 Prospect Avenue, Cleveland, OH. Phone: 212-736-3800

Practices (No. 10) Volunteer and Employee Screening

Providing a safe environment for children, youth and adults is a key component to managing a local church. One excellent resource for this task is "Making Our Churches Safe For All" from the Conferences of the United Church of Christ Insurance Board. This resource can be obtained by contacting this agency at 800-437-8830. The address is Conferences of the United Church of Christ Insurance Board, 11921 Rockville, MD, 20852-2737.

For a copy of "Making Our Churches Safe for All" contact UCCIB at 800-437-8830, mail address: 11921 Rockville Pike, Rockville, MD 20852-2737.

Here are two easily performed recommendations for providing a safe environment in the church setting. They are:

1. provide glass panel(s) on all meeting room and classroom doors in the church facility, and
2. provide two adults for staffing of all church school and youth programs.

The ready-to-use tool for this area of church management is the Screening Form for Volunteers and Employees for Hilltop UCC. This form is to be filled out by all people seeking to volunteer at or work for Hilltop UCC. The areas of information requested from the individual is their volunteer service record, employment service record, sexual misconduct information, and certification. The tool includes a four-sentence policy regarding abuse and sexual misconduct prevention.

See Appendixes, page 87 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 10vs.doc

Practices (No. 11) Investments Administered within Socially Responsible Guidelines

A written policy that states that investment of the local church assets will be performed within a socially responsible framework is an important declaration of intent for potential donors. The Socially Responsible Investment Guidelines for Hilltop UCC is the resource that is presented. The Guidelines include the stated purpose that Hilltop UCC investment assets will not be used to purchase securities of corporations. The applicable language is contained in the phrase "that are among the one hundred leading military contractors to

the Department of Defense who are dependent on military contracts for more than 30 per cent of their sales (as determined by the average ratio of military contracts to sales in the most recent three year period for which data are available).”

See Appendixes, page 90 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 11sr.doc

Practices (No. 12) Budget Development

The budget development process produces the best results if it is conducted over a five-month period. The tool that is provided in this document is the Budget Development Process. It offers proposed dates and tasks for two timeframes -- a calendar year and a program year.

See Appendixes, page 91 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 12bd.doc

Procedures (No. 13) A Benevolence Program that Strives to become and remain a Tithing Church

A resolution entitled, Achieving and Retaining Tithing Church Status is offered as a tool that seeks to achieve and retain tithing church status. A tithing church is defined as one which has achieved the standard of a tithe (10% of the operating budget) for financial support of Our Church's Wider Mission (OCWM). The resolution clearly states that the goal is to achieve and retain tithing status and includes directions to church leaders to "step up" local church giving to OCWM by using 1% steps. If the congregation achieves the standard of the biblically based tithe with its resources, there will be more opportunity to challenge members to increase the threshold of their personal giving toward a tithe.

See Appendixes, page 92 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 13tc.doc

Procedures (No. 14) Written Administrative Procedures

Among the church management tools offered is the Administrative Procedures Manual for Hilltop UCC. The most notable sections provide language for computer care and upkeep, software copyright infringement protection, recommended frequency of voice mail pick-up, and acceptable use policy for email and Internet.

See Appendixes, page 93 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 14ap.doc

Procedures (No. 15) Risk Management Program

An excellent resource for those responsible for oversight of the facility is "Caring for Our Churches -- A Loss Control Manual" from the Conferences of the United Church of Christ Insurance Board (UCCIB). Contact the UCCIB at 800-437-8830, mail address: 11921 Rockville Pike, Rockville, MD 20852-2737. The largest category of claims payout by the Conferences of the United Church of Christ Insurance Board (UCCIB) is water damage claims. The major causes of water damage to church facilities are roof leaks and boiler breaks, thus assigning an individual or committee to monitor roof and boiler conditions would be an excellent beginning for a risk management program.

See Appendixes, page 102 for this exhibit.

For the soft copy of this document see the CD-ROM entitled, Church Management Tools. Load the CD-ROM and locate this document within the folder for your word processing software. Select the folder named Pol, then the file named 15rm.doc

For a copy of "Caring for Our Churches -- A Loss Control Manual" contact UCCIB at 800-437-8830, mail address: 11921 Rockville Pike, Rockville, MD 20852-2737.

VISION AND MISSION STATEMENT Hilltop UCC

VISION STATEMENT

We strive to be a welcoming and dynamic faith-community, guided and strengthened by the presence of God, the life and teachings of Jesus, and our biblical heritage. By reaching out together through God's love, we seek to meet the spiritual and human needs of people of all ages and all backgrounds.

MISSION STATEMENT

We are servants of God, celebrating God's Spirit of love and forgiveness as taught by Jesus Christ. Invigorated and energized by that Spirit, we teach, live, and share the Christian faith. We dedicate ourselves to making faith a priority in our lives.

By God's grace, we will be an attentive church. We commit ourselves anew to listen for God's word in Holy Scripture, in our rich heritage, in faithful witness, and in the fresh winds of the Holy Spirit so that we might discover God's way for us.

By God's grace, we will be a welcoming church. We commit ourselves to be a church for all people. Through Christ we celebrate, affirm, and embrace the rich diversity of God's good creation.

By God's grace, we will be a responsive church. We commit ourselves to be a church of justice, mercy and peace, so lives may be renewed, spirits revived, and communities transformed.

By God's grace, we will be a supportive church. We commit ourselves to strengthen the body of Christ body through renewed resolve and mutual support for our common ministries.

Portions adapted from 19th General Synod Action

Source: First Congregational Church, Granby, Connecticut

37

38

Constitution

39 Article I. Name

40 The name of this Church shall be "Hilltop UCC". It shall be located in anytown, anycity, USA. This
41 Church is part of the United Church of Christ as described in the Constitution and Bylaws of the
42 United Church of Christ.

43 Article II. Statement of Faith

44 This Church acknowledges as its sole Head, Jesus Christ, Son of God and Savior. It acknowledges as
45 kindred in Christ all who share in this confession. It looks to the Word of God in the Scriptures, and to
46 the presence and power of the Holy Spirit, to prosper its creative and redemptive work in the world. It
47 affirms the responsibility of the Church in each generation to make this faith its own in reality of
48 worship, in honesty of thought and expression, and in purity of heart before God.

49 Article III. The Covenant

50 We covenant one with another to seek and respond to the Word and Will of God, and to walk together
51 in the ways of the Lord, made known and to be made known to us. We hold it to be the mission of the
52 Church:

53 "Relying on the Holy Spirit to lead us and empower us, we worship God, and witness to the
54 Gospel of Jesus Christ with loving service and commitment to justice and peace."

55 We pray for the coming of the kingdom of God, and we look with faith toward the triumph of
56 righteousness and eternal life.

57 Article IV. Membership

58 The church welcomes into its membership any person who accepts its covenant and makes confession
59 of faith, re-affirmation of faith, or provides a letter of transfer from another church. Each member
60 shall have one vote on all matters acted upon at Congregational Meetings.
61 Membership in this Church shall end upon notice of acceptance into another church, or by action of
62 the Board of Deacons as described in the Bylaws.

63
64 All members of this church are expected to strive to follow the principles set forth in the Covenant,
65 and to seek meaningful ways to support the principles, which this Church upholds. They are
66 specifically asked to share in the life and work of the Church, to contribute to its support and
67 benevolences, and to care for its spiritual welfare.

68 Article V. Government

69 The ultimate governing body of this church shall be the membership assembled in a Congregational
70 Meeting, where a majority vote of the members present at the meeting shall express the will of the
71 church, except for issues where a two-thirds vote (2/3) is required by this Constitution or the Bylaws.
72 The Church Council shall be the primary executive body of this church. It shall maintain general
73 oversight of all the activities of the church, plan prayerfully for the church's future, provide a forum
74 for communication among the various committees and officers, and resolve differences of opinion
75 among them.

76 Permanent boards and committees created to manage and conduct the work of the church are described
77 in the Bylaws of the Hilltop UCC ("the Bylaws"). Temporary committees to serve special purposes
78 may be appointed by the Church Council or chosen at a Congregational meeting.

79 All officers, board members, committee chairs, delegates, and presidents of church organizations shall
80 be members of the church. In selecting members to serve on the various offices, boards and
81 committees of the church, diverse representation reflecting the total membership shall be sought.

82 All meetings of the Congregation, the Church Council, and the various boards and committees shall
83 include prayer and shall stress thoughtful deliberation of church policy and appropriate study to keep
84 the church mindful of its essential purpose, even throughout its temporal transactions. All meetings of

85 the Church Council and the various boards and committees shall be open to all members, except as
86 noted in the Bylaws.
87 Separate bylaws shall describe details of the Church's operation consistent with the general provisions
88 of this Constitution.

89 Article VI. Dissolution

90 The church and its property shall be forever devoted to religious purposes. In the event of the
91 dissolution of the Church, its property shall become vested in, and its functions as trustee, if any,
92 administered by the Missionary Society of Connecticut (also known as the Connecticut Conference of
93 UCC) or its successor.

94 Article VII. Amendments

95 Amendments to this Constitution may be made at any duly called Congregational Meeting by a two-
96 thirds (2/3) affirmative vote of the members present.
97 Any member may submit to the Clerk a proposed change to this Constitution in writing. The Clerk
98 shall publish the text of the proposed change prior to the next duly called Congregational Meeting.
99 It shall be the responsibility of the Church Council to appoint a temporary committee to review this
100 Constitution and Bylaws every five (5) years.
101 This Constitution and Bylaws for the Hilltop UCC shall take effect on the 9th day of January 2000. It
102 shall supersede all previous versions.

104 Article I. Worship

- 105 1. Worship shall be held at designated hours each Sunday and at any other time designated by the Pastor
106 and the Board of Deacons.
- 107 2. The Sacrament of the Lord's Supper shall be celebrated at any time designated by the Pastor and the
108 Board of Deacons.
- 109 3. The Sacrament of Baptism shall be administered to those taken into the Church as members (if they
110 have not previously been baptized) and to children, one of whose parents stands in covenant with the
111 Church. Others may be baptized at the discretion of the Pastor.

112 Article II. Congregational Meetings

- 113 1. The Church shall meet at least twice yearly. Twenty percent (20%) of the members of the Church
114 shall constitute a quorum, except as noted in the Bylaws. Notice of meetings shall be given from the
115 pulpit, printed in the Sunday worship bulletin, and mailed to all members no later than two (2) weeks
116 prior to the date of the meeting. The call shall include a written agenda of all items to be discussed.
- 117 2. The program year of the Church, and the terms of all elected officers and committee members, shall
118 commence on July 1 and end on June 30.
- 119 3. The Annual Meeting shall be held in the month of May to receive annual reports of officers, boards
120 and committees; to elect officers and committees; and to act upon other such business as shall properly
121 come before the meeting.
- 122 4. The fiscal year of the Church shall be the calendar year.
- 123 5. A Budget Meeting shall be held in the month of October to adopt the annual budget and to act upon
124 other such business as shall properly come before the meeting.
- 125 6. Special meetings shall be called by the Clerk upon request of the Pastor, the Church Council, or a
126 petition signed by no fewer than 20% of the members of the Church, stating the purpose of the
127 proposed meeting. The Clerk shall schedule the special meeting no later than six weeks from the date
128 of the request, or the receipt of the petition.
- 129 7. All matters before a Congregational Meeting shall be decided by majority vote of members present,
130 except as noted below.

131 Article III. Pastor

- 132 1. The Pastor shall be called or dismissed at a Congregational Meeting called for that purpose, by a two-
133 thirds (2/3) affirmative vote of active members, with voting to be done by secret ballot. In order to
134 terminate this relationship, three (3) months notice shall be given by either party. When the
135 relationship is terminated, notice of such termination shall be sent to the Clerk of the
136 _____ Conference of the United Church of Christ, and to the Committee on Ministry of
137 the _____ Association.
- 138 2. The Pastor shall have charge of the spiritual affairs and welfare of the Church and responsibility for
139 the conduct of the services of public worship. The Pastor shall seek to enlist people as followers of
140 Christ, preach the Gospel, administer the Sacraments, have care of services of worship, and oversee
141 the Christian education of the congregation. The pastor shall be a non-voting member of all boards
142 and committees.
- 143 3. The Pastor shall become a member of the Church and shall have standing in the _____
144 Association of the _____ Conference of the United Church of Christ.

145 Article IV. Officers

146 There shall be four regular Officers of the Church: the Moderator, the Vice Moderator, the Clerk, and the
147 Treasurer. Each officer of the Church shall submit a written report covering the activities of the Church for
148 the past year to the Church Clerk one (1) month prior to the Annual Meeting.

149 1. Moderator

150 The Moderator shall:

- 151 A. Be elected to serve for a term of one (1) year.

- 152 B. Preside at all Congregational Meetings
 153 C. Chair meetings of the Church Council.
 154 D. Guide the Church Council to develop and implement long-range planning for the future.
 155 E. Accept all resignations.
 156 F. Resign the office of Moderator in writing to the Church Council.
- 157 2. Vice Moderator
 158 The Vice-Moderator shall:
 159 A. Be elected to serve for a term of one (1) year.
 160 B. Serve as Moderator *pro-tempora* in the Moderator's absence.
 161 C. Act as Chair of the Nominating Committee.
 162 D. Assist the Moderator in the long-range planning process.
- 163 3. Clerk
 164 The Clerk shall:
 165 A. Be elected to serve for a term of one (1) year.
 166 B. Keep records of:
 167 1. All Congregational Meetings.
 168 2. Minutes of the meetings of the Church Council and shall submit a report to the
 169 Communications Committee to be published to the members.
 170 3. All policies adopted by the Church Council in a manner readily available to all
 171 members.
 172 4. All members, noting the date and manner of admission or dismissal.
 173 5. Baptisms, Marriages and Funerals conducted by the Church, and shall report on these
 174 events once each year at the Annual Meeting.
 175 C. Conduct all correspondence pertaining to the official actions of this Church.
 176 D. Notify:
 177 1. The Board of Deacons of all changes of membership status.
 178 2. Members of their election or appointment.
 179 3. Those concerned with any action taken at a Congregational Meeting.
 180 E. Accept all reports presented at the Annual Meetings, and note any corrections made to such
 181 reports.
 182 F. Prepare an annual report to the Church Council, and forward all records to the Church Council
 183 once a year for inspection and verification.
 184 G. Issue members' letters of transfer and recommendation to another church upon request, and
 185 notify the churches to which such letters are addressed.
 186 H. Issue the Call to Congregational Meetings.
 187 I. Perform other duties required by the Church Council.
- 188 4. Treasurer
 189 The Treasurer shall:
 190 A. Be elected to serve for a term of one (1) year.
 191 B. Receive all monies belonging to the Church and keep accurate records of all operating,
 192 endowment, and special funds, securities, receipts and disbursements of the Church.
 193 C. Act solely as an agent of the Board of Trustees, and as Trustees shall direct, to maintain the
 194 investment accounts of the Church. The Treasurer shall deposit, or cause to be credited to the
 195 Church, all investment income in such manner as the Board of Trustees shall direct.
 196 D. Promptly pay all bills and salaries as directed by the Board of Trustees.
 197 E. Disburse the monies received from special funds and outreach funds in accordance with the
 198 orders of the board or committee, which is charged with the collection, and disbursement of
 199 such funds. The Treasurer shall disburse funds from the Deacons' Fund at the sole discretion of
 200 the Pastor. The Treasurer shall keep separate and accurate accounts of all receipts and
 201 disbursements for each fund handled.
 202 F. Render an accounting of the financial condition of the Church at the Annual Meeting and at
 203 other times upon request.
 204 G. Perform other duties as usually pertain to the office of Treasurer.
- 205 5. Assistant Treasurers
 206 There shall be two (2) Assistant Treasurers. The Assistant Treasurers shall:

- 207 A. Be elected to serve for a term of one (1) year, and assist the Treasurer in the conduct of the
208 office.
209 B. Receive, record and deposit all Church offerings, program fees and any other monies collected
210 and forwarded to the Treasurer.
211 C. Record all pledges received by the Church, and report quarterly to the membership.

212 Article V. Official Delegates

- 213 1. Two delegates shall be elected at the Annual Meeting for a term of one (1) year and shall be regular
214 members of the Church. These delegates shall serve to represent the Church at meetings of the
215 _____ Association and the _____ Conference of the United Church of Christ.
216 2. The Board of Deacons and/or the Church Council are responsible for sending church members to any
217 agencies, organizations or outreach programs of interest to the Church and it shall be the responsibility
218 of these members to report to the appropriate Board or Committee.

219 Article VI. Rules Governing Boards And Committees

- 220 1. All Boards and Committees shall schedule regular meetings, at any interval, which supports and
221 facilitates their work. Meetings shall be called by the Chair of each body who shall give at least one (1)
222 week's notice, and who shall provide a written agenda with the call to the meeting.
223 2. A quorum for any Board or Committee shall be at least one-half (1/2) of the body's total number of
224 voting members. All decisions shall be by majority affirmative vote.
225 3. All Boards and Committees shall hold their first meetings during the first month after the Annual
226 Meeting where members of the Boards and Committees are elected. The outgoing chair of each Board
227 and Committee shall chair this first meeting to oversee the selection of the new chairperson, and offer
228 guidance to the incoming members.
229 4. Boards and Committees, which administer their own budgets, shall prepare a projected budget for the
230 upcoming program year. They will submit this proposed budget for deliberation by the Board of
231 Trustees no later than one (1) month prior to the Budget Meeting.
232 5. At their first meeting, each Board and Committee shall elect a presiding chairperson. With the
233 exception of the Church Ministries Committee, each body will also elect a recording secretary. The
234 recording secretary will keep accurate and detailed minutes of the deliberations and actions of each
235 body, and send them to the Pastor, Moderator, Church Clerk, and all committee members within one
236 (1) week of the meeting.
237 6. A member selected by the Church Council shall fill any vacancy among the elected positions of the
238 Church
239 7. Should a member of any body of the Church fail to attend at least 60% of that body's regular meetings
240 during any six-month period, that member shall be deemed to have resigned. The vacancy must be
241 reported at the next meeting of the Church Council.
242 8. No later than one (1) month prior to the Annual Meeting, the chair of all Boards, Committees and
243 Auxiliary Organizations of the Church shall submit to the Church Clerk an annual written report
244 summarizing the activities of their group for the past year.
245 9. Any questions which may arise with respect to the execution or interpretation of this Constitution and
246 Bylaws shall be determined by the Church Council.
247 10. All meetings of the Church, Boards and Committees shall be conducted in compliance with
248 parliamentary procedure as specified in Roberts' Rules of Order.

249 Article VII. Church Council

- 250 The Church Council shall be the overall policy and planning board of the Church. It shall have complete
251 power to supervise and coordinate the plans and activities of the Boards, Committees, and Organizations of
252 the Church, and to plan prayerfully for its future. The Church Council shall:
253 1. Be composed of the Moderator, who shall act as chair; the Vice Moderator; the Clerk, who shall act as
254 secretary; the Treasurer; the Pastor; the chairs of all boards and committees; and one (1) of the
255 Church's delegates to the _____ Conference of the United Church of Christ, when neither
256 delegate is not already serving on the Council in another capacity.
257 2. Establish regular meeting times at its first meeting after the Annual Meeting. Notice of regular

- 258 meetings shall be printed in the Church bulletin on the Sunday preceding the meeting and shall be
259 provided to all members of Council by the Clerk.
- 260 3. Shall be responsible for the hiring and oversight of all Church employees. Where such employees will
261 work with pastoral staff, the Church Council will strongly weight the views of pastoral staff when
262 performing this oversight function.
- 263 4. No person may represent more than one (1) group on the Church Council. Members, excluding the
264 Pastor, shall appoint alternates to represent them on the Church Council in the event they cannot be
265 present at any meeting
- 266 5. At least three (3) months prior to the Annual Meeting, the Church Council shall appoint a
267 Nominating Committee consisting of five (5) members of the Church including the Vice Moderator,
268 who shall act as Chair of the committee. The Pastor shall be an advisor to the Nominating
269 Committee. It shall be the responsibility of the Nominating Committee to bring to the Annual
270 Meeting nominations for all elected positions.

271 Article VIII. Board of Deacons

272 The Board of Deacons shall:

- 273 1. Consist of up to twelve (12) members as required by the needs of the congregation. Alternating by
274 year, one-half (½) of the members shall be elected at the Annual Meeting, each to serve a term of two
275 (2) years from their date of election.
- 276 2. Engage in the task of Christian witness and evangelism; assist the Pastor in promoting the spiritual
277 interests of the Church; visit the sick, care for the poor, the sorrowing and the stranger; and
278 participate in the work of ministry.
- 279 3. Receive applications for church membership and verify that the requirements of membership have
280 been met. New members shall be formally received into membership during a worship service.
- 281 4. Promote and support the educational programs for new member inquiry education and youth
282 confirmation.
- 283 5. Conduct an annual review of the membership list of the Church and present a list of members to the
284 Clerk at a meeting of the Church Council no later than two months prior to the Annual Meeting. If a
285 member is fully separated from the fellowship, worship, service and support of the Church for a period
286 of one year, the Board of Deacons, acting for the Church shall make kindly inquiry to discover the
287 reason for such separation. If such a member remains inactive for an additional year, the Board of
288 Deacons may, after proper inquiry, remove the member's name from membership.
- 289 6. Provide for the supply of the pulpit in the absence of or upon request from, the Pastor. The Board of
290 Deacons shall provide elements for the Sacrament of Holy Communion and aid in its celebration and
291 distribution. The Board of Deacons shall provide for and recruit lay participation in worship, such as
292 the following: acolytes, bell ringers, greeters, ushers and Scripture readers. The Board of Deacons may
293 distribute all flowers remaining after regular or special services, to the sick or shut in.
- 294 7. Appoint a search committee to secure the services of an Interim Minister when necessary. This
295 committee shall contact the _____ Conference of the United Church of Christ to request
296 an interim minister. After consultation with the Pastoral Search Committee and the Board of Trustees,
297 a contract shall be drawn, specifying the Interim Minister's duties and hours of service required per
298 week, and offering compensation in accordance with the then current guidelines of the
299 _____ Conference of the United Church of Christ. The Interim Minister Search
300 Committee will reach accord with, and select the candidate of their choice.
- 301 8. Appoint a search committee to secure the services of a Music Director when necessary. This
302 committee shall consist of one (1) Deacon, one (1) member of the Christian Education Committee,
303 one (1) representative from the choir, and two (2) members-at-large. In no case shall more than two
304 (2) members of the current choir be appointed to this search committee.

305 Article IX. Flower Committee

306 The Flower Committee shall:

- 307 1. Consist of at least three (3) persons who shall be elected to serve a term of one (1) year. They shall be
308 responsible to the Board of Deacons.
- 309 2. Shall establish a plan for the new church program year at their first meeting after the Annual Meeting,
310 and shall promote this plan to the Church membership.

311 3. The Flower Committee is responsible for providing flowers for services of worship and may receive
312 and disburse monies for a flower fund

313 Article X. Board of Trustees

314 The Board of Trustees shall:

- 315 1. Consist of seven (6) members elected at large from the Congregation, and the Treasurer. Alternating
316 by year, one-half () of the members shall be elected at the Annual Meeting, each to serve a term of
317 two (2) years from their date of election.
- 318 2. Have oversight of all buildings, grounds, contracts, investments, insurance, and other assets, in
319 accordance with the provisions of these Bylaws, for the support and maintenance of the Church. To
320 facilitate the maintenance and improvement of church property, including the buildings, grounds and
321 furnishings, the Board of Trustees shall make regular inspections of the property; establish priorities
322 for repairs and improvements; provide for regular service on all equipment and take prompt
323 maintenance action in emergency situations.
- 324 3. Without the specific consent of the Congregation, the Board shall not expend or in any way dispose of
325 the funds of the Church, to incur debts, or to lease or transfer any real estate.
- 326 4. Conduct its relations with all tenants of the Church in a fair and businesslike way, including attending
327 to tenant maintenance issues in a prompt and thorough manner.
- 328 5. Prepare an annual operating budget for the Church for presentation to, and adoption by, the
329 Congregation at the Budget Meeting. During the year, the Board may temporarily authorize
330 expenditures by the Treasurer in excess of any individual item in the budget and report the matter
331 promptly at the next meeting of the Church Council. No expenditure in excess of the total budget may
332 be made, however, without the prior approval of the Congregation.
- 333 6. Approve all uses of Church buildings or properties for purposes not specified or covered by these
334 Bylaws, except that weddings may be scheduled and performed at the discretion of the Pastor, provided
335 such events do not conflict with any scheduled use of the church facilities by the congregation.
- 336 7. Appoint a qualified person who shall be responsible for reviewing all the accounts and financial records
337 of the Church and who shall make an annual report to the Church.

338 Article XI. Stewardship Committee

339 The Stewardship Committee shall:

- 340 1. Consist of at least three (3) members who shall be elected at the Annual Meeting to serve a term of
341 one (1) year, and who shall be regular members of the Church.
- 342 2. Be responsible for encouraging the principles of Christian stewardship in the Church.
- 343 3. Plan and carry out a stewardship drive and perform other duties relevant to the Stewardship program
344 of the Church. Stewardship, education and enlistment shall be a continuing responsibility of the
345 committee.

346 Article XII. Christian Education Committee

347 The Christian Education Committee shall:

- 348 1. Consist of at least five (5) members. Alternating by year, three (3) members, then two (2) members
349 shall be elected at the Annual Meeting, each to serve a term of two (2) years from their date of
350 election.
- 351 2. Supervise and direct the total Christian Education Program in the Church, including Sunday School,
352 Youth, and Adult Education.
- 353 3. Recruit and train teachers for Sunday school and advisors to assist with the Youth programs.
- 354 4. Ensure that adequate facilities and materials are available for all educational programs; and keep
355 members of the Church informed as to the educational programs and educational needs of the Church.
- 356 5. Be responsible for providing infant and nursery care during worship services.

357 Article XIII. Communications Committee

358 The Communications Committee shall:

- 359 1. Consist of at least three (3) persons to serve a term of one (1) year. The editor of the Church
360 newsletter shall be a member of this committee.

- 361 2. Be responsible for all aspects of publicizing the Church and its sponsored activities to the wider
362 community. These may include, but are not limited to, production and dissemination of press releases,
363 all paid display advertising, brochures about the Church, and the Church newsletter.
364 3. Have oversight of the format of all printed or electronic materials prepared for publication, and shall
365 endeavor to promote a common visually unified format for all such publications.
366 4. Turn over all materials published under its oversight to the Historian.

367 Article XIV. Ecclesiastical Fine Arts Committee

368 The Ecclesiastical Fine Arts Committee shall:

- 369 1. Consist of two (2) members, one of which shall be elected at each Annual Meeting to serve a term of
370 two years.
371 2. Serve in an advisory capacity, without vote, to the Church Council whenever alterations, additions,
372 repairs or changes of decor or furnishing in the Church building proper are being considered.

373 Article XV. Historian

374 The Historian shall:

- 375 1. Be elected for a term of one (1) year.
376 2. Ensure the historical documentation of the Church and do relevant research maintaining records
377 regarding the history of the Church.
378 3. Report to the congregation as deemed necessary.

379 Article XVI. Mission and Social Action Committee

380 The Mission and Social Action Committee shall:

- 381 1. Consist of at least three (3) members who shall be elected for a term of one (1) year.
382 2. Promote and supervise the mission of the Church in the world by informing the congregation about
383 the United Church of Christ's charitable and mission activities, plan the Church's participation in
384 these activities, and solicit the necessary support.
385 3. Coordinate and evaluate church activities and programs related to social issues and the Church's
386 participation in issues of justice and peace.

387 Article XVII. Church Ministries Committee

388 There shall be a Church Ministries Committee whose primary purpose will be to promote understanding of the
389 work of Hilltop UCC among the various constituencies of the church, the community and the Conference.
390 The committee shall be composed of four members of the church at large, whose term will be two years in
391 duration with the exception of the initial members whose term shall be as follows: two members for three
392 years and two members for two years. The responsibilities of the Church Ministries Committee will be to:

- 393
394 1. Improve communication and understanding of the Church's vision, mission and objectives between the
395 congregation and ordained minister(s) by clarifying expectations, roles, assumptions and perceptions
396 of each in achieving stated church goals.
397 2. Create an environment that promotes understanding of the church's work and measures its
398 effectiveness against stated church goals by conducting periodic evaluation of the ministries of Hilltop
399 UCC.
400 3. Act as an advocate for the ministries of Hilltop UCC and as an advocate for the needs and concerns of
401 the congregation and minister(s) by nurturing the relationship between and among the congregation
402 the ordained ministers, i.e. resolving conflict, providing support and encouragement, and facilitating
403 communication.
404 4. Support the minister(s)' ministries in the community and the Conference by encouraging participation
405 in denominational activities.
406 5. Support and encourage the minister(s) need for family time, for recreation, for continuing education
407 and for solitude.
408 6. Work with the Church Council, Committees and Boards as required.

409 Article XVIII. Staff Relations Committee

410 There shall be a Staff Relations Committee whose primary objective will be to provide a framework (job
411 descriptions, evaluation process and forms, contracts, etc.) for the evaluation of the Church's staff—ordained
412 minister(s), support staff and lay volunteers. The Staff Relations Committee shall be composed of four
413 members of the church at large, whose terms of office will be two years in duration, with the exception of the
414 initial members whose term shall be as follows: two members for three years and two members for two years.
415 The responsibilities of the Staff Relations Committee will be to:

- 417 1. Ensure that the work goals and performance of the ordained minister(s) are consistent with church
418 goals and conduct annual performance evaluations, using a process that jointly involves the
419 minister(s), the Church Ministries Committee, the Church Council and the congregation.
- 420 2. Ensure that work goals and performance of the support staff are consistent with church goals and
421 conduct annual performance evaluations.
- 422 3. Provide a framework in which conflict or concerns relating to work performance and goals of all staff
423 can be resolved effectively.
- 424 4. Provide the Church Council with recommendations regarding compensation and benefits, action plan
425 for performance improvement, if required, and work goals for both the ordained minister(s) and
426 support staff.
- 427 5. Ensure a safe environment for the ministries of Hilltop UCC by establishing guidelines for lay
428 volunteers within the church community.
- 429 6. Work with the Church Council, Committees and Boards as required.

430 Article XIX. Pastoral Search Committee

431 In the event of a vacancy in the office of Pastor, the Church Council shall appoint a Pastoral Search
432 Committee. The Pastoral Search Committee shall:

- 433 1. Consist of at least seven (7) active members of the Church, chosen to be representative of the
434 congregation.
- 435 2. Seek a candidate for the vacancy with the cooperation of the Conference Executive and others. The
436 Pastoral Search Committee shall introduce the candidate it recommends to the Church at a
437 Congregational Meeting.
- 438 3. Seek the counsel of the Area Minister of the Western Region of the _____ Conference of
439 the United Church of Christ for current guidelines on both its operation and the recommended salary
440 and benefit package. It may request profiles and other relevant information about any minister from
441 the Area Minister or from the Conference Placement Office of the _____ Conference.
- 442 4. State the contractual terms of the relationship in the Call. The Pastor, the Church, the
443 _____ Association, and the Clerk of the _____ Conference shall each receive a
444 copy of the Call.
- 445 5. Shall invite the _____ Association to sit as an Ecclesiastical Council for the purpose of
446 installing a new Pastor when the Call has been accepted.

447 Article XX. Special Committees

448 The congregation or the Pastor, with the approval of the Church Council, may appoint such committees as
449 may be deemed necessary. Such committees should not conflict with any Board or standing committee and
450 must report to at least one Board or standing committee of the Church.

451 Article XXI. Auxiliary Organizations

452 The Congregation or the Pastor, with the approval of the Church Council, may create such church auxiliary
453 organizations as may be helpful in the conduct of activities and functions sponsored by the Church. Such
454 organizations should not operate in conflict with any Board or Committee of the Church and must report to
455 the Church Council.

456
457 Source: Adapted from the Constitution and By-Laws of Ridgebury Congregational Church, Ridgebury CT.
458 January 2000

Please note that this sample of an employee handbook contains statements that are in accordance with the laws of the State of Connecticut. If your church is located in another state it is necessary to have this sample reviewed by an attorney familiar with the employment laws in your state.

**ACKNOWLEDGMENT OF RECEIPT OF HANDBOOK
Hilltop UCC**

I have received the Hilltop UCC's Employee Handbook. I understand that this Employee Handbook supersedes any previously published policies.

I have entered into my employment relationship voluntarily and acknowledge that there is no specified length of employment. Accordingly, either the Church or I may terminate the relationship at any time for any reason or no reason provided no state or federal laws are violated. I understand that only the Minister has the authority to enter into any agreement with an employee or potential employee for any specified period of time or to make any agreement contradicting the provisions set forth in this Handbook and that any such agreement must be in writing and signed by an officer of the Church and the employee.

I acknowledge that this Employee Handbook or any other document that I have received from the Church at any time is not a contract of employment and is not a legal document and that the Church can change any portion of this Handbook at any time without prior notice to employees.

I understand that it is my responsibility to read and comply with the policies contained in this Handbook and any revisions made to it.

Employee's Signature

Date

Employee's Name (Typed or printed)

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EMPLOYEE HANDBOOK
August, 2001
Hilltop UCC

INTRODUCTION TO THE 2001 EDITION OF THE EMPLOYEE HANDBOOK

This Handbook is a manual, a convenient reference book covering the current personnel policies of the Church. It is guided by personnel practices evolving through the experience of the Church staff, the Church Council, and the Personnel Committee of the Church.

The Employee Handbook is not a mission statement, not an orientation program, and not a theology of discipleship for the ordained and lay workers of a Christian community. The Handbook is not a contract as stated in the Employment At-Will paragraph of Section 1. It is neither a theological document nor a contractual one.

As a reference book, the Personnel Committee intends the Handbook to be a useful, practical everyday guidebook for the working relationships of the staff of the Church office, employed to serve the churches and mission of the Hilltop UCC. The Church staff are called and employed to serve the churches and that mission. The Personnel Committee is appointed by the Church Council to recommend policies and evaluate procedures. As the Church Minister has stated in her Foreword, this Handbook is "a means to ensure that we have common understandings of the way we intend to work together."

We hope that this manual aids you in your vocation of service. We hope it helps provide a structure in which you are welcomed and energized as a community of committed and talented persons serving the Church. It is an introduction to the advantages of employment with the Hilltop UCC of the United Church of Christ and its current employment policies. It honors the spirit of the Manual on Ministry of the U.C.C., the By-Laws of the Church and policies of the Church Council. We believe it is consistent with the laws of (**your state**) and the federal government.

FOREWORD

Dear Colleague

As the Hilltop UCC of the United Church of Christ we want to work together in ways, which nurture community, enhance individuality, and honor the gifts, which God has given each of us. Our ability to accomplish the ministry and mission of the Church depends on the quality of our staff's work, and so we have prepared this handbook as a means to ensure that we have common understandings of the way we intend to work together.

We believe that God has given every person special gifts with the intent that those gifts be used to the glory of God and the up building of the ministry of the Church of Jesus Christ. We also know that with so many differing gifts among us, we have both the capacity to create and lead in an amazing ministry, and the capacity to trip over one another in the process. We value both individual gifts and life in community, and therefore are concerned to find the right balance in our work together as a Church Staff.

I hope that this handbook will communicate the expectations and guidelines for our life and work together in ways, which are helpful to you. Every effort has been made to ensure that our practices follow state and federal law as well as Christian principles. If you have questions about anything in this handbook, feel free to speak with the Minister or with the Moderator.

We are glad to be working with you, and look forward to faithful ministry and successful work together!

Minister/ Moderator

SECTION 1 - EMPLOYMENT POLICIES

Equal Employment Opportunity

The Church provides equal employment opportunities and does not discriminate in employment opportunities or practices on the basis of race, color, religion (except insofar as ordination or religious background may be a qualification for a position), sex, national origin, ancestry, age, disability, marital status, sexual orientation, military status or any other class or status protected by law. If an employee requires a reasonable accommodation for a disability, a request for the accommodation must be made in writing to the Moderator.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of the Minister or the Moderator. Employees may raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination including retaliation or reprisal will be subject to disciplinary action, up to and including termination of employment.

Employment at Will

This Handbook is not a contract. Nothing in this Handbook is intended to create or constitute an express or implied contract of employment between the Church and its present or future employees. The provisions of this Handbook do not contain all policies of the Church and policies/benefits may be revoked or modified at any time by the Church Council in its absolute discretion without prior notice to employees. The Church will not recognize or be bound by any contract of employment with any employee, potential employee or group of employees unless such a specific/individual contract is prepared in writing and is signed by both an officer of the Church and the employee(s).

Any individual's employment with the Church is at will and can be terminated by either the employee or the Church at any time, for any reason or no reason provided no state or federal laws are violated.

Diversity

The Church has a philosophy and intention to be proactive in implementing equal employment opportunities for individuals who represent various segments of the work force in our community and has adopted a proactive approach to diversity. We believe that diversity and pluralism increase the effectiveness of our work team. Any questions or concerns regarding our practices should be directed to the Minister or the designated Personnel Officer, who have the responsibility for coordinating the employment practices of the Church.

Categories of Employment

Regular Employee status defines an individual who works a pre-determined schedule and is paid through the Hilltop UCC payroll. Individuals who are paid by employment agencies, or paid as independent contractors, free lancers, or vendors are not employees of the Church.

Full-time status defines an employee who is scheduled to work thirty-six and one-fourth (36.25) or more hours per week throughout the year.

Part Time status defines an employee who is scheduled to work less than thirty-six and one-fourth (36.25) hours per week.

Contract Employee defines an employee with whom the Hilltop UCC has contracted for performance of a defined task. For example -- summer staff.

Temporary/occasional status defines employees employed either for an unspecified number of hours or a limited period of time not to exceed one year.

Interim Ordained Staff may be employed or appointed for a specific assignment; benefits and parameters may vary with each position.

Our organizational structure includes the following classifications for which benefits and policies may vary:

- ordained staff,
- and administrative support staff.

The Federal and State Wage and Hour Laws define exempt and non-exempt status. All positions will be categorized in accordance with federal and state guidelines to determine which positions are exempt or non-exempt from overtime payment.

Hours of Work

Our Church office hours are generally Monday through Friday, 9:00 a.m. to 5:00 p.m. with forty-five minutes unpaid for lunch. Summer hours (July 1 - Labor Day) are 9:00 a.m. - 4:00 p.m.

Non-exempt staff are scheduled to work thirty-six and one-fourth hours per week. There may be times when you will be expected to work longer hours. Overtime (time and one-half) will be paid to non-exempt staff for work in excess of a forty-hour workweek. If you are a non-exempt employee, any time worked between 36.25 hours and 40 hours for a one-week period will be compensated at your regular rate of pay.

Flexible Work Schedules

The Church is sensitive to and recognizes the need of individuals as it may apply to family matters, transportation, civic and volunteer activity and continuing education. For this reason we will attempt to accommodate requests for flexible schedules in accordance with the following guidelines:

- Flextime schedules must be requested and approved in writing and are expected to be adhered to unless they are replaced by a new agreement.
- As a general rule, the schedule must reflect the same number of daily and weekly hours of work, and a minimum of 45 minutes each day for lunch for anyone working 6 or more hours per day. Flex schedules will generally require the employee to work during the Church's core business hours.
- The flexible schedule must not interfere with our ability to serve the needs of the Church. Obviously, some positions by the nature of the work performed, may not be candidates for a flexible schedule.

The Minister must approve all flexible schedules. The Church reserves the right to require a regular schedule as it deems necessary.

Attendance / Reporting Absences

When you are absent, we miss you and your contribution. If you are ill, you must personally call the Minister by the start of the workday and inform us how long you expect to be out.

If you need to be away from work for any other reason, we expect you to give sufficient notice for us to plan for your absence. Failure to report to work without notice will be viewed as a violation of policy. If you fail to report to work without notice for 3 consecutive days, we will view your absence as a voluntary resignation.

The Minister will review your attendance periodically and will address unexcused absences and tardiness.

Inclement Weather

The Church office will usually remain open for work despite inclement weather, so you should count on reporting to work. We understand that bad weather conditions make commuting extremely difficult and we advise you to use your best judgment to ensure your safety.

If you do not report to work or you opt to leave early because of the weather, non-exempt staff will be paid only for those hours worked. In such a case, you may use your personal days or vacation time so as not to lose pay, or if the opportunity arises, you can make up the time within the same workweek.

If the Minister closes the office while you are at work, you will be paid for time not worked.

SECTION 2 - STANDARDS OF CONDUCT AND ETHICS

Whenever people gather together to achieve common goals, some rules of conduct are needed to help us work effectively and harmoniously. By accepting employment with us, you have a responsibility to the Church and to your fellow employees to adhere to certain rules of behavior and conduct, to act in an ethical manner, and to respect all of your coworkers.

The Church requires that you:

- Observe established guidelines.
- Adhere to your work schedule and perform your work in a conscientious manner.
- Advise the Minister in advance when you anticipate an absence.
- Treat co-workers and all with whom you have contact with courtesy and respect.

The following are examples of behavior that may result in discipline up to and including discharge. This list has been compiled for informational purposes only and is not intended to be all-inclusive or to limit in anyway the Church's policy of employment at-will. In all circumstances, the appropriate disciplinary action up to and including termination is within the discretion of management.

- Threatening, intimidating, harassing or interfering with another employee's performance including discrimination and sexual harassment
- Unauthorized possession, use or consumption of alcohol or illegal drugs and operating under the influence while conducting Church business.
- Unauthorized possession, removal or use of the Church property.
- Acts of insubordination, conflict of interest, or acts of an unethical nature.
- Accepting honoraria for work from the churches and auxiliary organizations of the Church while employed full-time by the Church.
- Abuse of position or regulations
- Misuse of Church funds and/or funds from the churches.
- Breach of confidentiality
- Violations of the applicable ethical codes as listed below from the UCC Manual on Ministry.
 - I will regard all persons with equal respect and concern, and undertake to minister impartially.
 - I will honor all confidences shared with me.
 - I will not use my position, power, or authority to exploit any person.
 - I will not use my position for personal financial gain, nor will I misuse the finances of the institution, which I serve.
 - I will not perform services within a parish or for a member of a parish without the consent of the pastor of that parish.
 - I will deal honorably with the record of my predecessor and successor.

Harassment

This organization has a fundamental commitment to treat each individual with dignity and respect. Harassment of an employee by a supervisor or co-worker on the basis of sex, race, color, religion/creed, national origin, age, disability, marital status or sexual orientation is prohibited by federal and state law and will not be tolerated by the Church. It is the policy of the Church to maintain a working environment free from harassment, insults or intimidation. Verbal or physical conduct, by a supervisor or co-worker relating to your sex, race, color, religion/creed, national origin, age, disability, citizenship, marital status or sexual orientation which has the effect of creating an intimidating, hostile or offensive work environment, unreasonably interfering with your work performance or adversely affecting your employment opportunities, is prohibited and will not be tolerated. Sexual harassment includes any unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made, either explicitly or implicitly, a term or condition of an individual's employment;
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting each individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

Examples of the type of conduct prohibited

Sexual harassment may include, but is not limited to, explicit sexual propositions, sexual innuendo, suggestive comments, sexually oriented teasing, jokes about gender-specific traits, obscene language or gestures, degrading comments, display of obscene or derogatory printed or visual material, or physical contact.

Responsibility

The Church specifically prohibits any form of harassment in the workplace. If you believe that you are the victim of such harassment, or are aware of such behavior at the Church, you have the responsibility to bring the matter to the attention of the Minister or the Moderator.

Reporting

If you feel that you have experienced or witnessed harassment, or believe that you have been treated in an unlawful, discriminatory manner, promptly report the incident immediately to the Minister or the Moderator. After notification of the employee's complaint, an appropriate investigation will be initiated. The Minister or a designee will meet individually with all parties concerned and, where appropriate, action will be taken to prevent further harassment. The Church is committed to providing a harassment-free workplace. All reports will be promptly investigated with due regard for the privacy of everyone involved. Your complaint will be kept confidential to the maximum extent possible. The Church prohibits any form of retaliation against any employee who makes a good faith report of alleged harassment or assists in a complaint investigation. It is important that all parties deal with these matters with the utmost discretion and only share information on a "need to know" basis.

Appropriate disciplinary action will be taken against an employee determined to have harassed another employee up to and including discharge.

Resolving Problems and Conflicts

It is our objective to encourage the prompt resolution of employee problems and concerns. All parties are expected to treat the issues and information as confidential to the extent possible and be accountable for their own actions and behavior. In order to resolve problems or complaints:

First, you should make an effort to assess objectively the situation, consider possible solutions, and, whenever the problem involves a conflict with a co-worker, make every effort to resolve the matter calmly in a genuine and respectful manner.

Second, you should discuss the problem/issue privately with Minister or the Moderator. Whichever of these you contact will endeavor to follow through, help resolve the matter, and document the discussion and efforts to resolve the matter.

Third, if this discussion fails to resolve the problem, or you feel uncomfortable talking with your supervisor, you should address the issue in writing and submit it to the Moderator, documenting your efforts to resolve the issue directly. The Church will endeavor to address the issue within a prompt and reasonable time. Keep in mind that timeliness may be affected by the availability of any of the parties.

Fourth, if the grievance remains unresolved, or no appropriate or timely response has been forthcoming from Minister, then you may submit a copy of the documentation to the Chairperson of the Personnel Committee. The Personnel Committee or its designee(s) in its discretion may initiate the following actions where appropriate:

- Review the complaint and the documentation to determine whether appropriate action and response have been enacted.
- Conduct an investigation, including interviews with all parties involved.
- All decisions by the Personnel Committee are final.

Fifth, employment problems or conflict involving the Minister shall be presented directly to the Executive Committee of the Church Council.

Confidentiality

Much of the information that is handled on a day-to-day basis at the Church must be treated as confidential. Any information which if disclosed without authorization could be detrimental to the operation and reputation of the Church, its agents and members, or that which may infringe on anyone's right to privacy should be handled with the utmost discretion and confidentiality. Such information should be shared only on a "need-to-know" basis. Violations will be subject to disciplinary action up to and including dismissal.

Ethics

The Church's standards require its staff to avoid any activity or interest that might reflect unfavorably upon their own or the Church's integrity. This applies to actions both within the work environment and in the community. In all our dealings within the Church and in the Community, it is our practice to conduct our business affairs fairly, impartially, and in an ethical manner. Our actions must exemplify harmony, respect and integrity.

SECTION 3 - COMPENSATION POLICIES AND PRACTICES

Wage and Salary Administration

The Minister, the Moderator and the Personnel Committee are responsible for the administration of our wage and salary plan. The Church endeavors periodically to review our wage scales in an attempt to keep pace with non-profit organizations, the United Church of Christ, and other denominational organizations.

The Church endeavors to include a salary review for employees as part of the annual budget planning. Adjustments in salary may be based on, but not limited to, the following factors: individual performance and commitment, unexcused absences and tardiness, market data for comparable positions, relativity to the wage range, and budget constraints.

In instances in which the staff is required to live in Church-provided housing, compensation will be adjusted to reflect the housing benefit.

Social Security

Social Security/Medicare covers all non-ordained employees and, as required, the Church processes your deduction and matches the amount to be contributed toward these programs. Under current law, ordained ministers pay self-employment taxes (SECA). The Church provides an allowance to full-time ordained staff to offset the difference between the withholding rate for lay employees and the rate paid by self-employed persons. This allowance is taxable income to the employee.

Housing Allowance

Part of the compensation of ordained staff is designated as housing allowance, in accordance with the IRS guidelines.

Travel Allowance and Reimbursable Business Expenses

All employees who are required to use their personal vehicle in the course of Church business will be reimbursed for authorized automobile travel and other business-related expenses within the guidelines specified by the IRS and the Church.

Honoraria

Often clergy receive an honorarium when they perform services such as marriage ceremonies or funerals. It is the policy that Hilltop UCC ordained staff may accept honorariums but must report these as taxable earnings in the reportable tax year.

Pay Cycle and Time Cards

The workweek is defined as the period starting 12:00 a.m. Saturday morning through Friday 11:59 p.m. and payroll is processed on a bi-weekly schedule.

All non-exempt employees are required to provide an accurate and signed time card for their supervisor's approval on the Friday before the scheduled payday. Time cards must reflect starting and ending time and time out/return from lunch. Your card must be received by the Church Office prior to Monday noon in order proper paycheck processing.

Exempt personnel are required only to report and document absences (personal/vacation/sick time) with the Minister on a weekly basis for recording purposes.

Paychecks will be distributed directly to you every other Thursday unless your compensation is outside of the payroll system. Paychecks cannot be released to a friend or family member without your prior approval. We strongly encourage you to use the convenience of direct deposit for your paycheck. Your pay can be deposited into an account of your choice and available to you on payday.

Overtime

In accordance with the Federal and State Wage And Hour Laws, non-exempt employees will be paid overtime at 1 and 1/2 times the normal rate for time worked over 40 hours each week. If you are a non-exempt employee, any time worked between 36.25 hours and 40 hours for a one-week period will be compensated at your regular rate of pay.

All overtime must be approved in advance by the Minister.

If you are absent from work because of job-related injury, jury duty, illness, vacation, or personal day, this paid time will not be counted as hours worked for the purpose of computing eligibility for overtime pay. Holiday hours will be considered hours worked in the calculation of overtime.

Non-Exempt Staff - From time to time you may be asked to work evenings or weekends for a special project or event. Whenever this occurs, we retain the right to adjust your work schedule in that same week. If you are required to work more than 40 hours, you will be compensated at overtime rates. In accordance with federal and state regulations, compensatory time off is not an option for non-exempt employees, if the workweek exceeds 40 hours.

Exempt staff are not eligible for overtime pay. It is presumed that you will manage your own time appropriately while keeping the best interest of the Church in mind.

SECTION 4 - HEALTH AND SECURITY BENEFITS

Eligibility Criteria

Full-time employees are eligible to enroll for health benefits on your first day of work. You are required either to enroll for the plans you choose or sign a waiver indicating that you decline the plans offered to you. If you do not enroll for health benefits within your first 90 days of employment, you may apply at a later date but will be subject to evidence of insurability and eligibility. For dental coverage, if you do not enroll in the first 90 days, you will not be eligible again until an open enrollment period, if any is offered.

The Church offers the following benefits to all eligible employees:

- UCC health insurance
- UCC dental insurance

- Basic and supplementary life insurance
- Long term disability insurance
- Annuity

Outlines of the plans available to you are fully described in the booklets, which you will receive during your orientation.

Cost

The Church pays all premium costs for health, dental, life, and long term disability insurance for all full-time employees, and dependents, if any. The Church reserves the right to change the level of employee contribution upon giving prior notice to applicable employees.

Worker's Compensation Insurance

You are also covered under the _____ (state of location) Worker's Compensation act for any work-related injuries and/or illnesses. Worker's Compensation will be the primary insurance for such work related conditions and will include both medical and disability costs. You are required, however, to report such injury immediately to the Minister, seek medical attention, and submit a report within 48 hours of the onset of the incident.

Physical Examination

All full time staff will be reimbursed for the non-insured portion of the costs of an annual physical examination up to the limits established in the annual budget.

Annuity Fund

If you are a full-time employee you are eligible to participate in the Annuity Fund offered by the Pension Boards of the United Church of Christ. The Church makes quarterly contributions on your behalf at the percentage of salary stated in your letter of employment. You have the option to make additional pre-tax contributions on your own initiative. The Pension Board can assist you if you choose this option.

Continuity of Your Insurance Benefits (COBRA)

You may be eligible to continue certain insurance benefits at your own expense upon separation of employment from the Church. If you have dependent coverage, your dependents may be eligible for continuation of insurance benefits in the event of legal separation, divorce, or if your dependent children reach the plan age limit. Notice of such a change in status must be given to the Pension Boards, which administers our health benefits program, within 60 days of the occurring event or you and/or your dependents will be ineligible for the benefit continuation option. For additional details about your rights under COBRA, please contact the Pension Boards.

SECTION 5 - TIME AWAY FROM WORK

Vacation

Full-Time Non-Exempt Employees

Full-time non-exempt employees will accrue vacation time on a monthly basis as outlined below. New employees are granted one week of paid vacation after completion of six month's service. Employees can carry over unused vacation time into another year according to the table below entitled, Table of Vacation Time For Full-Time Non-Exempt Employees. Full-time non-exempt employees who leave our employment will be paid for any vacation time that has been accrued but not used.

Table of Vacation Time for Full-Time Non-Exempt Employees

| Full-Time Employees | | | | |
|----------------------------|----------------------|----------------|---------------------------|--|
| Years of Completed Service | Monthly Accrual Days | Annual Accrual | Maximum Carryover Allowed | |
| 1-2 | .83 | 10 | 10 | |
| 3-10 | 1.25 | 15 | 20 | |
| 11 or more | 1.66 | 20 | 20 | |

Part-Time Non-Exempt Employees

Part-time non-exempt employees, who are scheduled to work more than 20 hours per week, will have vacation time prorated according to the percentage of hours worked versus full-time. The basis for the standard will be .83 accrual days. The annual accrual and the maximum carryover allowed will be 10 days for part-time non-exempt employees. Part-time non-exempt employees who leave our employment will be paid for any vacation time that has been accrued but not used.

Full-Time Exempt Employees

Full-time exempt employees are granted four (4) weeks vacation per calendar year. It is the belief of the Church Council that this is an appropriate amount of vacation in consideration of the responsibility and dedication of its staff and it is expected that you will

manage your time effectively and schedule this vacation time in consultation with the Minister. Employees cannot carry over unused vacation time into another year and will not be paid for unused vacation time.

Full-time exempt employees, who are hired in the course of a calendar year, will receive a pro-rated number of weeks of vacation. Full-time exempt employees who leave our employment may be paid for unused vacation time.

Paid Holidays

The Church observes the following 10 holidays for full-time employees:

| | |
|------------------------|--------------------------------|
| New Year's Day | Independence Day |
| Martin Luther King Day | Labor Day |
| Presidents' Day | Thanksgiving |
| Good Friday | Day following Thanksgiving Day |
| Memorial Day | Christmas Day |

Any holiday which falls on a Saturday will be observed on the proceeding Friday, and any holiday which falls on a Sunday, will be observed on the following Monday. The Church reserves the right to change the holiday schedule at any time to accommodate the needs of the Church.

Non-Exempt Part-time Employees -- When a holiday falls on a regularly scheduled workday for a part-time non-exempt employee the holiday pay will be prorated according to the percentage of hours worked versus full-time.

Sick Time/Personal Time and Short Term Disability

Full-time employees will accrue sick/personal time at a rate of .83 days per month for a total of 10 days per year. If you do not use your time, you may bank any unused sick/personal time up to a maximum of 100 workdays for use only in the event of a short-term disability or a pregnancy. Employees will not be paid for accrued and unused sick time/personal time.

Part-time non-exempt employees will have sick/personal time prorated according to the percentage of hours worked versus fulltime. Accrued sick/personal time may be carried over to the next year for part-time non-exempt employees. The maximum carryover allowed for parttime non-exempt employees will be ten days.

Should you become disabled in excess of five (5) days and need to utilize your banked time, you should submit your written request as soon as possible to the Minister along with a medical verification of your disability with an indication of your anticipated "return-to-work" date.

Please see the Minister for details if you anticipate a need to request a medical leave of absence.

Leave of Absence

Unpaid leave will be granted only after you have made use of accrued sick/personal time and vacation time.

During a leave of absence of 90 days or more, you will be responsible for 102% of the cost to maintain your health insurance benefits.

Prior to your return from an extended leave of absence, you should communicate with Minister to discuss your anticipated date of return and any restrictions you may have or accommodations required. Whenever possible you will be reinstated to the same or a similar position at a similar rate of pay. If this is not possible because of changing conditions at the Church, reinstatement may be deferred or declined.

Parental Leave

Male or female employees may be granted an unpaid child care leave of absence for up to six weeks for the purpose of caring for a newborn or seriously ill child. Employees adopting a child may be granted a child care leave for the purpose of receiving the child into their immediate family.

Military Leave

The Church will reimburse the difference between military compensation and your regular pay for military reserve duty for a period of two weeks per year.

In the event of an emergency specified by a governmental agency requiring an employee to report for active duty, remuneration for such time will be at the discretion of the Church.

If you are called into active service in the Armed Forces of the United States, your time away will be counted in determining your length of service. You may also utilize and be compensated for any accrued vacation or sick time as defined earlier in this Section.

When you return from military duty, you will be reinstated to your former position, or a similar position, status and pay provided that:

- You have completed your military service satisfactorily.
- Your tour of duty did not extend beyond four years.
- You are still qualified to perform the duties of your job.
- You apply for reinstatement within 90 days after your release, or within the time limits prescribed by law if you were hospitalized because of a military disability, and,
- Circumstances of the Church have not changed as to make reinstatement impossible or unreasonable.

The Church complies with state and federal laws regarding military leave.

Jury Duty

If you are summoned for Jury Duty or as a witness for a trial, the Church will pay your regular pay less any stipend you receive from the court.

If you're called to serve, you must give a copy of the written notification to the Minister within 48 hours of receipt of the summons. This will allow us to plan for your absence.

In order to receive your regular pay, you must present a court-issued statement of jury service to the Minister.

Whenever you are not required to serve during regular office hours, you will be expected to return to work.

Your position with the Church will not be jeopardized by serving for Jury Duty.

Funeral (Bereavement) Leave

In the event of the death of a member of your immediate family, you may elect to take paid bereavement leave in order to spend time with your family. Immediate family is interpreted as spouse or domestic partner, parent and in-laws, grandparent, stepparents, child, stepchild, brother, sister and stepsiblings. The length of the leave will be typically no more than four days including the day of, and the day after, the funeral service. Should you wish additional time, you must submit a request for use of your vacation days or leave without pay.

The Minister must approve bereavement Leave. You may request two hours of paid leave to attend funeral services of other relatives and friends. If you need additional time a half or full day of earned vacation may be used for this purpose with the Minister's approval.

Summer Youth Conference

Full-time staff will be eligible to serve at a summer youth conference at our state-operated camp/conference center for a period of one week, as part of your work assignment, subject to approval by the Minister. If you are interested, we encourage you to submit your request to the Minister at least two months in advance of the specific summer youth conference at which you plan to serve.

Paid Sabbatical

The Church recognizes the value of allowing ordained staff to take a sabbatical leave from time to time in order to study and refresh their vocations.

In considering your request for a sabbatical, the Church may consider the following:

- After five (5) years of continuous full-time service ordained staff may be eligible for up to three (3) months paid sabbatical.
- Sabbaticals will not exceed three (3) months regardless of the number of years of service.
- Paid sabbaticals assume a return to duty for at least 6 months.
- Eligible employees may apply for a second sabbatical after ten (10) years of continuous service.
- Requests for sabbaticals must be made in writing and discussed with the Moderator.
- The Moderator reserves the right to delay the start of, reschedule, or deny a sabbatical in the best interest of the Church. This may occur, for example, in the instance of requests that would be concurrent, if granted.
- Payment will not be made in lieu of sabbatical nor at time of termination.

Educational assistance is listed in Section 6, General Information.

SECTION 6 - GENERAL INFORMATION

Personnel Files

A Personnel File is maintained for every employee containing such information as is necessary to make any and all employment-related decisions, including payroll, insurance, promotion, transfer, training and development purposes, as well as documents required by law (such as the I-9 Immigration Form.) It is the responsibility of the employee to update the Church regarding changes in circumstances including change of address, telephone numbers, emergency notifications, educational accomplishments, etc. Your file may include, but not be limited to, the following items:

- Employment Application, Ministerial Profile, or Resume submitted at time of application
- Letter of Employment

- Executed Acknowledgment of Receipt of Employee Handbook
- Executed At-Will Statement
- Executed Confidentiality Agreement
- I-9 Form
- Correspondence related to employment
- Disciplinary Documentation, if any
- Completed Performance Appraisal(s)
- Vacation and Sick Leave Status Reports
- Flex-time Work Schedule Agreements
- Loan Agreements, if any
- Wage History
- Notes from your exit interview at the conclusion of your employment with the Church

If any personal data changes, please notify the Church Office. Personnel files are the property of the Church and the Church will provide access to personnel files in accordance with applicable law.

Personnel Committee

The Church Council elects a Personnel Committee for terms specified by the Church Council. The Committee endeavors to provide coordination of personnel practices, policies, and when applicable, benefits. They also provide recommendations with regard to staffing issues and organizational structure.

The committee consists of at least one member of the Church Council and additional persons with expertise and sensitivity in personnel matters.

The Personnel Committee elects a chairperson who is a member of the Church Council. The Minister and the Moderator are ex-officio members.

Personnel Officer

The Minister will be the Personnel Officer responsible for the administration of day to day personnel practices and policies. The Minister reserves the right to delegate some or all of the responsibilities of the Personnel Officer.

Health, Safety and Security

We are concerned with the health and safety of all our employees. We ask you to be safety conscious, to observe all established safety guidelines, and report any safety hazards to the Minister or the Church office.

We ask that you refrain from smoking inside any Church buildings as a courtesy to your co-workers.

Educational Assistance

From time to time the Church may recommend and pay for you to obtain training, such as seminars or classes, related to your position with the Church. Payment for these seminars or classes is considered training and not educational assistance.

The Church values the professional development of its employees within the context of the Church's mission and goals. The Church may, in its discretion, consider requests for tuition reimbursement from eligible employees in accordance with the constraints of the Church's budget, best interests and the following criteria:

- The seminar or course must be directly job-related.
- The seminar or course must be approved by the Minister.
- You must be a full-time employee in good standing with a minimum of one year's continuous service with the Church.
- You must submit a written request along with pertinent course information.
- In order to receive reimbursement for educational assistance you must receive a passing grade for the specified course.

All educational assistance requires the approval of the Minister. The Minister will determine whether educational assistance will be provided and whether a seminar or course is appropriate.

SECTION 7 - LEAVING OUR EMPLOYMENT

Resignation

While we hope both you and the Church will mutually benefit from your work for the Church, we realize that at some point you may decide to leave your job with the Church. If you are a non-exempt employee and anticipate resigning your position with the Church, you are requested to notify the Minister at least two (2) weeks in advance of the date that you plan to leave. Exempt personnel are requested to provide at least four (4) weeks notice.

All employees who voluntarily terminate and provide the above notice will be paid for any unused vacation benefit based on the accrual schedule for non-exempt personnel and on a pro-rated basis for exempt personnel.

Involuntary Separation

Employment with the Church is at will and subject to resignation or termination, respectively by either you or the Church, at any time, with or without cause provided no state or federal laws are violated. Terminated non-exempt employees will be paid for unused, accrued vacation benefits.

In the event of a **reduction of work force** or an elimination of a position, we will make every effort to provide advance notice to employees affected and, whenever possible, assistance in their job search.

Full-time, non-exempt employees will be paid for any unused vacation accrued at separation. If you have given less than five years service, you will also receive one month's severance pay. If you have given more than five years service, you will also receive two months' severance pay.

Full-time, exempt employees with less than five years employment will be paid a maximum severance of two months pay which will include accrued and unused vacation.

Full-time, exempt employees with more than five years employment will be given two months notice and will be paid severance up to a maximum of four months pay including accrued and unused vacation.

In the event it is determined that you are **not suited for a position**, as a result of lack of competency, performance, behavior, or attendance, if deemed appropriate, we will endeavor to provide you an opportunity to improve or to seek another position.

Serious misconduct including, but not limited to, theft, harassment, violence, insubordination or unethical behavior may result in immediate termination with no prior notice. Employees who are terminated for such causes are not eligible for severance pay but will be paid for any unused, accrued vacation.

Continuation of Benefits

All employees separating from our employment may be eligible for continuation of your health benefits in accordance with the criteria outlined under COBRA. Please contact the Pension Board for details.

Please note that no one is eligible for payment of unused sabbatical benefit at the time of termination.

Unemployment Compensation

The Hilltop UCC is exempt from the unemployment law. **You are therefore not eligible for unemployment compensation when you leave the Church's employment.**

Retirement

Once you know when you have planned an intended date of retirement, please submit your notice in writing to the Minister at least three months before your date of retirement. On the other hand, if you plan to continue working full-time past the age of 65, please advise the Minister of your intent. This will provide the Church an opportunity to review with you any benefits or insurance options that may apply. Retirement benefits are subject to the rules, policies and provisions of the Pension Boards of the United Church of Christ, and the laws pertaining to Social Security and ERISA, as may be appropriate.

Exit Interview

At the time of your separation of employment, regardless of the reason, we will request an exit interview. This interview with the Minister or designee may include a member of the Personnel Committee and is intended to provide you with information about your benefits and arrangements after termination, as well as an opportunity to discuss any recommendations you may have and generally to provide a sense of closure.

CONCLUSION OF THE EMPLOYEE HANDBOOK

In conclusion, we hope that this manual has served to acquaint you with some of Church Personnel practices. We intend for the Handbook to be a reference book. Please include with your copy all memoranda from the Minister, Moderator, and the Personnel Committee of the Church Council of the Church that update and redefine elements of the Handbook. These memoranda should help inform you of current policy and address issues that evolve in the life of the Church and its staff.

Other documents may be helpful in acquainting you with the Church as well, including the 1997 Revision of the By-Laws of the Church. **It is important that you have signed and returned the Acknowledgment of Receipt Page of the Handbook.** Please contact the Minister or the Moderator if you have questions.

Source: Adapted from the Employee Handbook of the Connecticut Conference of the UCC

1 **Investment Policy for Endowments of**
2 **Hilltop UCC**

3
4 **I. Investment Objectives**

5
6 The primary investment objective of Hilltop UCC is to produce current income while still allowing for long-
7 term capital appreciation to help offset inflation. More specifically, and in order of priority, the following
8 objectives shall apply:

- 9
10 1. Stability of investment income - to assist beneficiaries of the Endowment Fund in achieving their
11 program objectives.
12 2. Preservation of capital - to provide a reasonable assurance to Endowment Fund beneficiaries of
13 sustainable income from investment assets of the Endowment Fund.
14 3. Growth of unit value and investment income in excess of inflation - as needed for withdrawals and
15 distributions.

16
17 In addition, portfolio investments will be made only in those securities which meet the standards of socially
18 responsible investments as established by Hilltop UCC.

19
20 **II. Investment Policy Guidelines**

21
22 The following guidelines shall apply to the investment of The Endowment Fund's assets:

- 23
24 1. Eligible Securities - The portfolio may be invested in
25 a. common stocks traded on national exchanges
26 b. public bonds
27 c. convertible securities
28 d. short-term securities

29 The investment advisor(s) may request specific permission from the Church Council to invest a portion (not
30 to exceed 20% in the aggregate) of The Endowment Fund's assets in other securities not listed above,
31 e.g., options, futures, foreign, venture capital, etc.

- 32 2. Asset Mix - The Endowment Fund's assets shall normally be invested in a combination of stocks and
33 bonds, the proportion of which shall be set annually by the Church Council. The investment
34 advisor(s) may deviate from the stated normal mix by +10% of total assets without specific permission
35 of the Church Council or its designee.
36 3. Diversification - The portfolio will generally be diversified by asset class and within asset types.
37 Securities of any single issuer, except the U.S. Government, shall not exceed 10% of Endowment
38 Fund assets at market.
39 4. Quality - The portfolio will generally have a bias for quality. No more than 10% of the fixed income
40 component shall be in issues rated BAA or lower.
41 5. Turnover - On a long-term basis average annual portfolio turnover, excluding short-term securities, is
42 not expected to exceed 50%.

43
44 **III. Performance Evaluation**

45
46 Portfolio performance results will be evaluated on a long-term basis, generally over a 3-5 year time period
47 or full market cycle. Specific attention will be placed on:

- 48 1. Real and absolute total returns.
49 2. Comparisons against appropriately weighed results of generally accepted stock and bond indices
50 (Standard & Poor's 500 Stock Index and Shearson Lehman Government/Corporate Bond Index).
51 3. Comparisons of the results of individual asset classes against appropriate indices.
52 4. Consistency of results over interim periods.
53 5. Volatility of asset values and investment income.

54
55 Consideration will be given as well to the economic costs associated with restrictions on investments
56 considered to be socially unacceptable to The Endowment Fund.

57
58
59 **IV. Reporting**
60
61

62 The investment advisor(s) will meet with the Church Council or its designee quarterly and will review
63 portfolio objectives, strategy and performance. Such information will be provided the Council or its
64 designee as necessary to evaluate compliance with investment policy guideline and performance as
65 indicated above.

66
67 The Church Council or its designee shall review with the investment advisor(s) at least annually social
68 responsibility restrictions and asset mix targets as set forth in the attached addendum.

69 Interim reporting will occur as requested by the Church Council or its designee.

71 72 **V. Asset Mix**

73
74 The view and determination of asset mix among different asset classes is the responsibility of the Church
75 Council. The Church Council has set the following ranges:

- 76
77 1. Normal Mix: 60% Stocks / 40% Bonds
78 2. Equity Range: 50% to 70%
79 3. Fixed Income Range: 30% to 50%

80
81 Convertible bonds and short-term securities will be considered as part of the fixed income component of
82 The Endowment Fund, but shall not exceed 20% of the portfolio.

83
84 Source: Adapted from the Investment Guidelines of the Connecticut Conference of the UCC
85

Total Return Investment and Spending Policy
Hilltop UCC
8/14/01

Discussion

The resources of Hilltop UCC will be more effectively used if a "total return" calculation is the basis for budgeting and expenditures.

Under the total return policy a calculation is made to determine the average market value of the endowments on a 12 quarter basis (3 year timeframe). Against this average market value, the proposed policy recommends the use of a 5% payout as the distribution from investments.

The principal benefit of the total return approach is its intent to preserve the original value of investment portfolio corpus, adjusted for inflation. Thus funds bequeathed or given to Hilltop UCC are forever preserved.

Another value is that it puts donors' dollars to work in ministry and mission as they were intended. Indeed, if Hilltop UCC were subject to general foundation laws, the congregation would be required by law to spend 5% of our assets every year.

A third value is that peaks and valleys in the investment world are more manageable because the total return calculation spreads the experience (results from investments) over twelve quarters rather than just four quarters (one year). Hilltop UCC commits to this practice as a long-term strategy to ensure her faithfulness to those who have given the congregation their funds, and to ensure that Hilltop UCC never draws more than is prudent from its investments.

Background

The Church Council of Hilltop UCC has adopted a total return investment and spending policy with the objective of preserving the inflation adjusted value of the assets of Hilltop UCC. The spending policy is calculated on a basis that averages the market value of assets over three years.

The following assumptions are the basis of the five percent payout in the action presented below.

1. A long-term inflation rate of 3%.
2. An investment policy of the Hilltop UCC Endowment Fund which is normally 60% invested in equities and 40% invested in fixed income.
3. An expected long-term real return for stocks of 6% and of fixed income of 3%; which would produce an expected nominal return for the Hilltop UCC Endowment Fund of 7.5% to 8.5% and a real return of 4.5% to 5.5 %.

Policy

That upon recommendation of the Church Council, the Congregation adopts a Total Return Investment and Spending Policy with an annual distribution policy of up to a five percent payout of the moving twelve quarter average market value of investment assets.

Source: Adapted from the Total Return Policy of the Connecticut Conference of the UCC.

Practices (No. 5) Consent Agenda

A consent agenda is a packet of documents and reports that are to be considered, but do not require discussion, at the upcoming meeting of the church council or governing board. The Consent Agenda allows those present at the meeting to consider, as a group, those items that require little or no discussion. Thus there is more time for those items that do require discussion.

Examples of items that do not require discussion and are good candidates for a Consent Agenda are:

- minutes of last meeting
- committee reports (that are in process and no decision or funding is required at this time)
- financial statements (if no discussion is required for the reporting period)
- a routine housekeeping action, if the meeting is for two corporations that meet simultaneously, that gives the secretary authorization to arrange the minutes in an order that will facilitate the orderly conduct of business and actions taken.
- approval of a document, which has been put in final form, for which non-substantive corrections were identified at the previous meeting

The consent agenda packet is to be read in advance of the meeting. These items are mailed two weeks prior to the meeting along with the agenda for the meeting. If no voting member asks to discuss any of the documents or reports in the Consent Agenda packet, all items are adopted and made part of the meeting. This is done by a motion to adopt the consent agenda and make it part of the minutes of the meeting.

CHART OF ACCOUNTS

8/14/01
Account Number

Hilltop UCC
Description

Account Class

| | | |
|--------|--|---------------------------|
| 1000 | PETTY CASH | |
| 1000 | Petty Cash | Asset |
| 1005 | BANK ACCOUNT | |
| 1005 | _____ Bank | Asset |
| 2000 | ACCOUNTS PAYABLE | Liability |
| 3005 | EQUITY | |
| 3005 | Equity | Equity |
| 3999 | Retained Earnings | Equity |
| 4000 | INCOME ACCOUNTS | |
| 4005 | Grants | Operating Credit (Income) |
| 4100 | Gifts | Operating Credit (Income) |
| 4200 | Pledges | Operating Credit (Income) |
| 4300 | Plate | Operating Credit (Income) |
| 4400 | Special Offerings | Operating Credit (Income) |
| 4900 | Parsonage | Operating Credit (Income) |
| 5000 | EXPENSES | |
| 5005 | Salary Exp | Operating Debit (Expense) |
| 5010 | Housng Exp | Operating Debit (Expense) |
| 5015 | Pension | Operating Debit (Expense) |
| 5020 | Insurance | Operating Debit (Expense) |
| 5025 | Reimbursed Exp - Minister | Operating Debit (Expense) |
| 5030 | Conting Educn - Minister | Operating Debit (Expense) |
| 5100 | WORSHIP & EDUCATION EXPENSE | |
| 5105 | Music Exp | Operating Debit (Expense) |
| 5125 | Prog Exp | Operating Debit (Expense) |
| 5135 | Christian Educn | Operating Debit (Expense) |
| 5145 | Other Worshp Exp | Operating Debit (Expense) |
| 5200 | OFFICE & PUBLICITY EXP | |
| 5205 | Advertising Exp | Operating Debit (Expense) |
| 5210 | Office Supplies | Operating Debit (Expense) |
| 5235 | Equipment Exp | Operating Debit (Expense) |
| 5245 | Telephone Exp | Operating Debit (Expense) |
| 5255 | Postage Exp | Operating Debit (Expense) |
| 5265 | Secretarial Svc | Operating Debit (Expense) |
| 5270 | Bank charges | Operating Debit (Expense) |
| 5300 | BUILDING & FACILITY EXPENSE | |
| 5305 | Rental Expense | Operating Debit (Expense) |
| 5315 | Insurance Exp | Operating Debit (Expense) |
| 5325 | Utilities Exp | Operating Debit (Expense) |
| 5335 | Custodial Svc | Operating Debit (Expense) |
| 5345 | General Maint | Operating Debit (Expense) |
| 5350 | Auto Exp | Operating Debit (Expense) |
| 5400 | BENEVOLENCES & CONF SUPPORT | |
| 5405.1 | OCWM Support | Operating Debit (Expense) |
| 5405.2 | Other BNV Gifts | Operating Debit (Expense) |
| 5435 | Per Capita Contribution | Operating Debit (Expense) |
| 5500 | CONTINGENCY EXPENSE | |
| 6900 | Contingency Exp | Operating Debit (Expense) |

Source: Chart of Accounts for church development, Connecticut Conference of the UCC

Sample of Summary Financial Statement

| A | B | C | D | E | F |
|--|---------------------------------------|----------------------------|---------|--------|-----------|
| Summary Financial Statement Hilltop UCC | | | | | |
| | Four Month Period Ending 4/30/01 | Note: This is Sample Data. | | | 33% of Yr |
| | INCOME STATEMENT | | | | |
| 8/6/01 | Hilltop UCC | | | | |
| Refrnce# | Description | Actual 2000 | 01 Bdgt | YTD | Variance |
| | INCOME | | | | |
| 1 | Non-Benevolence Income | 1,800 | 2,000 | 500 | 0.25 |
| 2 | Pledges | 85,482 | 91,000 | 33,982 | 0.37 |
| 3 | Plate Offerings | 600 | 600 | 150 | 0.25 |
| 4 | Special Offerings | 1,615 | 1,700 | 480 | 0.28 |
| 5 | Housing Allowance Endowment | 14,400 | 14,400 | 4,800 | 0.33 |
| | | | | | |
| | TOTAL INCOME | 103,897 | 109,700 | 39,912 | 0.36 |
| | | | | | |
| | EXPENSES | | | | |
| 6 | Total Staff Expense | 59,943 | 61,896 | 22,396 | 0.36 |
| 7 | Total Worship & Education Expense | 5,375 | 6,000 | 1,896 | 0.32 |
| 8 | Total Office & Publicity Expense | 8,404 | 8,925 | 3,029 | 0.34 |
| 9 | Total Bldg & Grounds Expense | 18,145 | 19,600 | 7,300 | 0.37 |
| 10 | Total Benevolences & Conference Spprt | 11,615 | 13,200 | 4,288 | 0.32 |
| 11 | Total Contingency Expense | 416 | 79 | 0 | - |
| | | | | | |
| | TOTAL EXPENSE | 103,897 | 109,700 | 38,909 | 0.35 |
| | | | | | |
| | Net Result | 0 | 0 | 1,003 | |

Sample Year to Date Departmental Report

| 1 | A | B | C | D | E | F |
|----|-------------------|---|-----------------------------------|------------------|------------|------------------|
| 2 | | | Note: This is Sample Data. | | | |
| 3 | | INCOME STATEMENT | Actual 2000 | 01 Budget | YTD | Variance |
| 4 | 8/14/01 | Hilltop UCC | | | | |
| 5 | | Four Month Period Ending 4/30/01 | | | | |
| 6 | Accnt Nmbr | Description | | | | 33% of Yr |
| 7 | 4000 | INCOME ACCOUNTS | | | | |
| 8 | 4100 | Non-Benevolence Income | 1,800 | 2,000 | 500 | 0.25 |
| 9 | 4200 | Pledges | 85,482 | 91,000 | 33,982 | 0.37 |
| 10 | 4300 | Plate Offerings | 600 | 600 | 150 | 0.25 |
| 11 | 4400 | Special Offerings | 1,615 | 1,700 | 480 | 0.28 |
| 12 | 4900 | Housing Allowance Endowment | 14,400 | 14,400 | 4,800 | 0.33 |
| 13 | | | | | - | |
| 14 | | TOTAL INCOME | 103,897 | 109,700 | 39,912 | 0.36 |
| 15 | | | | | - | |
| 16 | 5000 | EXPENSES | | | | |
| 17 | 5005 | Salary Exp | 27,750 | 28,500 | 9,500 | 0.33 |
| 18 | 5010 | Housing Exp | 14,400 | 14,400 | 4,800 | 0.33 |
| 19 | 5015 | Pension | 6,008 | 6,170 | 2,057 | 0.33 |
| 20 | 5020 | Insurance | 9,960 | 10,826 | 5,412 | 0.50 |
| 21 | 5025 | Reimbursed Exp - Minister | 1,325 | 1,500 | 377 | 0.25 |
| 22 | 5030 | Continuing Educ. - Minister | 500 | 500 | 250 | 0.50 |
| 23 | | | | | | |
| 24 | 5100 | WORSHIP & EDUCATION EXPENSE | | | | |
| 25 | 5105 | Music Exp | 1,050 | 1,100 | 350 | 0.32 |
| 26 | 5125 | Program Exp | 1,325 | 1,500 | 486 | 0.32 |
| 27 | 5135 | Christian Education | 3,000 | 3,200 | 1,000 | 0.31 |
| 28 | 5145 | Other Worship Exp | | 200 | 60 | 0.30 |
| 29 | 5200 | OFFICE & PUBLICITY EXP | | | | |
| 30 | 5205 | Advertising Exp | 294 | 400 | 200 | 0.50 |
| 31 | 5210 | Office Supplies | 1,849 | 2,000 | 550 | 0.28 |
| 32 | 5235 | Equipment Exp. | | | - | |
| 33 | 5245 | Telephone Exp. | 1,489 | 1,600 | 557 | 0.35 |
| 34 | 5255 | Postage Exp. | 711 | 800 | 220 | 0.28 |
| 35 | 5265 | Secretarial Svc | 3,992 | 4,025 | 1,470 | 0.37 |
| 36 | 5270 | Bank charges | 69 | 100 | 32 | 0.32 |
| 37 | 5300 | BUILDING & FACILITY EXPENSE | | | | |
| 38 | | | | | - | |
| 39 | 5315 | Insurance Exp. | 8,000 | 8,300 | 4,150 | |
| 40 | 5325 | Utilities Exp. | 4,598 | 5,000 | 1,615 | 0.32 |
| 41 | 5335 | Custodial Svc. | 2,752 | 3,000 | 740 | 0.25 |
| 42 | 5345 | General Maint. | 1,672 | 1,800 | 435 | 0.24 |
| 43 | 5350 | Auto Exp. | 1,123 | 1,500 | 360 | 0.24 |
| 44 | 5400 | BENEVOLENCES & CONF SUPPORT | | | | |
| 45 | 5405.1 | OCWM Support | 10,000 | 11,200 | 3,733 | 0.33 |
| 46 | 5405.2 | Other BNV Gifts | 1,615 | 1,700 | 480 | 0.28 |
| 47 | 5435 | Per Capita Contribution | | 300 | 75 | |
| 48 | 6900 | CONTINGENCY EXPENSE | | | | |
| 49 | 6905 | Contingency Exp | 416 | 79 | - | - |
| 50 | | TOTAL EXPENSE | 103,897 | 109,700 | 38,909 | 0.35 |
| 51 | | | | | | |
| 52 | | Net Result | (0) | (0) | 1,003 | |

Audit Program for Internal Auditors of Churches

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Introduction

Dear Fellow Auditor:

The task of auditing a Church is not a simple task, as I am sure you are well aware. However, it is an act of stewardship that should be commended by all of those involved in the Church. Likewise, the task of compiling this manual was not an easy task. As such, we are thankful to the authors of the audit manuals that came before this one, particularly the ones listed in the sources section of this guide! These sources include *The Manual of Business Methods in Church Affairs*, which was published by the Episcopal Church. Some of the checklists presented here have been derived from that manual. We wish to thank Tom Hershkowitz of the Episcopal Church for granting us permission to use them.

This program has been designed to help you in conducting the internal audit of your Church. However, due to the difficulty of the task ahead, and because this is the first time the Connecticut Conference has issued a formal audit program, we realize that you may have questions. We would also appreciate any comments you have to improve this program. For questions, comments, or technical assistance, you should call Ken Ulmer at the Connecticut Conference office at (860) 233-5564.

Sincerely,

Ken Ulmer
Associate Conference Minister for Administration
Connecticut Conference of the UCC
October, 2000

Acknowledgements

Committee Members

Reverend James Chapman, Chairperson
William Clark
Bob Giles
David Kneeland
David Ward

Other Contributors

Delores Spivey

1. GENERAL

Purpose of this guide: This program is intended to be used by an internal auditor or members of an internal audit committee within a Church belonging to the Connecticut Conference of the United Church of Christ. *This audit program is not intended to be and should not be used as a substitute for an external audit conducted by a certified public accountant.* This program is intended to supplement an external audit. It should be used by the internal auditor(s) to help them prepare for an audit conducted by a certified public accountant. By following the instructions contained in this guide, you may be able to reduce the cost and improve the effectiveness of your external audit.

This audit program has been compiled by the audit committee of the United Church of Christ, Connecticut Conference as a service to Churches within the Conference. This document may not be reproduced or distributed for commercial purposes. Also, it should be noted that the Conference is not providing legal or financial advice through this publication, nor can it be responsible for the conduct of local audits. It must be emphasized that this guide is not a substitute for regular audit programs developed by a certified public accountant and should not be used as such. Internal auditors should always seek assistance and advice on specific issues from professional accountants and auditors.

Reasons for an audit: The Conference recommends that an audit be conducted on an annual basis. This is because an audit is "the best way for a local church to protect those persons it elects to offices of financial responsibility from unwarranted charges of carelessness or improper handling of funds. It is not a symbol of distrust" (*Local Church Audit Guide*, p. 4, United Methodist Church). In addition, church committees, treasurers, finance committees, deacons, and other "persons in positions of responsibility are liable for any losses which would have been discovered by an ordinary audit but were not discovered because they failed to have the audit conducted" (*Manual of Business Methods in Church Affairs*, p. 8, Episcopal Church). Further, according to the *Handbook for Treasurers and Trustees*, published by the United Church of Christ, Massachusetts Conference, "the costs of dishonesty or mismanagement on the part of those entrusted with church funds are likely to be far higher [than the cost of having an audit performed]. Just as we allocate money in our church budgets to pay the costs of insurance, it makes sense to allocate money for periodic audits" (p. 4).

Although the primary reason for conducting an audit is to insulate church officers from the suspicion of mishandling of funds, current headlines indicate that mishandling of funds does occur. Consider the following: former Episcopal Church Treasurer Ellen Cooke is in jail for embezzling \$2.2 million (*Washington Times*, p. A12, March 11, 1997). A 69 year old man "stole nearly \$1 million from the First Presbyterian Church [of Naples, Florida] while he was its treasurer in the 1980s and early 1990s" (*Inside Naples*, January 15, 1998). Nazarenes and Friends (Quakers) were bilked out of \$4.4 million in a fraud case conducted by a 63 year old Los Angeles-area woman (*Christianity Today*, April 27, 1998). A husband and wife team stole more than \$324,000 over a period of two years from a Catholic Church in Georgia (*The Augusta Chronicle*, December 2, 1997). *The Chapel Hill News* reported a \$478,000 embezzlement scandal that "rocked a 156 year old Chapel Hill church" (July 1, 1998). Closer to home, *The Waterbury Republican-American's* May 12, 2000 headline read "State Question's Priest's Books: Missing Money Was For Students." Much more numerous are the small cases which go unreported. Can this happen in your Church? Unfortunately, it can, and the larger the size of your endowment or your budget, the greater the risk to your Church.

The complexity of fraud schemes is one reason for the Conference's recommendation that an audit be conducted by a certified public accountant in addition to having the internal audit done. Also, a professional should be used to audit the Church's financial records because there are a myriad of new accounting pronouncements and standards that may affect your Church. These include new rules on how to record contributions, bequests, and appreciation on investments. Further, general tax laws such as those relating to accountable plans are complicated to those unfamiliar with the Internal Revenue Code. In addition, there are many laws which specifically relate to Churches, which even those otherwise familiar with the general tax law may have trouble deciphering! These include discretionary fund requirements, housing allowances, and "unrelated business income tax." Further, an external certified public accountant can help you formulate an investment policy statement, which every Church should have. He or she should also be able to help with general legal and insurance questions.

Although most church officers recognize the benefits of having an audit conducted, many still are reluctant to engage professional auditors because of the expense involved. However, given the present volume and complexity of the laws and accounting standards, it should be noted that a professional would most likely save the Church money in the long run. In addition, according to the *Manual of Business Methods in Church Affairs*, published by the Episcopal Church, "an announcement to the congregation that an audit has been completed and that all monies and investments are properly accounted for will have a positive impact on stewardship" (p. 8).

What is an audit? A financial statement audit is a type of attest engagement. Webster's dictionary defines "attest" as "to declare to be true or genuine" or "to certify by oath or signature." In the case of the audit of financial statements, *audited* means that the financial statements "are accompanied by an audit report prepared by independent public accountants, expressing their professional opinion as to the fairness of the [Church's] financial statements" (*Principles of Auditing*, Wellington, p.6).

Accordingly, an audit consists of a series of procedures done to independently verify the financial statements of the Church. It includes examining, on a test basis, specific information, which support the amounts and disclosures in the treasurer's financial statements. An audit also includes assessing the accounting principles used by the management of the Church. The purpose of an audit is generally to express an opinion about the treasurer's financial reports.

An audit includes examination of all of the funds of the Church, not only the operating accounts. Thus, all operating accounts, capital and other special funds, endowment and trust funds, assets of Church organizations, investment funds, discretionary funds, and any other assets, liabilities, revenues, and expenses of the Church must be audited. No account should be exempted from examination.

An audit is conducted in three parts -- Preaudit planning, tests of internal controls, and substantive tests of transactions and account balances; the audit should be performed in this order only. The culmination of these tests is the formulation of an opinion on the financial statements (which should consist of at least a statement of the assets and liabilities of the church and a statement of the revenues, expenses, and net asset or fund balances of the church). The opinion is expressed in a report, which is issued to the congregation.

The first step of the audit is the planning stage. Preaudit planning involves obtaining an understanding of the church's financial operations and assembling the various documents that are needed to perform the audit.

Tests of internal controls involve tests of the policies and procedures employed by the church to safeguard assets and to ensure the reliability of the accounting data. The auditor examines the internal controls in order to determine the extent of the tests of the account balances. The better the internal control, the less testing of financial statement account balances is required by auditors. For instance, a policy may state that cash receipts must be deposited and recorded on a daily basis. If tests of this control reveal that deposits are being made infrequently and not being recorded in the books in a timely manner, this means that the auditor may have to test more receipts than he or she originally planned. Likewise, if deposits are examined and are being made in accordance with the established church policy, the auditor may not have to expand testing in this area.

Finally, substantive tests of transactions and account balances include examination of actual transactions and balances. For instance, the financial statement may indicate a balance of \$10,000 in cash. In this stage of the audit, the auditor will examine the bank reconciliations and bank statements and verify that the balance per the bank is properly reconciled to the treasurer's report.

2. PREAUDIT PLANNING

- a. Before the audit begins, there are certain procedures, which the auditor must do in order to properly plan and perform the audit. First, the auditor must obtain a preliminary understanding of the accounting systems (both manual and computer) that generate significant financial statement items and of related principal internal accounting controls.
- b. The auditors should then obtain copies of the minutes of any committee authorized to receive and disburse monies. Read the minutes with regard to the election of officers, compensation of personnel, bonding of the treasurer, budget approvals, contracts entered into, purchase of items, borrowing of monies, purchase

and sale of securities, resolution confirming clergy housing allowance for tax purposes, etc. This should be done before the actual examination of any accounting records. You may need to see the minutes of the previous year if they contain authorizations for expenditures in the year being audited.

- c. Obtain a copy of the previous audit. This will enable you to verify the beginning balances of the assets, liabilities, and net assets. If available, you should also obtain the previous year's management letter. The management letter details past audit findings and provides suggestions on how to improve the church's financial operations.
- d. Obtain a copy of the annual financial statements as prepared and presented by the treasurer.
- e. Review the procedures, which are being used to account for church monies. Identify the individuals with responsibility for financial operations and decisions by name and position and verify with them that all the funds of the congregation have been included in the statements.
- f. Identify all bank accounts and authorized check and withdrawal signers including those under separate treasurers.
- g. Request that all accounting records of all funds be presented together including:
 1. Chart of Accounts and Organization Chart
 2. General Ledger
 3. Cash Receipts Journals
 4. Cash Disbursements Journals
 5. Bank Statements including canceled checks
 6. Blank checks that are both in and out of the binder
 7. Paid Invoices
 8. Individual payroll records including Forms W-4 and I-9
 9. Federal and State payroll withholding reports
 10. Passbooks and evidence of other investments
 11. Pledge Records by individual and total
- h. Perform a preliminary analytical review of the financial statements. This may consist of a comparison of the current accounts to the previous year balances and to the budgeted amounts. After this is done, arrange a meeting with the Treasurer. Inquire as to any significant variances noted in the preliminary analytical review. Also ask the Treasurer about any matters noted in the reading of the minutes and ask about any other matters, which may have occurred during the year in which you should be aware of before beginning the audit.

3. REVIEW AND ASSESSMENT OF INTERNAL CONTROLS

In order to properly plan and perform the audit, the auditor must first obtain an understanding of the internal control environment and assess its overall effectiveness. The internal control structure consists of the church's policies, procedures, and commitment to reasonably prevent material errors and irregularities from occurring or going undetected. Internal control can be described as the overall plan of the church and the methods employed by the church to safeguard assets, ensure the reliability of the accounting data, encourage compliance with established procedures, and promote efficient operations. Good internal controls provide greater assurance that transactions are recorded properly. The review of the control system must be done by the auditor in order to assess the risk that the financial statements are materially misstated. Thus, if the controls in a particular area are bad, the risk that the account is misstated is higher and more testing in this area may be merited.

An internal control questionnaire is a good way to review the internal controls. You should fill out the questionnaire before the start of the audit. The questionnaire is intended to provide guidance to the auditor, which is used to evaluate the existing system. The normal answer is "yes." However, a "no" answer does not necessarily mean that the church is unauditible or that the control environment is ineffective. It may simply suggest an area of the system that could be strengthened.

In addition, to supplement the questionnaire, a narrative description of the control procedures should be developed to provide documentation of the current review. This narrative should be retained for reference in future evaluations.

After obtaining an understanding of the control system via a review of the questionnaire and narratives, the responses must be tested to evaluate whether the controls are operating properly. For instance, if the response to question 1 (below) "are prior internal control questionnaires available" is yes, you must obtain a copy. This testing will enable a proper evaluation of the controls, which are in place.

Internal Control Questionnaire

General: The following items are intended to provide you with general information for an understanding of the overall accounting and internal control system.

1. Are prior internal control questionnaires available? Yes No NA
2. Have recommendations of prior reports on internal controls been implemented? Yes No NA
3. Is a complete and current chart of accounts, listing all accounts and their respective account numbers, available? Yes No NA
4. Is the accounting system using a double-entry bookkeeping method? Yes No NA

Budget: The development and use of a budget is a critical management tool that will aid in the stewardship and administration of church resources and program.

1. Is the budget approved by the church? Yes No NA
2. Are all changes to the budget authorized by the church committee and recorded in the minutes of the meetings? Yes No NA
3. Is there a periodic review of the budget by the church committee? Yes No NA

Reporting: The best accounting system is of little value unless the information is communicated to those responsible. Although there may be variations, there are certain minimum standards to assure adequate communication of the financial information.

1. Is a Treasurer's report submitted to the church committee or finance committee each month? Yes No NA
2. Is the Treasurer's report presented in sufficient detail to inform the reader as to the nature of the various items of income and disbursements? Yes No NA
3. Does the report present the current actual financial data compared with the approved budget? Yes No NA
4. Is there periodic reporting, at least quarterly, of all other funds and activities, including designated or restricted funds? Yes No NA

Cash receipts: Clearly stated policies and procedures regarding the handling of cash and other receipts help not only to protect

from loss, but assure that all receipts are properly recorded in the records.

1. Are there safeguards to protect the collections from theft or misplacement from the time of receipt until the time the funds are counted and deposited? Yes No NA
2. Are the collection receipts counted and deposited so that the deposit equals the entire amount of receipts on a timely basis, i.e., at least weekly? Yes No NA
3. Are there at least two unrelated persons responsible for the counting and depositing of the collections? Yes No NA
4. Are the persons responsible for counting receipts rotated on a periodic basis? Yes No NA
5. Do the counters have a standardized form for recording the deposit information? Yes No NA
6. Are the counter's sheets retained and reconciled with actual deposits, and are all discrepancies investigated? Yes No NA
7. Is the cashing of checks out of the currency received prohibited? Yes No NA
8. Are third party checks returned to donors? Yes No NA
9. Are all of the pledge envelopes or other memoranda retained and reconciled to the recorded amounts? Yes No NA
10. Are all other cash receipts recorded and deposited on a timely basis? Yes No NA
11. Are all checks received restrictively endorsed "for deposit only" immediately upon receipt? Yes No NA
12. Are there procedures, which will highlight, or bring to someone's attention, the fact that all receipts or income have not been received or recorded? Yes No NA
13. Are periodic statements provided to donors of record, i.e., at least quarterly? Yes No NA
14. Do acknowledgments of contributions in excess of \$250 include a receipt from the donee organization which describes itself as the contemporaneous acknowledgment required by the Internal Revenue Code, and states that, in accordance with Section 170(F)(8)(B), any goods or services provided consist solely of intangible religious benefits? Yes No NA
15. Are all discrepancies investigated? Yes No NA

Cash disbursements: The following procedures will assist in assuring that all payments are properly approved, recorded, and supported by appropriate documentation.

1. Are all disbursements made by check, except for small expenditures made by petty cash? Yes No NA
2. Are all checks pre-numbered and used in sequence? Yes No NA
3. Is there a clearly defined approval process for all disbursements? Yes No NA
4. Are all voided checks properly canceled and retained? Yes No NA
5. Are all checks made payable to specified payees and not to cash or to bearer? Yes No NA
6. Are all disbursements supported by original documentation? Yes No NA
7. Is the original vendor's invoice or other documentation canceled at the time of signature to prevent duplicate payment? Yes No NA

Check signing:

- a) Is the signing of blank checks prohibited? Yes No NA
- b) Is the use of a signature stamp or preprinted signatures prohibited? Yes No NA
- c) Does all supporting documentation accompany checks presented for signature? Yes No NA
- d) Are all account signers authorized by the church? Yes No NA
- e) Is more than one signature required for any check? Yes No NA
- f) If not, do checks for more than \$500 require more than one signature? Yes No NA
- g) If signature imprint machines are used, are the keys kept under lock and key except when in use? Yes No NA
9. Are all disbursements requiring special approval of funding sources or of the church committee properly documented in the Church committee or Finance Committee minutes? Yes No NA

Journal entries: Journal entries offer a special opportunity to make adjustments to accounting records. The general journal is just as important a book of original entry as the cash receipts and cash disbursements journals.

1. Is there an appropriate explanation accompanying each journal entry? Yes No NA
2. Are all journal entries approved by a knowledgeable person of authority other than the person initiating the entry? Yes No NA
3. Is adequate documentation maintained to support each journal entry? Yes No NA

Bank account reconciliation: The monthly reconciliation of all bank accounts is a primary tool for assuring the proper recording and accounting for all cash account activity.

1. Are all bank accounts reconciled within 10 days of receipt? Yes No NA
2. Are the tasks of opening and reconciling the bank statement performed by two different people? Yes No NA
3. Are the bank account reconciliations completed by someone other than the person who participates in the receipt or disbursement of cash? Yes No NA
- 4) Do the reconciliation procedures provide for:
 - a) Comparison of dates and amounts of deposits as shown on the bank statement with the cash receipts journal? Yes No NA
 - b) Investigation of bank transfers to determine that both sides of the transactions have been recorded? Yes No NA
 - c) Investigation of all bank debit and credit memos? Yes No NA
 - d) Review of all checks outstanding over 90 days? Yes No NA
 - e) Voiding of outstanding checks during the year-end reconciliation? Yes No NA
 - f) Is the bank immediately notified of all changes of authorized check signers? Yes No NA
5. Are all journal entries for bank charges and bank account interest recorded routinely? Yes No NA

Petty cash: The following controls are meant to provide for a timely recording of expenditures of cash in the accounting system.

1. Is the responsibility for the petty cash fund assigned to only one person? Yes No NA
2. Are all petty cash funds maintained on an imprest basis, i.e., the total amount of vouchers paid or disbursed, plus cash, will always equal the amount of the fund? Yes No NA
3. Is there adequate review of documentation before the fund is reimbursed? Yes No NA
4. Is the petty cash fund reimbursed at least monthly? Yes No NA
5. Is the cashing of checks and loans to employees prohibited? Yes No NA

6. Is the actual petty cash protected from theft or misplacement? Yes No NA

Investments: Procedures for the proper recording and control of all investment instruments will help to assure that all assets and related income are accounted for and properly reported.

1. Are all investment instruments held in the name of the church only? Yes No NA

2. Is authorization for the sale and/or purchase of investments provided for by the church committee or authorized investment committee? Yes No NA

3. Are all investment instruments adequately protected from fire, theft, or misplacement? Yes No NA

4. Are the interest, dividends, and unrealized gains or losses recorded? Yes No NA

Property and equipment: Certain procedures involving the physical assets of the church will aid in detecting, identifying, and preventing losses.

1. Is formal approval of the church committee required for all property and equipment additions and dispositions? Yes No NA

2. Is a detailed inventory of all property, furniture, fixtures, and equipment maintained showing:

a) Date acquired? Yes No NA

b) Detailed description? Yes No NA

c) Cost or fair market value at time of donation? Yes No NA

d) Any funding source restrictions? Yes No NA

3. Is a periodic review conducted to:

a) Compare the actual property, furniture and fixtures, and equipment to the recorded inventory listing? Yes No NA

b) Ensure the adequacy of the insurance coverage? Yes No NA

c) Improve loss prevention? Yes No NA

Liabilities and other debt: All liabilities and other debt must be clearly reported, and all provisions or restrictions complied with.

1. Is all borrowing or indebtedness authorized by the church committee and other appropriate committees? Yes No NA

2. Are all loan agreements and/or lease agreements in writing and properly safeguarded? Yes No NA

3. Are there periodic reviews conducted to determine compliance with any debt/lease provisions? Yes No NA

4. Are all liabilities noted on Financial Statements/Reports to Church committee? Yes No NA

Restricted gifts and income: Gifts restricted by donors are not handled in the same manner as other contributions, and procedures are necessary to assure that these gifts are recorded properly and all restrictions are observed.

1. Are records maintained of all bequests, memorials, endowments, or any other restricted gifts to include:
- a) Date, amount and donor of gift? Yes No NA
 - b) Any restrictions or limitations? Yes No NA
2. Are all restricted gifts and grants approved by the Church committee or other authoritative body? Yes No NA
3. Are the income and other transactions periodically reported to the church committee? Yes No NA
4. Are written acknowledgments issued for all contributions other than pledges? Yes No NA

Payroll: The application of policies and procedures involving the employment of individuals assures compliance with payroll tax reporting to the various governmental entities.

1. Are personnel files maintained to include:
- a) Employment application and/or letter of employment? Yes No NA
 - b) Authorizations of pay rates and effective dates? Yes No NA
 - c) Internal Revenue Service Form W-4? Yes No NA
 - d) Department of Justice Form 1-9? Yes No NA
 - e) State Withholding Forms? Yes No NA
2. Is there a written record of hours worked and approved by a supervisor when applicable? Yes No NA
3. Are there adequate records to:
- a) Show computation of gross pay? Yes No NA
 - b) Account for all deductions from gross pay? Yes No NA
 - c) Support payroll tax returns and Forms W-2? Yes No NA
4. Are payroll tax returns filed on a timely basis? Yes No NA
5. Are payroll tax deposits made on a timely basis? Yes No NA
6. Are all employees, clergy and lay, receiving a Form W-2? Yes No NA

7. Are Forms 1099 being provided for all individuals who are not employees, and for all unincorporated entities paid \$600 or more annually? Yes No NA
8. Are Form W-2 wages reconciled to the general ledger accounts, and all four quarterly payroll tax returns? Yes No NA
9. Are clergy housing allowances recorded in the minutes of the church committee no later than the first meeting of the year? Yes No NA

Computer systems: The use of computers creates the need for additional procedures to safeguard the system and data.

1. Are current or duplicate copies of the operating system and programs maintained off premises? Yes No NA
2. Are the files backed up at least weekly and the backups maintained off premises? Yes No NA
3. Is access to the computer and computer programs limited to authorized persons? Yes No NA
4. Is there adequate documentation, including user manuals, available on-site for all computer programs? Yes No NA
5. Is a printed copy retained of all journals, general ledger, financial statements and any other computerized records? Yes No NA

4. SUBSTANTIVE TESTING OF TRANSACTIONS AND ACCOUNT BALANCES

Assemble the following documents:

Before assembling the documents, it should be noted that the auditor should retain a file of the work papers, which were prepared to assist with the formation of the opinion on the financial statements. When the next year's audit is to be performed, these papers could be an invaluable guide to problem areas. The next auditor, if it is not you, should be

provided with a copy of your work papers. These work papers should include such things as: the marked up audit and internal control check lists; lists of bank accounts, restricted funds, investments, insurance accounts and loans; the schedules you prepared and the procedures you followed in making the audit.

- Minutes of the Church committee Yes No NA
- Minutes of any group authorized to disburse monies Yes No NA
- Annual financial report to congregation Yes No NA
- Treasurer's interim reports Yes No NA
- Names of those authorized for check signing, fund withdrawal or transfer, and disbursing approval Yes No NA
- List of securities held Yes No NA
- Copy of previous year's audit and internal control letter Yes No NA
- Organizational Chart Yes No NA
- Chart of Accounts Yes No NA

| | | | | | | |
|--|--------------------------|-----|--------------------------|----|--------------------------|----|
| Budget | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| General ledger | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Cash receipts journal | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Cash disbursements journal | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Bank statements for audited year, plus last statement for previous year and first for current year | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Paid checks and deposit slips | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Payroll records with Forms I-9, W-2, W-3, W-4, and State and Federal withholding records | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Savings account passbooks | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Other investment records | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |

Test receipts [See Worksheets 1, 2A and 2B]:

- a. *Plate offerings:* Cash receipts journal entries should be traced to weekly cash receipts records on a test basis.
- b. *Pledge receipts:*
 1. An analytical test of pledges should be done as follows: determine the number of pledging units. Test the number by verifying by reference to documents generated outside of the accounting function; e.g. membership records, directories, etc. Divide the total pledge receipts per the financial statement by the total pledging units. Compare this figure to similar records from prior periods and investigate any significant differences.
 2. Adding machine tapes should be made of the individual pledge records with the total agreeing with the total pledge payments reported.
 3. Random selection of individual pledge records should be tested for accurate total and balances. A minimum of 10 percent should be tested, unless number 4, below, is followed.
 4. If the auditor is engaged before year end and if the church sends statements to the pledgers, the auditor can save time and effort by supervising the mailing of the year end statements. The auditor can then use this mailing to obtain direct confirmation. He does this by including a statement on the year end statements that all variances should be reported directly to the designated member of the audit committee. Any reported variances should be noted and investigated.
 5. Auditors should always review the pledge receipts of the Congregation's personnel involved in money transactions.
 6. The auditor should determine if any amounts should be deferred as relating to future periods; for example, in 2000, a member may make a contribution for his or her 2001 pledge. This amount should be recorded as deferred income until the year 2001. The auditor should inquire as to the existence of deferred pledges and trace the deferred amount to supporting documentation.
 7. Likewise, there may be pledges outstanding that were not collected by the end of the year. These amounts should be recorded as pledges receivable. The auditor should examine the pledges in the new year to determine the adequacy of the list of pledges receivable.

The decision as to the size of the representative sample of postings and pledge records for examination depends on the dollars involved and the sophistication of the congregation's records.

- c. *Contributions from mission organizations:* Receipts must be listed separately for each organization and amounts entered in the cash receipts journal traced to the weekly cash receipts records. These listed amounts shall be confirmed with their sources.
- d. *Investment and endowment income:* Income from securities should be verified by an examination of the brokerage house statement. Income from investment accounts should be verified by an examination of the statements provided or confirmed by the trustee or agency. Income from savings bank deposits should be verified by examination of the entries in the savings bank passbook(s) or confirmed by the bank.
- e. *Restricted income:* Income received for special purposes should be noted by the auditor who should trace the cash receipts journal entries to the weekly cash receipts records. The auditor should also be satisfied that the income was used for the purpose for which the gift was made.
- f. *Non-income receipts:* Verify all cash receipts journal entries by tracing them and ascertaining that the proper authorization has been given for any transfer or interfund borrowing, or for the sale or redemption or any investments or property.
- g. A sample of cash receipts records should be traced to duplicate deposit slips or bank statements to ascertain that these receipts are deposited intact.
- h. *Petty cash:* The auditor should be satisfied that a proper imprest system is being maintained. Petty cash is not to be used to cash personal checks. Cash flow and size of fund over the audit period should be checked for possible misuse.
- i. All receipts should be compared to budgeted amounts and material variances should be explained.
- j. Contributions of tangible assets or services. Tangible assets or services should be recorded at the fair market value of such contributions.
- k. Fill out the following checklist:

Do the records of total receipts per individual pledge agree with the amounts recorded and reported in the cash receipts journal? Yes No NA

Have the postings and arithmetic on individual pledge records been tested? Yes No NA

Number sampled:

Is there budgeting of contributions that can be reasonably estimated? Yes No NA

Are contribution budgets periodically compared to actual, and are significant differences investigated? Yes No NA

Are records kept and periodically reviewed of gifts, such as bequests, which are contingent on future events? Yes No NA

Are future bequest and gift files, such as proceeds from life insurance policies or sale of property willed to a Congregation, maintained on a current basis? Yes No NA

Are files kept on life income, endowment, and annuity gifts, including information on the nature of the principal, investment of the principal, or use of the principal income, as well as correspondence with donors or beneficiaries, and copies of pertinent documents? Yes No NA

Are individuals designated to be responsible for assuring compliance with the terms and conditions of all grants, restricted contributions, endowments, etc. received?

Yes No NA

Test disbursements [See Worksheet 3]:

- a. Tests are to be made to satisfy that disbursements have been accurately classified, and that invoices in support of the disbursements have been properly approved and canceled or marked "PAID".
- b. The auditor must be familiar with the financial statement expenditure categories listed on the church's chart of accounts.
- c. All expense accounts should be compared to budgeted amounts and material variances should be explained.
- d. Testing of Disbursements: Select a sample of disbursements in the following manner:
 1. Determine the total amount of all expenses.
 2. Pick all disbursements with a dollar value of greater than 10% of the total expenses. For instance, if total disbursements are \$100,000, any disbursement of \$10,000 or more will be tested.
 3. Pick a minimum of 60 of the remaining postings in a systematic sample. Results will indicate if a broader sampling is necessary. To choose which disbursements to test in the systematic selection, first determine the number of checks written on all accounts. Divide this number by 60. This number will be the sampling interval. For instance, if there are 2,000 checks written, you will divide this by 60, which equals 33.33. Thus, you will test every 33rd check (always round down). Therefore, if the first check number is 40, you will test check numbers 40, 73, 106, 139, and so on until you have selected 60 checks.

Make a list of the disbursements you have selected. The list should include the check number, payee, date, and amount of the check. Test as follows:

1. Compare the checks selected to the postings in the accounting records and to the accompanying invoices to determine that the disbursements are fairly recorded and classified. Comparison should include vendor's name, account classification, date, and amount billed.
2. Examine invoices for verification signature that the items were received or services performed for a sufficient number of items so the committee may be satisfied that goods and services were acknowledged by a person authorized to do so.
3. Check the arithmetic on invoices and vendors' monthly statements for a sufficient number of items to assure the committee that invoiced amounts were properly recorded on the statements.
4. Travel and business expense reimbursements should be checked to see that they are in accordance with the qualified reimbursement policy of the congregation. The auditor should examine the Church's accountable plan.

Test cash [See Worksheet 4]:

- a. The committee should ascertain a summary of the bank accounts maintained. This should include the purpose for which each is maintained.
- b. The committee should examine the canceled checks for:
 1. Authorized signature(s)
 2. Proper endorsement
- c. The auditor should account for all voided checks.
- d. The auditor should review the bank reconciliations to determine that the ending balance on the bank statement matches the one used on the reconciliation. The balance per the books should also be traced to the bank reconciliation.

- e. Outstanding checks and deposits in transit from the year-end bank reconciliations should be traced to the subsequent bank statements. For instance, if you are auditing the December bank reconciliation, trace the outstanding checks to the January and February bank statements to make sure that they cleared the bank. Any items that are left outstanding should be questioned.
- f. Determine whether transfer of funds occurred between bank accounts near the balance sheet date. Determine that the transfers were recorded in the books in the same accounting period and that any transfers not recorded by the bank in the same accounting period appear in the appropriate bank reconciliation.
- g. The auditor should count all petty cash accounts and reconcile the amounts to the books.
 - h. Fill out the following checklist:

| | | | | | | |
|--|--------------------------|-----|--------------------------|----|--------------------------|----|
| Is the petty cash fund imprest? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Is the checking account(s) reconciled to the accounting records and checkbook? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Have paid checks been examined for authorized signatures? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Have paid checks been examined for endorsements? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Have the checks been compared to the disbursements journal for payees and amounts? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Have all voided checks been accounted for? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Are checks outstanding at year-end accounted for in subsequent statements? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Are disbursements supported by vouchers approved by authorized party other than check signer? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Are two signatures evident on checks for \$500 or more? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Is the bank notified immediately of all changes of authorized check signers? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Are cash journal footings tested for accuracy? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Are receipts records compared with bank deposits? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Are transfers between accounts traced? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Are journal entries approved by an authorized party other than a check signer, and are they adequately documented? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Is documentation provided to support checks written to "Cash"? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Has the total balance of the cash summary sheet been traced to the annual financial report? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |

Test investments:

- a. Obtain or prepare a list of securities owned showing:

- 1. The description of each security

2. The serial number of bonds or securities
3. The denomination of each security or its par value
4. The interest rate of each bond
5. The cost of each security and the amount recorded on the books
6. The interest and dividends received during the year
7. The market value of each bond or security as of December 31st of the year being audited.

- b. Review the investment summary for reasonableness, consistency of amounts between years and obvious omissions.
- c. Compare the securities listed with ledger accounts and/or with the brokerage statement. Whenever practicable serial numbers should be compared with records of security purchases in order to obtain positive identification and to avoid the possibility of substitution.
- d. Examine securities listed or obtain confirmation from the holders if any are held by depositories. It is preferable for this examination to occur as close to the examination date as possible. Insure that the securities are registered in the name of the church or are endorsed as to be transferable to the church. Examine the coupons on bonds to ascertain that unmatured coupons are intact.
- e. Examine all transactions for verification of acquisitions and disposition.
- f. Trace acquisitions to disbursement records and sales (dispositions) to receipts records.
- g. Examine broker statements and compare with investment ledger where applicable.
- h. The auditor should be satisfied that the securities are being adequately safeguarded.
- i. Examine securities for ownership, certificate number, dates, endorsements, assignments, etc.
- j. Verify any income, which has not yet been distributed.
- k. Determine, by reference to dates of purchase and disposal of investments, interest rates and published dividend records, whether income earned and accrued income receivable has been appropriately recorded.
- l. Fill out the following checklist:

| | | | | | | |
|--|--------------------------|-----|--------------------------|----|--------------------------|----|
| Is the securities list verified against subsidiary ledger accounts, validating serial numbers against purchase records of gifts? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Is the name in which securities are registered verified? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| In the case of coupon bonds, are unmatured coupons intact? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Is the market value of securities established at the date of the examination? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Are securities examined, or confirmed if held by depository or transfer agent? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Are brokers reports examined for securities bought or sold through brokers? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Were security purchases or sales authorized by appropriate church committee action and recorded in the minutes? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |
| Have cash receipts records of dividends and interest been compared with record of securities held? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | NA |

Have the investments been recorded at their fair market values? Yes No NA

Has the total balance of the summary of investments (recorded at fair value) been traced to the financial report? Yes No NA

Test trust and endowment funds:

a. Obtain or prepare a list of trust and endowment funds showing:

1. The source and date;
2. Terms governing the use of principal and income;
3. To whom and how often reports of condition are to be made; and
4. How the funds are to be invested.

b. Examine the trust or agency agreement for each new trust and endowment fund received during the fiscal year.

c. Fill out the following checklist:

Has a list of trust and endowment funds been obtained, including their terms and locations of the investments? Yes No NA

Has there been an examination of the deed of trust or agency agreement for each trust and endowment fund? Yes No NA

Have the agency accounting records been checked to determine whether or not the terms of the trust or endowment funds are being properly followed? Yes No NA

Have the endowment funds been recorded at their fair market values? Yes No NA

Has the total balance of the endowment fund summary (recorded at fair value) been traced to the financial report? Yes No NA

Test debt:

- a. Obtain or prepare a schedule of all loans to include:
 - 1. The name of the lending institution
 - 2. The date or origin
 - 3. The original amount of loan
 - 4. The interest rate and payment schedule
 - 5. The monthly payment
 - 6. The unpaid balance
 - 7. The purpose of loan
 - 8. The authorizing body
 - 9. The collateral for the loan
 - 10. The restrictions placed by the lender
- b. Review balances for reasonableness, consistency of amounts between years and obvious omissions.
- c. Determine that any loans from the year being examined had the proper authorization and were recorded in the minutes of the church committee.
- d. Verify, by direct communication with any lender, the outstanding indebtedness at the year-end as well as the terms of the indebtedness.
- e. Reconcile the unpaid balance of all loans as reported by the church records to the figure reported by the lending institution.
- f. Fill out the following checklist:

Has all indebtedness been properly authorized by appropriate church officials? Yes No NA

Have unpaid balances per church records been reconciled with balances as reported by creditor? Yes No NA

Is a detailed schedule of all loans prepared, including name of creditor, date of origin, original amount of debt, interest rate payment schedule, monthly payment, unpaid balance, loan purpose, and authorizing body? Yes No NA

Has the total from the detailed schedule been traced to the financial report? Yes No NA

Test property and equipment [See Worksheet 5]:

- a. Obtain a list of fixed assets showing the cost or fair market value, if donated, and date of purchase.
- b. Review balances for reasonableness, consistency of amounts between years, and obvious omissions.
- c. Examine all the deeds and titles of ownership related to the properties owned by the congregation. Review them for the proper recording of the name of the owner and to determine if any encumbrances or liens exist.
- d. Determine if any inventory identification procedure is in effect.
- e. The church must have a physical inventory of capital assets. A sampling test of this inventory is to be made by the auditor.
- f. Ensure that all property and equipment is adequately insured.
- g. If depreciation of property is recognized, review entries for accuracy.
- h. Fill out the following checklist:

- Is there a list of fixed assets, showing date of purchase and cost? Yes No NA
- Is an inventory identification procedure in effect? Yes No NA
- Using preceding information, has a physical examination of assets been made, to extent possible? Yes No NA
- Have any deeds and titles required been examined as evidence of ownership? Yes No NA
- Are land and buildings carried on financial statements? Yes No NA
- Are any liens outstanding against any property and equipment? Yes No NA
- Has the total of the detailed schedule been traced to the financial report? Yes No NA

Test payroll:

- a. Examine the individual earnings records for name, address, social security number, number of exemptions, rate of pay, and effective date.
- b. Ensure that the salary paid is authorized and proper by comparing with the amount budgeted.
- c. Trace the individual earnings record postings to the check register.
- d. Reconcile total wages paid and total withholding taxes with the quarterly Form 941 and end-of-year Form W-3, checking that they were remitted on time.
- e. Determine if a current signed federal form W-4 and a form I-9 (Immigration and Naturalization Service) is on file for each employee hired after November 6, 1986.
- f. Determine if a Form W-2 has been given to each employee (including the clergy) and that the Forms W-2 are correct and properly filed.
- g. Determine if Forms 1099 are being provided for all individuals who are not employees and unincorporated entities paid \$600 or more annually and all recipients of educational scholarship funds of \$3,000 or more in a given year.
- h. Test the payroll to be sure that a real employee exists for every payroll check written.
- i. Fill out the following checklist:

- Have total wages been reconciled with quarterly Federal Form 941, Form W-2, and Form W-3? Yes No NA
- Have total withholding taxes been reconciled with Form 941? Yes No NA
- Has it been determined that all Federal and State withholding taxes were remitted on a timely basis, to avoid hidden penalties? Yes No NA
- Is a current signed Form W-4 on hand for each employee? Yes No NA
- Has the total balance of the payroll reconciliation been traced to the financial report? Yes No NA

Test receivables and payables:

- a. Prepare a schedule of accounts receivable as of the balance sheet date. These may include pledge payments which were made after the end of the year in which they money was pledged or authentic obligations owed to the congregation at year end. Check the cash receipts in the new year to verify that the amounts listed were collected. Inquire as to any uncollected balances.
- b. Prepare a schedule of payables as of the balance sheet date. These may include monies owed by the congregation to vendors at year-end for goods and services received during the year being audited. Look in the paid bills file for the new year and trace any invoices dated in the year under examination to the accounts payable listing. For example, if you are auditing the 1999 payable figure, ask the treasurer for the file of the January 2000 bills in which he or she paid. Examine these invoices to see if any are dated for 1999. If they are dated 1999, but not paid until 2000, they should be on the payables list.

Also examine the new year's cash disbursement journal and search for any liabilities which have not been recorded. Discuss with the treasurer any old or disputed payables.

- c. Fill out the following checklist:

Is there a policy covering the procedure for write-offs of receivables or loans, approval required, provision for reserves?

Yes No NA

Have the items on the payable and receivable lists been traced to subsequent payments or deposits?

Yes No NA

Have the totals of the detailed payable and receivable schedules been traced to the financial report?

Yes No NA

Test net assets [See Worksheet 6]:

A schedule should be prepared listing net assets according to the following classifications: unrestricted, temporarily restricted, and permanently restricted. All restrictions should be reviewed and verified. The summary schedules should be traced to the financial report.

Test insurance:

A schedule should be prepared listing the name of carrier, description of coverage, period of coverage, period of insurance, premium amount and date of premium payment for the following policies which the committee is to review:

- a. Fire insurance on buildings and equipment
- b. General Liability (Public Liability and Property Damage)
- c. Burglary
- d. Fine Arts
- e. Malpractice
- f. Workmen’s Compensation
- g. Fidelity Bond
- h. Automobile coverage on cars owned by the church
- i. Non-ownership liability insurance for cars owned by others when used for church business
- j. Directors’ and Officers’ Liability
- k. Umbrella Liability
- l. Other special policies held by the church.
- m. Fill out the following checklist:

Has insurance coverage been reviewed, and has a copy of policies been obtained and a schedule prepared detailing name of carrier, description of coverage, period covered, premium amount, and date of premium payment?

Yes No NA

Has there been inquiry as to whether there are any contingencies or commitments facing the church, e.g., legal action with prospects of potential loss?

Yes No NA

Test the discretionary fund:

Check that the discretionary fund is the name of the church, that the church’s federal tax identification number is the number used to identify the account at the bank, and that the fund has not been used for operating fund expenses or for the personal expenses of the clergy. If a separate checking account has been authorized, all monies for the discretionary fund must pass through the church’s general bank account and subsequently a check should be written to transfer the monies to the separate discretionary fund checking account.

5. SOURCES

Audits of Non Profit Organizations, Practitioner’s Publishers Clearinghouse, 1999.

Handbook for Church Treasurers and Trustees, United Church of Christ, Massachusetts Conference, 1999.

Local Church Audit Guide, United Methodist Church, 1998.

Manual of Business Methods in Church Affairs, Episcopal Church, 1995.

Whittington, *Principles of Auditing*, Irwin, 1992.

Worksheet 1

Bank Reconciliation

| | | | |
|--------------------------|-------------------|------------|----------|
| First Church | | | |
| Bank Reconciliation | | | |
| Anytown Bank -- Checking | | | |
| December 31, 2001 | | | |
| | | | COMMENTS |
| Balance Per Bank: | | \$2,860.04 | Note 1 |
| Add: | | | |
| Deposits in transit: | | | |
| | December 30, 2001 | \$ 250.00 | Traced |
| | December 31, 2001 | \$1,567.00 | Traced |
| | | \$1,817.00 | Traced |
| Less: | | | |
| Outstanding Checks | | | |
| | Ch # 2456 | \$ 10.00 | Traced |
| | 2460 | \$ 125.25 | Traced |
| | 2461 | \$ 500.00 | Traced |
| | 2462 | \$ 285.79 | Traced |
| | 2463 | \$ 301.00 | Note 2 |
| | Total | \$1,222.04 | |
| Balance per books | | \$3,455.00 | t/b |

NOTES:

t/b = Agreed to the trial balance

Note 1 = Agreed to the bank statement

Traced = traced to the January 2002 bank statement; cleared in a timely manner

Note 2 = noted the date on ch #2463, which was Dec. 31. Also pulled check #2464, which was dated Jan 1 and therefore should not be on the outstanding check list.

Worksheet 1 Bank Reconciliation Template

| | | | |
|----------------------|-------------------|-------|----------|
| _____ | | | |
| Bank Reconciliation | | | |
| _____ Bank Checking | | | |
| December 31, 20__ | | | |
| | | | COMMENTS |
| Balance Per Bank: | | | |
| | | | |
| Add: | | | |
| Deposits in transit: | | | |
| | December 30, 20__ | | |
| | December 30, 20__ | | |
| | | | |
| Less: | | | |
| Outstanding Checks | | | |
| | Ch # | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | Total | |
| | | | |
| Balance per books | | | |

NOTES:

Worksheet 2A Revenues

| First Church | | | | | |
|----------------------------|----------------------------|-------------|-----------|-------------|------------|
| Revenues | | | | | |
| December 31, 2001 | | Actual 2000 | Budget | Actual 2001 | COMMENTS |
| Unrestricted | | | | | |
| | Plate Offerings | \$ 25,435 | \$ 25,000 | \$ 26,568 | Consistent |
| | Pledges | \$245,455 | \$245,000 | \$250,675 | Consistent |
| | Promises to Give | | | \$225,000 | Note 1 |
| | Rent | \$ 10,500 | \$ 10,500 | \$ 12,000 | Note 2 |
| | Unrealized Gains | \$100,536 | \$100,000 | \$154,600 | Note 3 |
| | Interest and Dividends | \$ 50,632 | \$ 50,000 | \$ 55,675 | Note 1 |
| | Other Contributions | \$ 21,397 | \$ 20,000 | \$ 20,043 | Consistent |
| | Total | \$453,955 | \$450,500 | \$744,561 | F/S |
| Temporarily Restricted | | | | | |
| | Contrbtns to Special Funds | \$ 48,500 | \$ 45,000 | \$ 11,750 | Note 4 |
| | Interest & Dividends | \$ 1,045 | \$ 1,000 | \$ 1,000 | Note 4 |
| | Total | \$ 49,545 | \$ 46,000 | \$ 12,750 | F/S |
| Permanently Restricted | | | | | |
| | Bequest | \$ - | \$ - | \$162,500 | Note 5 |
| Total Revenues | | \$503,500 | \$496,500 | \$919,811 | |
| Analytical Test of Pledges | | | | | |
| | Pledges | \$245,455 | \$245,000 | \$250,675 | |
| | Pledging Units | \$ 254 | \$254 | \$ 254 | Note 6 |
| | Average | \$ 966 | \$965 | \$ 987 | Consistent |

Consistent = means that no accounting was identified.

Note 1= increase due to unconditional pledges. Examined gift letters -- see promises to give/pledge workpapers for more info.

Note 2 = The Nursery's rent increased from \$875 /mo to \$1,000. $\$1,000 \times 12 = \$12,000$

Note 3 = See the investment workpapers for an analysis of the increases

F/S = tied to financial statement

Note 4 = Traced to net asset workpapers. See net asset workpapers.

Note 5 = This is the Smith bequest, which established the Smith Fund. See the net asset workpapers for supporting documentation.

Note 6 = Counted pledge cards to verify #. Also added up all pledge cards. Total was \$247,058, which was very close to actual.

Also, a letter was sent to each household to request that they notify auditor if discrepancy between the tax report statement and their records. Found one math error.

Worksheet 2B Test of Receipts

| Refrence # | Sheet # | Date | Plate | Pledge | Interest | Rent | Day School | Special Events | From Ch Orgnztns | Honora ritums | Other | Total Depst | Comment |
|------------|---------|----------|----------|----------|----------|--------|------------|----------------|------------------|---------------|--------|-------------|---------|
| 1 | 3 | 1/22/00 | 640.70 | | | | | | | | | 640.70 | OK |
| 2 | 6 | 1/25/00 | 106.00 | 4,135.50 | | | | | | | | 4,241.50 | OK |
| 3 | 9 | 2/8/00 | | | | | 7,715.28 | | | | | 7,715.28 | OK |
| 4 | 12 | 2/24/00 | 1.00 | | | | 138.95 | | 225.00 | | | 364.95 | OK |
| 5 | 15 | 3/8/00 | 109.29 | 1,948.50 | | | | | | | | 2,057.79 | OK |
| 6 | 18 | 3/24/00 | | | | 75.00 | | | | | 30.25 | 105.25 | OK |
| 7 | 21 | 4/5/00 | 3,512.15 | 5,356.00 | | | | | | | | 8,868.15 | OK |
| 8 | 24 | 4/21/00 | 3,000.00 | | | | | | | 300.00 | 226.07 | 3,526.07 | OK |
| 9 | 27 | 5/5/00 | | | | | | | | 50.00 | | 50.00 | OK |
| 10 | 30 | 5/17/00 | 92.00 | 5,315.41 | | | | | | | | 5,407.41 | OK |
| 11 | 33 | 6/1/00 | 99.65 | 3,930.50 | | | | | | | | 4,030.15 | OK |
| 12 | 36 | 6/14/00 | 70.69 | 3,058.50 | | | | | | | | 3,129.19 | OK |
| 13 | 39 | 6/30/00 | | | 2,950.00 | | | | | 150.00 | 4.57 | 3,104.57 | OK |
| 14 | 42 | 7/14/00 | | | | | 5,570.75 | | | | | 5,570.75 | OK |
| 15 | 45 | 7/31/00 | | | 12.93 | | | | | | | 12.93 | OK |
| 16 | 48 | 8/17/00 | | | | | | | | | 801.83 | 801.83 | OK |
| 17 | 51 | 8/30/00 | 179.75 | 3,485.54 | | | | | | | | 3,665.29 | OK |
| 18 | 54 | 9/13/00 | | | | | | | | | | 6,067.02 | OK |
| 19 | 57 | 9/28/00 | 170.73 | 4,620.00 | | | 6,067.02 | | | | | 4,790.73 | OK |
| 20 | 60 | 10/4/00 | 84.73 | 4,119.50 | | | | | | | | 4,204.23 | OK |
| 21 | 63 | 10/18/00 | 139.20 | 6,905.58 | | | | | | | | 7,044.78 | OK |
| 22 | 66 | 10/31/00 | | | 11.53 | | | | | | | 11.53 | OK |
| 23 | 69 | 11/9/00 | | | | | | | | | | - | OK |
| 24 | 72 | 12/7/00 | | | | 300.00 | 3,503.25 | | | | | 3,803.25 | OK |
| 25 | 75 | 12/27/00 | 3,423.50 | 4,822.00 | | | | 60.00 | | | | 8,305.50 | OK |

OK = traced to general ledger and bank deposit; noted current amount; deposit made in timely manner; coded to correct account/fund; verified two signatures present if required.

Worksheet 3 Test of Disbursements

| | | | | | | | | |
|--------------------------|---------|---------|---------------------|--------------------|----------|---------|---------|--------|
| First Church | | | | | | | | |
| Test of Disbursements | | | | | | | | |
| December 31, 2001 | | | | | | | | |
| | | | | | | | | |
| Sample Selection: | | | | | | | | |
| First Check | | | 1654 | | | | | |
| Last Check | | | 2562 | | | | | |
| Total | | | 908 | | | | | |
| Random Starting # | | | 5 | | | | | |
| Subtotal | | | 903 | | | | | |
| Interval | | | 15 | | | | | |
| Rounded | | | 15 | | | | | |
| Testing of Disbursements | | | | | | | | |
| | Check # | Date | Account | Description | Amount | Comment | Comment | |
| 1 | 1659 | 1/12/00 | Office Supplies | ABC Co | 202.50 | OK | | |
| 2 | 1674 | 1/19/00 | Liturgical Supplies | X, Inc. | 6.90 | OK | | |
| 3 | 1689 | 1/30/00 | Office | Joe's Office | 5.00 | OK | | |
| 4 | 1704 | 1/29/00 | Payroll | J. Clark | 1,684.50 | OK | | Note 2 |
| 5 | 1719 | 2/3/00 | Furniture | First Furniture | 300.00 | OK | | |
| 6 | 1734 | 2/12/00 | Payroll | H Knight | 92.35 | OK | | Note 1 |
| 7 | 1749 | 2/12/00 | Dayschool | Smith - reimbmnt | 23.00 | OK | | |
| 8 | 1764 | 2/18/00 | Supplies | Sam's | 194.42 | OK | | |
| 9 | 1779 | 2/24/00 | Payroll | F. Knickerson | 184.25 | OK | | Note 2 |
| 10 | 1794 | 2/24/00 | Office | Joe's Office | 112.31 | OK | | |
| 11 | 1809 | 3/3/00 | Payroll | Rev. Jones | 2408.46 | OK | | Note 3 |
| 12 thru 58 | | | various | various | various | OK | | |
| 59 | 2529 | 11/9/00 | Pension | The Church Pension | 466.47 | OK | | |
| 60 | 2544 | 12/7/00 | Payroll | F. Knickerson | 230.78 | OK | | Note 2 |

NOTES:

OK = Compared to invoices and check vouchers for proper approval; date amount; and account coding. No problems noted. Compared to General Ledger for proper account and fund coding and amount

Note 1 = This was a reimbursement form submitted to Mr. Smith. Checked accountable plan for compliance with church procedures.
 Note 2 = Traced to time cards for proper hours. Looked at personnel files and recomputed net and gross pay.

Note 3 = Looked at minutes authorizing housing allowance. Traced to memo in personnel file; recomputed and traced to g/l.

Worksheet 4 Cash

| | | | |
|----------------------------------|-----------|-----------|---------|
| First Church | | | |
| Cash | | | |
| December 31, 2001 | | | |
| Account Name /Descrptn | 2000 | 2001 | Comment |
| Anytown Bank - Checking Account | 12,345.00 | 3,455.00 | Note 1 |
| Anyfund Money Market | 15,000.00 | 75,000.00 | Note 2 |
| Savings of Anytown - Youth Club | 1,548.00 | 1,205.00 | Note 3 |
| Discretionary Fund - Second Bank | 1,200.00 | 750.00 | Note 4 |
| First Bank - Cert of Deposit | 10,000.00 | 10,000.00 | Note 5 |
| Total | | | F/S |

NOTES:

1 = Agreed to bank reconciliation

2 = Agreed to bank statement. The increase in this account is due to the Smith bequest received at the end of the year. Amount invested in the subsequent year per the January 2002 bank statements. Also see net asset workpapers.

3 = Agreed to passbook

4 = Agreed to statement

5 = Agrees to CD statement. Reviewed documentation and determined that this is a short-term CD.

F/S = Agreed with financial statement

Worksheet 5 Computer Equipment

| First Church | | | | | | | | | | | | | | | | | | |
|--------------------|-----------------|------|--------|-----------|------------|---------------------|------------|---------------------|--|--|--|--|--|--|--|--|--|--|
| Computer Equipment | | | | | | | | | | | | | | | | | | |
| December 31, 2001 | | | | | | | | | | | | | | | | | | |
| Date | Description | Life | Method | Cost | 2000 Depr. | 2001 Accumltd Depr. | 2001 Depr. | 2001 Accumltd Depr. | | | | | | | | | | |
| 1/31/00 | Computer System | 5 | SL/HY | 10,525.67 | 1,052.57 | 1,052.57 | 2,105.13 | 3,157.70 | | | | | | | | | | |
| 1/30/00 | Computer | 5 | SL/HY | 1,270.80 | 127.08 | 127.08 | 254.16 | 381.24 | | | | | | | | | | |
| 3/11/00 | Computer System | 5 | SL/HY | 3,342.35 | 334.24 | 334.24 | 668.47 | 1,002.71 | | | | | | | | | | |
| 6/30/01 | Computer System | 5 | SL/HY | 2,090.32 | | | 209.03 | 209.03 | | | | | | | | | | |
| | Total | | | 17,229.14 | 1,513.89 | 1,513.89 | 3,236.79 | 4,750.68 | | | | | | | | | | |
| | Comments | | | F/S | | P/Y | F/S | F/S | | | | | | | | | | |

NOTES:

P/Y = Tied to prior year financial statement

F/S = Tied to year end financial statement

Note 1 = Examined invoice

General Notes:

Took a physical inventory of the computer equipment listed above. All work and are in good condition.

Reviewed depreciation entries and recalculated them.

The church follows IRS guidelines for determining useful lives of assets. I reviewed guidelines and determined church is in compliance.

Examined the church insurance policy and confirmed that computers are adequately insured.

Worksheet 6 Net Assets

| | | | | |
|--|------------------|----------------------|------------------------|------------------------|
| First Church | | | | |
| Net Assets | | | | |
| December 31, 2001 | | | | |
| | Balance 12/31/00 | Revenues | Disbursements | Balance 12/31/01 |
| Temporarily Restricted Net Assets | | | | |
| Capital Improvement Fund | 255,000 | | 55,675 ¹ | 199,325 |
| Music Fund | 55,000 | | 1,500 | 53,500 |
| Special Gifts | 15,400 | 1,000 | 1,000 | 15,400 |
| Adult Education | 1,500 | 4,500 | 3,575 | 2,425 |
| Small Groups | 2,575 | 1,200 | 900 | 2,875 |
| Youth Group | 500 | 1,050 | 755 | 795 |
| Habitat for the Community | 10,500 | 5,000 ² | | 15,500 |
| Other donor-designated funds | 150 | | 150 | |
| | 340,625 | 12,750 | 63,555 | 289,820 ^{F/S} |
| Permanently Restricted Net Assets | | | | |
| | Balance 12/31/00 | Revenues | Balance 12/31/01 | |
| William Smith Fund | | 162,500 ³ | 162,500 | |
| Prudence White Fund | 25,000 | | 25,000 ³ | |
| Kitchen Fund | 50,500 | | 50,500 ³ | |
| | 75,500 | 162,500 | 238,000 ^{F/S} | |

NOTES:

F/S = Traced to financial statement

1 = Reviewed voucher and invoices and verified amounts. Also verified that these expenditures were in compliance with the donor's restrictions placed on this fund.

2 = Reviewed gift letter (see copy) and traced to cancelled check and bank statement deposit.

3 = Traced to bequest documentation. This was set up so that this amount is permanently restricted and interest and dividends go into the Youth Fund.

4 = Reviewed the Permanent File, which has documentation showing the original donor contributions that set up these funds. See Permanent File.

Worksheet 6 Net Assets Template

| | | | | |
|-----------------------------------|--------------------|----------|--------------------|--------------------|
| | | | | |
| Net Assets | | | | |
| December 31, 20__ | | | | |
| | Balance 12/31/____ | Revenues | Disbursements | Balance 12/31/____ |
| Temporarily Restricted Net Assets | | | | |
| | | | | |
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| | | | | |
| Permanently Restricted Net Assets | | | | |
| | Balance 12/31/____ | Revenues | Balance 12/31/____ | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

NOTES:

HILLTOP UCC
JOB DESCRIPTION

| | | | | | | | | | | | | | | | | | | | | | |
|---|--|----------------------------------|-----------------------|--|--|-----------------|------|---|--|----------------------------|------|--|--|------------------------------|------|--|--|------------------------|------|---|--|
| POSITION TITLE: Minister | DATE: May 2001 | | | | | | | | | | | | | | | | | | | | |
| REPORTS TO: Officers | SUPERVISES/MANAGES: Associate Pastor, Sexton, Administrator | | | | | | | | | | | | | | | | | | | | |
| <p>JOB SUMMARY Provide for the spiritual welfare of the church members. Responsible for conducting worship, administering sacraments and rites, and administering the activities of the church in cooperation with the various Boards and Committees.</p> | | | | | | | | | | | | | | | | | | | | | |
| <p>KEY JOB TASKS</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 85%;">Worship and Pastoral care</td> <td style="text-align: right; vertical-align: bottom;">% Time __ %</td> </tr> <tr> <td colspan="2"> <ul style="list-style-type: none"> • Prepare and conduct Sunday worship services; preach the Gospel. • Administer sacraments and rites of the church • Provide education/counseling before weddings, baptisms and funerals • Assist families/ members in crisis; provide counseling or counseling referrals, as appropriate • Make pastoral visits in home, hospital and other places of need </td> </tr> <tr> <td>Outreach</td> <td style="text-align: right; vertical-align: bottom;">__ %</td> </tr> <tr> <td colspan="2"> <ul style="list-style-type: none"> • Act as resource to the Associate Pastor in developing and implementing community outreach programs. • Represent the church as an active and involved leader both in the church-wide and local communities. </td> </tr> <tr> <td>Christian Education</td> <td style="text-align: right; vertical-align: bottom;">__ %</td> </tr> <tr> <td colspan="2"> <ul style="list-style-type: none"> • Act as resource to the Associate Pastor in developing and implementing a multi-generational Christian Education Program, including the Confirmation Program. • Teach adult education courses. </td> </tr> <tr> <td>Boards and committees</td> <td style="text-align: right; vertical-align: bottom;">__ %</td> </tr> <tr> <td colspan="2"> <ul style="list-style-type: none"> • Act as ex-officio member on all boards and committees. • Participate in the following boards and committees for purpose of planning, directing and implementing the goals and visions of the parish : Church Council, Board of Deacons, Board of Trustees, Christian Education Committee, Missions Committee, Pilgrim Fellowship and Middle High Youth Group. </td> </tr> <tr> <td>Personal Growth</td> <td style="text-align: right; vertical-align: bottom;">__ %</td> </tr> <tr> <td colspan="2"> <ul style="list-style-type: none"> • Pursue appropriate educational/training opportunities consistent with stated goals for personal growth. </td> </tr> </table> | | Worship and Pastoral care | % Time __ % | <ul style="list-style-type: none"> • Prepare and conduct Sunday worship services; preach the Gospel. • Administer sacraments and rites of the church • Provide education/counseling before weddings, baptisms and funerals • Assist families/ members in crisis; provide counseling or counseling referrals, as appropriate • Make pastoral visits in home, hospital and other places of need | | Outreach | __ % | <ul style="list-style-type: none"> • Act as resource to the Associate Pastor in developing and implementing community outreach programs. • Represent the church as an active and involved leader both in the church-wide and local communities. | | Christian Education | __ % | <ul style="list-style-type: none"> • Act as resource to the Associate Pastor in developing and implementing a multi-generational Christian Education Program, including the Confirmation Program. • Teach adult education courses. | | Boards and committees | __ % | <ul style="list-style-type: none"> • Act as ex-officio member on all boards and committees. • Participate in the following boards and committees for purpose of planning, directing and implementing the goals and visions of the parish : Church Council, Board of Deacons, Board of Trustees, Christian Education Committee, Missions Committee, Pilgrim Fellowship and Middle High Youth Group. | | Personal Growth | __ % | <ul style="list-style-type: none"> • Pursue appropriate educational/training opportunities consistent with stated goals for personal growth. | |
| Worship and Pastoral care | % Time __ % | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Prepare and conduct Sunday worship services; preach the Gospel. • Administer sacraments and rites of the church • Provide education/counseling before weddings, baptisms and funerals • Assist families/ members in crisis; provide counseling or counseling referrals, as appropriate • Make pastoral visits in home, hospital and other places of need | | | | | | | | | | | | | | | | | | | | | |
| Outreach | __ % | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Act as resource to the Associate Pastor in developing and implementing community outreach programs. • Represent the church as an active and involved leader both in the church-wide and local communities. | | | | | | | | | | | | | | | | | | | | | |
| Christian Education | __ % | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Act as resource to the Associate Pastor in developing and implementing a multi-generational Christian Education Program, including the Confirmation Program. • Teach adult education courses. | | | | | | | | | | | | | | | | | | | | | |
| Boards and committees | __ % | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Act as ex-officio member on all boards and committees. • Participate in the following boards and committees for purpose of planning, directing and implementing the goals and visions of the parish : Church Council, Board of Deacons, Board of Trustees, Christian Education Committee, Missions Committee, Pilgrim Fellowship and Middle High Youth Group. | | | | | | | | | | | | | | | | | | | | | |
| Personal Growth | __ % | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Pursue appropriate educational/training opportunities consistent with stated goals for personal growth. | | | | | | | | | | | | | | | | | | | | | |
| <p>Administration __%</p> <ul style="list-style-type: none"> • Ensure cooperative and collaborative spirit among all church paid staff • Oversee creation and maintenance of all religious records relating to baptisms, marriages and funerals. • Oversee maintenance of all records to include member directory, mailing lists, Sunday School registrations • Oversee financial activity of the church and preparation of all financial reports for the Church Council | | | | | | | | | | | | | | | | | | | | | |
| <p>REQUIRED COMPETENCIES</p> <ul style="list-style-type: none"> • ordained ministerial standing in United Church of Christ • 7-10 years pastoral leadership experience in a moderate size church (400-450 members) <p>demonstrated ability to promote and foster teamwork among various factions of the church community (associate pastor, lay leaders, non-ordained paid staff and volunteers) for the purpose of achieving the stated mission and goals of the church.</p> | | | | | | | | | | | | | | | | | | | | | |

HILLTOP UCC

JOB DESCRIPTION

POSITION TITLE: Associate Minister

DATE: May 2001

REPORTS TO: Officers

SUPERVISES/MANAGES: Coordinator of Children's Ministries

JOB SUMMARY

In cooperation with the Minister, provide for the spiritual welfare of the church members. Responsible for development of church wide multi-generational faith nurturing. Direct worship, pastoral care, outreach and mission along with Minister.

KEY JOB TASKS

%
Time

Worship and Pastoral care

__%

- Prepare and conduct Sunday worship services.
- Assist Minister and Music Director with coordination of music for worship services.
- Administer sacraments and rites of the church.
- Provide quality pastoral care for the parish; provide counseling referrals, as needed.

Outreach

__%

- Develop program of community interest consistent with church goals.
- Coordinate activities to promote community awareness and to increase participation by church members.
- Represent the church as an active and involved leader both in the wide church and local communities.

Faith Nurturing

__%

- Develop, implement and conduct a multi-generational program of faith nurturing.
 - Evaluate and recommend a church school curriculum (age 3 years to 6th grade)
 - Develop and implement youth ministry programs (Middle School and Pilgrim Fellowship)
 - Develop and implement adult education programs
 - Recruit, train and counsel lay teachers
 - Develop and conduct children's worship programs
 - Develop and coordinate youth ministry programs, including Confirmation Program, and retreats
 - Provide support to parents
 - Perform periodic evaluation of educational programs

Boards and Committees

- Participate in the following boards and committees for purpose of planning, directing and implementing the goals and visions of the parish: Church Council, Board of Deacons, Board of Trustees, Christian Education Committee, Missions Committee, Pilgrim Fellowship and Middle High Youth Group. __%

Personal Growth

- Pursue appropriate educational/training opportunities consistent with stated goals. __%

REQUIRED COMPETENCIES

- Ordained ministerial standing in United Church of Christ
- Demonstrated understanding and willingness to participate and foster teamwork among various members of the church community (minister, lay leaders, non-ordained paid staff, volunteers) for the purpose of achieving the stated mission and goals of the church.

HILLTOP UCC

JOB DESCRIPTION

POSITION TITLE: Administrator

DATE: May 2001

**REPORTS TO: Minister (primary)
Associate Minister and Sexton (secondary and tertiary)**

SUPERVISES/MANAGES: N/A

JOB SUMMARY

Provide secretarial and administrative services to the Minister and Associate Minister, all other church staff and lay leaders of boards and committees.

KEY JOB TASKS

% Time

Word Processing

20%

- Prepare orders of worships, correspondence, reports and newsletters as required.
- Research, organize and compile information for reports and exhibits.

Reception

40%

- Receive and screen telephone calls. Respond to or redirect inquiries to appropriate staff.
- Serve as liaison between minister(s), church members, and community leaders, funeral directors and others as required.
- Coordinate church calendar, schedule appointments
- Answer routine inquires, compose routine correspondence.
- Arrange for replacement during times of absence.

20%

Membership

- Maintain membership records, mailing lists and other sensitive information.
- Coordinate distribution of newsletters and other mailings as required.

Administrative

20%

- Collate and staple annual and financial reports, support other mailings
- Maintain attendance records for all paid staff.
- Distribute mail, maintain files.
- Order supplies (within allocated budget).
- Maintain petty cash account.

REQUIRED COMPETENCIES

- Ability to interact with public, church staff and church members
- Ability to maintain confidentiality of information
- Demonstrated PC and word processing skills
- Demonstrated knowledge of office organization
- Attention to detail
- Self starting and self-motivating

HILLTOP UCC
JOB DESCRIPTION

POSITION TITLE: Coordinator of Children's Ministries (10-Hrs/week)

DATE: May 2001

REPORTS TO: Associate Minister

SUPERVISES/MANAGES: N/A

JOB SUMMARY

To administer a Christian education program for children from pre-school through eighth grade, guided by the FCC vision and mission statements.

KEY JOB TASKS

% Time

Administration

- Assist Associate Minister and Christian Education Committee with development of Christian Education calendar for each church year (September through June)
- Oversee activities performed by the Superintendent
- Order supplies, curriculum, and Bibles for specified classes
- Maintain an inventory of resource material for teachers
- Be physically present on Sunday mornings (minimum of 10 per quarter) to assist Superintendent, teachers, parents and children
- Other duties as assigned

Program Development and Evaluation

- Assist the Associate Minister and Minister with review, evaluation and selection of curricula (form, content, methodology) to ensure consistency with mission and philosophy of FCC
- Assist Associate Minister with special events (Advent, Lenten, special services, and Vacation Bible School)
- Working with Associate Minister, coordinate children's worship services

Resources Development

- Coordinate the recruitment of teachers (full-time and substitutes) with the Associate Minister and Christian Education Committee
- Assist the Associate Minister in support and motivation of teachers

Contact with Families

- Provides ongoing communication with church school parents via church newsletters, special letters, booklets, and other written material.
- Maintain contact with families to discuss child's interests, attendance, participation, etc.
- Assist Associate Minister and Superintendent with discipline issues
- Register new students, maintain attendance and enrollment data

REQUIRED COMPETENCIES

- Commitment to the Christian faith
- Experience in administration, supervision and training through volunteer or professional positions
- Ability to work with parents, teachers, church staff members and lay leaders

HILLTOP UCC

JOB DESCRIPTION

| | |
|---|-------------------------------------|
| POSITION TITLE: Director of Music Ministries | DATE: May 2001 |
| REPORTS TO: Officers | SUPERVISES/MANAGES: Organist |

JOB SUMMARY
Plan and direct the musical activities of the church in consultation with the Minister, Associate Minister, Music Committee, Organist and Deacons.

| KEY JOB TASKS | % time |
|---|---------------|
| Direct Choirs <ul style="list-style-type: none">• Have primary responsibility for all choirs at Sunday services and special services, as scheduled.• Conduct weekly rehearsals. Schedule and conduct extra rehearsals as required.• Recruit new choir members• Secure instrumental and vocal soloists as required.• Secure substitute during personal absences, other than vacation. | 70 % |
| Administration <ul style="list-style-type: none">• Maintain roster of choristers, seating and robes.• Select and purchase music, music supplies and instruments within allotted budget.• Maintain church music library. | 5 % |
| Board and Committees <ul style="list-style-type: none">• Meet regularly with Minister, Associate Minister, Music Committee and Organist to plan and coordinate music for worship services.• Plan and promote supplemental music programs and events in conjunction with the Music Committee. | 25 % |

REQUIRED COMPETENCIES

- Bachelor's Degree in music or equivalent experience
- Familiarity with liturgical music
- Ability to clearly and effectively express musical direction
- Ability to motivate, direct and lead members of all ages

HILLTOP UCC

JOB DESCRIPTION

| | |
|---|--------------------------------|
| POSITION TITLE: Organist | DATE: May 2001 |
| REPORTS TO: Director of Music Ministries | SUPERVISES/MANAGES: N/A |

JOB SUMMARY
Practice and perform sacred music in cooperation with the Minister(s), Minister of Music and Music Committee.

| KEY JOB TASKS | % Time |
|--|---------------|
| Worship Services and Rehearsals <ul style="list-style-type: none">• Perform at scheduled Sunday services and special services, as required.• Play at scheduled weekly rehearsals and special rehearsals.• Perform at weddings and funerals, if available (standard fees will be paid for each such performance)."• Arrange for substitute organists as needed. | 90% |
| Instrument Scheduling and Maintenance <ul style="list-style-type: none">• Manage schedules for use of musical equipment• Ensures proper care and operation of instruments• Schedules regular maintenance and repairs, as required | 5% |
| Boards and Committees <ul style="list-style-type: none">• Meet regularly with Minister(s) and Music Director to plan and coordinate music for worship services. | 5% |

REQUIRED COMPETENCIES

- Bachelor's Degree in Music or proven competence and facility in organ playing.
- Demonstrated experience with standard organ literature, hymn playing, and sight-reading.
- Familiarity with liturgical music

HILLTOP UCC

JOB DESCRIPTION

POSITION TITLE: Sexton

DATE: May 2001

REPORTS TO: Officers, with heavy dotted line to Minister, Associate Minister, and Trustees

SUPERVISES/MANAGES: N/A

JOB SUMMARY

Maintains and carries out a schedule for the orderly maintenance of the sanctuary and other church buildings.

KEY JOB TASKS

% Time

Prepare sanctuary for worship services, weddings and funerals. Prepare meeting rooms and other church facilities for church use by congregation and outside users. Ensure that property is secure when no activity is occurring. 10%

Performs janitorial services in accordance with daily, weekly, monthly, and seasonal requirements. 80%

Daily/Weekly

- Coffee house clean-up on Monday
- Service Valley Pre-School
- Dispose of trash
- Clean, maintain and disinfect bathroom sinks and toilet bowls
- Vacuum offices and foyer
- Dust
- Dry mop floors
- Damp mop kitchen floors

Monthly:

- Switch cushions
- Vacuum choir and loft
- Sweep between pews
- Dust windows check automatic times
- Order cleaning supplies (has account for cleaning supplies)

Seasonal:

- Change clocks

As needed:

- Strip, wax and re-wax floors
- Set up rooms for church use

Perform minor routine maintenance/repairs as directed by Trustees. Provide annual report to Trustees with summary of time spent. Informs Trustees of issues or concerns relating to facilities. 10%

REQUIRED COMPETENCIES

- Ability to bend, lift, and carry 55 pounds up a flight of stairs

Source: Adapted from the job descriptions of the First Congregational Church of Granby of Connecticut

Work Goal and Performance Monitoring Hilltop UCC

The chart below delineates the reporting designations for each paid staff member of Hilltop UCC. The purpose of these reporting designations is to ensure that there is accountability as well as advocacy for each staff member. The reporting designations are shown in the table below. The position/person who is the feedback coach is identified by an X with a superscript 1.

Reporting Designation Chart

| | Moderator | Sr. Trustee | Sr. Deacon | Minister | Associate Minister | Dir. Of Music Min. | Advocate |
|--------------------------------------|-----------|----------------|----------------|----------------|--------------------|--------------------|--------------------------|
| Minister | X | X | X ¹ | | | | CMC |
| Associate Minister | X | X | X ¹ | X | | | CMC |
| Director of Music Ministries | | | X ¹ | X | X | | Chair of Music Committee |
| Organist | | | X | | | X ¹ | Chair of Music Committee |
| Sexton | | X ¹ | X | X | | | Moderator |
| Administrator | | X | | X ¹ | X | | Moderator |
| Coordinator of Children's Ministries | X | | | X | X ¹ | | Chair of CE |

X¹=primary person in the reporting designation, working with others as defined above

Shaded area indicates senior officers of the Church Council

Role of Feedback Coach

The role of the Feedback Coach is key to establishing ongoing and regular conversations regarding performance and work goals. This person is the primary contact for the assigned staff member for both goal setting and immediate feedback (problem-solving or conflict resolution). The Feedback Coach should:

- Identify training and other development needs
- Solicit feedback from appropriate church committees and advocates
- Review work goals and conduct periodic reviews of work goals
- Provide immediate feedback as needed
- Document or note feedback conversations
- Act as an advocate for the staff member

Timetable

The Personnel Committee suggests the following timetable according to the church's program year:

September: Solicit work goals from each staff member and review jointly
 January: Conversation to review progress of work goals
 May: Conversation to review progress of work goals
 September: Review previous year's achievements and solicit new work goals, repeat cycle

Hilltop UCC

Goals and objectives for 2001

Overview

You, as a staff member of Hilltop UCC play an important part in the overall ministry of Hilltop UCC. For Hilltop UCC to achieve its stated vision and mission, you need to understand how you can contribute to the overall ministry through the performance of your job.

Purpose

The basic assumption of the Church Council is that you know best what your job entails, what prevents you from doing it and what you would like to see improved. Setting goals and objectives each year helps you and the Church Council to:

- Identify those areas in which you feel you can add value to the overall ministry of Hilltop UCC
- Identify those barriers that prevent you from achieving your goals
- Provide an opportunity for feedback and continuous learning and improvement.

Next Step

Review your attached job description and in the space below or on a separate paper, identify the three to five goals that you would like to achieve over the next year. Try to be as specific as possible. Think about what it would take to achieve this goal and/or what is preventing you from achieving this goal today. Is it a skill you need to develop, new equipment, enhanced communications between you and others, increased knowledge of some subject area, team building, or suggestions for doing things differently.

Return the form to your assigned coach who will meet with you to discuss these objectives and reach a mutually agreed upon action plan for achieving these objectives. You and your coach will meet on a periodic basis throughout the year to review progress.

Name _____ Position _____

Date _____

1. Goals and objectives I would like to achieve over the next twelve months at Hilltop UCC:

2. Goals and objectives Hilltop UCC would like me to achieve over the next twelve months at Hilltop UCC:

3. Mutual Action Plan: Dates and deliverables to achieve goals stated in #1 and #2 above

Employee signature and date:

Feedback coach signature and date:

Source: Adapted from the Work Goal & Performance Monitoring description of the First Congregational Church, Granby, Connecticut

Hilltop UCC
Employee Feedback Process (for Support Staff)

Goals and objectives for 2001

Overview

You, as a staff member of Hilltop UCC play an important part in the overall ministry of Hilltop UCC. For Hilltop UCC to achieve its stated vision and mission, you need to understand how you can contribute to the overall ministry through the performance of your job.

Purpose

The basic assumption of the Church Council is that you know best what your job entails, what prevents you from doing it and what you would like to see improved. Setting goals and objectives each year helps you and the Church Council to:

- Identify those areas in which you feel you can add value to the overall ministry of Hilltop UCC
- Identify those barriers that prevent you from achieving your goals
- Provide an opportunity for feedback and continuous learning and improvement.

Next Step

Review your attached job description and in the space below or on a separate paper, identify the three to five goals that you would like to achieve over the next year. Try to be as specific as possible. Think about what it would take to achieve this goal and/or what is preventing you from achieving this goal today. Is it a skill you need to develop, new equipment, enhanced communications between you and others, increased knowledge of some subject area, team building, or suggestions for doing things differently.

Return the form to your assigned coach who will meet with you to discuss these objectives and reach a mutually agreed upon action plan for achieving these objectives. You and your coach will meet on a periodic basis throughout the year to review progress.

Name _____ Position _____

Date _____

1. Goals and objectives I would like to achieve over the next twelve months at Hilltop UCC:

2. Goals and objectives Hilltop UCC would like me to achieve over the next twelve months at Hilltop UCC:

3. Mutual Action Plan: Dates and deliverables to achieve goals stated in #1 and #2 above

Employee signature and date:

Feedback Coach signature and date:

Source: Adapted from the Work Goal & Performance Monitoring description of the First Congregational Church, Granby, Connecticut

Employee Feedback Process for Ordained Staff)

Local church and clergy evaluation resources can be obtained by contacting the Parish Life and Leadership Team at United Church Local Church Ministries, 700 Prospect Avenue, Cleveland, OH. Phone: 212-736-3800

Here is an alternative if no feedback process for ordained staff has occurred or is not yet developed.

Schedule a 3-potluck event involving church members, leaders and ordained staff.

Potluck 1 Eat meal together. Have 30-minute session where participants review the Key Job Tasks as stated in the job description of the clergy position(s)

Potluck 2 Eat meal together. Have 30-minute session where participants assign percentages of time to the Key Job Tasks of the job description for the clergy position(s)

Potluck 3 Eat meal together. Have clergy develop and share a time study log of their work over a 6-week period. Have a 45-60 minute group discussion comparing the percentages of time from Potluck 2 to the time log(s).

Source: Davida Foy Crabtree, Conference Minister of Connecticut Conference.

SCREENING FORM FOR VOLUNTEERS AND EMPLOYEES
Hilltop UCC

This form is to be filled out by all people seeking to volunteer or be employed by Hilltop UCC. It is being used so that the Church can provide a safe and secure environment for the children, youth and adults who participate in the life of the congregation. This information is confidential. This completed form will be kept in a locked file in the Church office and access to it will be restricted to ordained staff.

Today's Date _____
Your Full Name _____
Your Current Address _____
Your Home Phone _____
What is the position you are seeking? _____
Please print on the line below any other name by which you ever been known (e.g., maiden name)? _____

Please list the name of the church where your membership is at present: _____
List the name(s) and addresses of other churches that you have regularly attended in the last five years:

VOLUNTEER SERVICE RECORD

(Please include any positions which involved direct contact with children, youth or adults.)

Volunteered for: _____
Address: _____
City, State, Zip Code: _____
Supervisor: _____ Phone Number: _____
Dates of Service from (Month/Year): _____ to (Month/Year) _____
Why did you leave: _____

Volunteered for: _____
Address: _____
City, State, Zip Code: _____
Supervisor: _____ Phone Number: _____
Dates of Service from (Month/Year): _____ to (Month/Year) _____
Why did you leave: _____

EMPLOYMENT SERVICE RECORD

(List current and previous employers for the last five years. Attach additional pages if necessary.)

Employed by: _____
Address: _____
City, State, Zip Code: _____
Supervisor: _____ Phone Number: _____
Supervisor's Title: _____
Dates of Service from (Month/Year): _____ to (Month/Year) _____
Why did you leave: _____

Employed by: _____
Address: _____
City, State, Zip Code: _____
Supervisor: _____ Phone Number: _____
Supervisor's Title: _____
Dates of Service from (Month/Year): _____ to (Month/Year) _____
Why did you leave: _____

SEXUAL MISCONDUCT INFORMATION

Check one:

_____ I certify by the signature below that no civil, criminal, or ecclesiastical complaint has ever been sustained* or is pending* (see end of form) against me for sexual misconduct or the neglect or abuse of anyone; and that I have never resigned or been terminated from a position for reasons related to sexual misconduct or the abuse or neglect of anyone.

_____ I am unable to make the above certification. I offer, instead, the following description of the complaint, termination, or the outcome of the situation with explanatory comments.

Are there any other facts or circumstances involving you or your background that would call into question your being entrusted with the supervision or care of others? Yes _____ No _____. If you have answered yes, please explain below:

Please list three references who are neither relatives nor former employers. (This section may include names from the Volunteer Service Record)

Name: _____
Address: _____
Telephone: _____
Name: _____
Address: _____
Telephone: _____
Name: _____
Address: _____
Telephone: _____

CERTIFICATION

This information is correct to the best of my knowledge. I present it with the understanding that Hilltop UCC will check my references and past church involvements and place the information they find in my file. By means of this release I also authorize any previous employer, and any law enforcement agencies or judicial authorities or ecclesiastical governing bodies to release any and all requested relevant information related to sexual misconduct to the entity to whom I have provided this Screening Form. This file is to be kept under lock in the Church Office and access to it is to be restricted to ordained staff.

I release all those providing information, including their own opinion, from any liability for giving these references for me, providing that they do so in good faith and without malice. I further agree to abide by the bylaws, policies and procedures of Hilltop UCC and to use the Gospel of Jesus Christ as my norm in relating to others.

Signature: _____

Date: _____

Print Name: _____

Date placed in file: _____

*Sustained

- 1) In a criminal court, "sustained" means that there has been a guilty plea, a guilty verdict or a plea bargain.
- 2) In a civil court, "sustained" means that there has been a judgment against the defendant.
- 3) In an ecclesiastical case, "sustained" means that there has been a guilty plea and censure imposed, or finding of guilty with censure imposed, by a permanent judicial commission or an equivalent body in the church.

* Pending

- 1) In a criminal court, "pending" means a criminal charge before a grand jury, a charge in the process of being prosecuted, or a case in which there is not a verdict.
- 2) In a civil court, "pending" means a case in which there has not been a decision or judgment.
- 3) In an ecclesiastical case, "pending" means an accusation is being investigated by a special disciplinary committee or charges have been filed but have not yet been decided by a permanent judicial commission or an equivalent state or process in a church.

Policy Regarding Abuse and Sexual Misconduct Hilltop UCC

Hilltop UCC is committed to promoting a safe, open and spiritually healthy environment. We strive to protect our congregation from the occurrence and/or allegations of misconduct and all abuse through education of our congregation, screening our employees and volunteers, and fostering an increased awareness of issues of misconduct. Our goal is to ensure that all church members use the Gospel of Jesus Christ as their norm in relating to others.

Source: Adapted from Policy and Screening Form for Volunteers and Employees, First Congregational Church, Granby, Connecticut

SOCIALLY RESPONSIBLE INVESTMENT GUIDELINES
Hilltop UCC

WHEREAS, God has blessed us with the gift of creation, calling us to be responsible stewards of the earth's resources and beckoning us to beat swords into plowshares; and

WHEREAS, The United Church of Christ General Synod in 1967 affirmed that "social values and social justice ought to be given consideration together with security and yield in the investment of funds held by religious organizations"; and

WHEREAS, The documented ineffectiveness of an activist shareholder strategy by the church in changing corporate policy regarding the manufacture of weapons justifies the adoption of a policy to exclude investment in major weapons manufacturers; and

WHEREAS, The dramatic trend toward militarization of the U.S. budget and foreign policy reinforces the imperative for the church to raise its voice and to make non-investment in major weapons producers a matter of conscience; and

WHEREAS, The 13th General Synod, in voting overwhelmingly to select peace as one of the two major priorities of the United Church of Christ, also urged that

1. The dependence of the United States and world economies on the production of armaments be reversed to the end that human and material resources be used to improve the quality of life for all persons,
2. The arms race be reversed, and
3. The development and use of nuclear and lethal biochemical weapons be recognized as completely contrary to the Gospel of Jesus Christ.

THEREFORE BE IT RESOLVED that in order to maintain consistency between social values and investments and to provide a constructive witness for peace, Hilltop UCC adopts the following policy of not investing in the securities of corporations:

1. That are direct contributors to nuclear weapons research and development, the production of key nuclear components for nuclear warheads, or the management of nuclear weapons facilities owned by the U.S. Government.
2. That are direct contributors to lethal biological or chemical weapons production or research and development.
3. That are among the one hundred leading military contractors to the Department of Defense who are dependent on military contracts for more than 30 per cent of their sales (as determined by the average ratio of military contracts to sales in the most recent three year period for which data are available).

It is recognized, however, that Hilltop UCC will implement the above policy insofar as is legally possible within the fiduciary obligations for which the Board of Directors and Finance Committee are responsible.

The Congregation of Hilltop UCC requests the Board of Directors and the Finance Committee to implement the policy according to the following procedures:

1. The Board and the Finance Committee will periodically secure from the Office of the General Minister and President of the UCC a definitive list of corporations, which are excluded by the policy, together with the data to support their designation.
2. Securities of listed corporations will not be purchased, and any such securities currently held will be sold within a reasonable period of time.

Source: Adapted from the Investment Guidelines of the Connecticut Conference of the UCC

Budget Development Process
[For Calendar Year Budgeting Timeframe]
[Program Year Timeframe in Italics]

Duration of Process
5 months

Dates and Tasks

August 15 (*January 15*)

Request that each committee/department/cost center submit next year's budget on a line item basis. The first draft is due to the Budget Committee by September 15

[The request should include a form which identifies the areas of expense (e.g., listing of accounts from the chart of accounts) for which the committee/department/cost center has oversight. The treasurer could generate information by line item and display the dollars for the current year's budget as well as year to date expense for the line items/categories assigned to the committee.]

October 15 (*March 15*)

Budget Committee collates this information between September 16 and October 1 and submits the first draft of next year's budget to Church Council/Cabinet. Purpose is to gather comments on anticipated level of funding available for the next year versus the aggregate of budget requests from all committees/departments/cost centers.

November 15 (*April 15*)

Budget Committee submits revised (second) draft of next year's budget to Church Council/Cabinet. This second version is reviewed on the basis of the resources that the Church Council anticipates will be available for next year. Input is gathered from the Financial Secretary/Stewardship Committee regarding the financial target of the stewardship campaign to be conducted with the membership.

December 15 (*May 15*)

The Church Council/Cabinet finalizes and recommends the budget to the congregation for adoption at the January (*June*) congregational meeting.

Note: If the church budget uses a time frame other than calendar year, for example a program year timeframe that runs from September through August, the August date could be five months prior to the date that the congregation adopts the budget for the next year. E.g., if the budget is adopted in June for a September through August timeframe, the August 15 request would be placed before the committees/departments/cost centers on January 15. *The action dates for the program year timeframe are presented above in italics next to the calendar timeframe action dates.*

Authored by Kenneth Ulmer, Associate Conference Minister for Administration, Connecticut Conference

ACHIEVING AND RETAINING TITHING CHURCH STATUS
Hilltop UCC

WHEREAS, We are called by Christ to go to all the nations with the Good News of Christ's saving love (Matthew 28:19-20);

WHEREAS, We have become well aware that the world is becoming a global village and that our neighbor who was once far off has come near;

WHEREAS, One of the major ways that we fulfill this Gospel command and meet the need of our neighbor is through our local church's giving to Our Church's Wider Mission;

WHEREAS, Previous Conference Annual Meetings in response to the Gospel call has set a 10% of a local church's operating budget as the goal for giving to Our Church's Wider Mission;

WHEREAS, The tithe as a standard for giving of one's treasure has deep Biblical roots and has held a significant place in the financial stewardship tradition of the Christian Church;

THEREFORE BE IT RESOLVED That Hilltop UCC set as its minimum standard for giving to OCWM a tithe (10% of their operating budget).

BE IT FURTHER RESOLVED That Hilltop UCC directs the Church Council to achieve the status of a tithing church in its giving to Our Church's Wider Mission, by stepping up by at least 1% toward that tithing goal in the coming year;

AND BE IT FURTHER RESOLVED That the Church Council develop budgeting procedures that ensure that, once tithing status is achieved, Hilltop UCC will retain tithing status in its annual budgets.

Source: Adapted from the Tithing Church and Tithing Christians Statement of the Connecticut Conference of the UCC

ACKNOWLEDGMENT OF RECEIPT OF ADMINISTRATIVE PROCEDURES MANUAL

I have received and read the Administrative Procedures Manual of Hilltop UCC.

I understand that it is my responsibility to read and comply with the policies contained in the Administrative Procedures Manual and any revisions made to it.

Employee's signature

Date

Employee's Name (Typed or printed)

ADMINISTRATIVE PROCEDURES MANUAL
Revision Date 9/30/01

Hilltop UCC

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1. Expense Reimbursement Guidelines

These guidelines are intended to assist staff in discerning what are appropriate expenses to be submitted for reimbursement by Hilltop UCC, and what are not. When in doubt, the staff member is urged to consult with his or her supervisor. It is Hilltop UCC's policy to reimburse employees for all necessary and reasonable professional expenses incurred in the performance of assigned duties and within the established budget. These guidelines are as explicit as they are simply to offer security and commonality of interpretation on the part of all staff.

1.1 Procedures

All expense reimbursement requests are to be submitted monthly to one's supervisor. Documentation is required for expense reimbursement for items greater than \$25.00. Reimbursements for business expenses that are less than \$25.00 do not need receipts.

If the expense is over \$25.00 a receipt is required. Requests for reimbursement without documentation of each item over \$25.00 will be returned to the employee for correction. Accounting will not "carve out" the undocumented expenses. Accounting will return the expense reimbursement request to the employee to be amended by deleting the undocumented expenses or attaching the missing documents. Note that the whole amount will not be processed until the documentation equates to the amount requested.

Within one week, the supervisor will review and either submit the expenses to the Church Office for payment, or will communicate to the employee the expenses which are being disallowed or questioned. In general, expenses will be paid within 15 days of the Church Office's receipt of the expense form.

1.2 Travel

Hilltop UCC reimburses automobile travel at the IRS approved rate (32.5 cents per mile in 2001). This reimbursement is intended for the cost of operating your vehicle (gas, maintenance, registration, insurance, etc.). In addition, it is appropriate for Hilltop UCC to pay for parking fees and tolls when you are on official business. Receipts are required, including identification of the nature of the business and with whom the meeting was held.

Hilltop UCC will not pay parking or other traffic fines, regardless of the situation! We expect that all staff will conduct themselves according to the law.

1.3 Meals

It is permissible to use your expense account for meals when:

- You are working away from the office and away from home on official business related to your ministry. [Example: you have a pastoral call to a hospital and the timing of the visit requires that you eat on the road]
- you need to meet over a meal with an individual for pastoral care, and it is the only time you can see the person because of their schedule or yours
- You wish to entertain a gathering of people at your home as a way of saying thank you for some service, which they have rendered to Hilltop UCC.

Meals for groups related to program or committee work should be paid from program or committee budget.

In all cases, receipts are required (not tear slips from restaurant order forms), with notation of occasion and persons in attendance.

1.4 Lodging

Occasionally, you may find it necessary to stay away from home. In those instances, reasonable such expenses may be submitted for reimbursement through one's expense account. "Reasonable" means a motel in the lower range of cost, for instance a Super Eight rather than a Sheraton.

When attending a meeting or conference out of state, it is expected that low cost accommodations will be utilized.

1.5 Family Travel

When a family member accompanies a staff person on a trip, the family member's expenses for travel, meals and lodging are never paid from Hilltop UCC resources, and are entirely the responsibility of the family. This means that if a hotel room costs \$60 for one person and \$85 for two, then the family pays \$25.

1.6 Liquor and Miscellaneous

In no case is it appropriate for Hilltop UCC's resources to be used for wine, beer or liquor. On a rare occasion, after consultation with the Minister, permission may be granted, but only in unusual circumstances, and only with prior approval. By the same token, expenses for movies, dry-cleaning, entertainment, toiletry items, health clubs, magazines, etc. are not appropriate for reimbursement.

1.7 Professional expenses

Items such as the following may be submitted, with receipts:

- books needed for professional study and enhancement of skills
- purchase and dry-cleaning of vestments
- professional subscriptions and dues
- Continuing education tuition and travel -- with prior approval of the Minister. Or in the case of the Minister, with prior approval by the Deacons.

Items not appropriate for submittal include:

- expenses related to achieving or retaining standing in an association of Hilltop UCC
- expenses related to events outside Hilltop UCC in which you are receiving an honorarium [Example: you are asked to teach a class at a college/seminary for which you are paid; your meals, travel, books, etc. are not reimbursable]

1.8 Conferences and Continuing Education

It is expected that any staff person wishing to attend a conference or continuing education event which requires an overnight stay or which is of a duration longer than two days will obtain the Minister's approval ahead of time for both time away and related expenses. The person's expense account may be used for the travel, lodging and meals costs, and up to \$500 for tuition per year, as long as the staff member can demonstrate that their work will be advanced by the use of the expense account in this way, and that their effectiveness will be enhanced by participation in the event.

1.9 Equipment Purchases

It is not appropriate to use Hilltop UCC's resources to purchase items such as cameras, projectors, televisions, VCR's, computers, software etc. unless the acquisition of such an item is necessary for program usage. If that is the case, then such items should come from program budgets, and will in every case remain with Hilltop UCC after the staff person's departure. Items over \$100 will be purchased through the assistance of the Minister.

1.10 Telephone/Fax

Calls you make from your home telephone on Hilltop UCC business/ministry may be submitted for reimbursement. Personal calls you make from Hilltop UCC telephones must be paid for. It is preferred that all such calls be placed on a telephone charge card billed to your personal (home) telephone number. If such a charge is not possible and in the case of personal faxes, the procedure is to submit to the Church Office the time, date and number called. The Church Office will then give you a bill for all such calls/faxes.

Mobile/cellular telephone expenses are reimbursable to the extent that they are used to call to/receive calls from persons related to Hilltop UCC and your ministry. Calls home inquiring about shopping needs are not appropriate business expenses. If you are traveling on Hilltop UCC business and experience a travel emergency, reasonable use of the phone will be reimbursed.

1.11 Copier/Postage Meter

Personal use of Hilltop UCC's copier and postage meter is permitted, providing such use is not excessive (to be determined in the sole discretion of the Minister). In every case, payment is to be made to the Church Office at the time of use: at the rate of five cents per copy and at the full cost of the postage.

Expenses for copying and postage incurred outside the office may be submitted for reimbursement with documentation as to use and amount.

1.12 Books

Books normally utilized in professional development may be purchased with one's expense account, recognizing the limits inherent in the budget. Generally speaking, it is expected that a staff person will spend no more than \$500 per year on books of this nature. Books needed for reference or pertaining to the specific work of one's field of responsibility may be purchased using appropriate budget lines in program budgets. These books remain after the staff person's departure.

1.13 Impending Departure

When a staff person anticipates that they may be leaving the employ of Hilltop UCC within the next year, special care and concern must be exerted that Hilltop UCC funds are not used for personal aggrandizement. The purpose of the expense account is to reimburse legitimate costs of doing ministry and to provide for the professional development of staff so that they may serve Hilltop UCC with the greatest effectiveness and faithfulness possible.

1.14 Internal Audit

From time to time, the financial office and the Minister will review expense reimbursement requests from staff in order to monitor appropriate use of funds. This will usually be done on a random but regular basis, and staff will be consulted about any perceived

variances from policy. In addition, those with check-signing authority are expected to review substantiation provided with all checks given to them for signing, and will bring to the Minister's attention any items, which may be of concern.

2. Honoraria

Often clergy receive an honorarium when they perform services such as marriage ceremonies or funerals. It is the policy that Hilltop UCC ordained staff may accept honorariums but must report these as taxable earnings in the reportable tax year.

3. Procedures for Signing Checks

It is expected that all those who have authorization to sign checks for Hilltop UCC will exercise sound judgment in doing so. To that end, the following guidelines apply:

3.1. No blank check is ever to be signed, even when another signer guarantees that they will not sign until the check is completed. Checks requiring two signatures do so for a good reason: to ensure that no one person can defraud the organization. Refusing to sign a blank check is required; signing one is cause for dismissal.

3.2. Substantiation and documentation of the reason for the check should accompany every check with a request for signature. Look at the documentation: does it make sense? does it have the appropriate approvals?

Errors can be made for many reasons, especially because the person writing the check does not have all the information they need. You are a check-signer because you are a trusted employee and because we trust your knowledge of the life of Hilltop UCC. Your refusing to sign a check until you can verify information is not an act of insult to the check-writer. It is a requirement of your job.

3.3. Checks, before and after signing, should go from your hand to another staffperson. They should not be left on a desk or an inbox somewhere. We all trust each other, but others have access to the building, and careless procedures may lead to problems.

3.4. Hilltop UCC is grateful for the time you spend in signing checks. It can be very tiresome. Still, the money, which we transmit, goes in Christ's name and supports Christ's ministry, so your time and effort are an important part of that ministry.

4. Access to Mailing Lists

All requests for access to Hilltop UCC mailing list are subject to approval of the Minister.

Requests for access to the address lists maintained by Hilltop UCC are subject to presentation of a completed application. An application, entitled, Application for Access to Mailing List, can be obtained from the Minister which must be completed and submitted by the requesting individual or organization. Approvals will permit use of the mailing lists for one single mailing only.

5. Building and Equipment Use

5.1 Building Use

Hilltop UCC publishes the procedures for opening, using and closing the building as well as other information in a separate document because it is updated more frequently than this Administrative Procedures Manual.

5.2 Laptop Care and Upkeep

Some employees of Hilltop UCC are provided laptop computers for use in performing their job. Some positions will be provided with a specific laptop for their exclusive use and other full-time employees or contract employees will be able to check out a laptop for occasional use. The guidelines for use apply to both the exclusive use and checkout circumstances.

The employee will be responsible for appropriate care of the laptop. The primary reason that they have access to a laptop is to perform their job for Hilltop UCC. A Hilltop UCC employee should not permit a family member or friend to use the equipment purchased by Hilltop UCC.

Since this equipment is owned by Hilltop UCC all software and email correspondence conducted with it belong to Hilltop UCC. Hilltop UCC employees are encouraged to use their own email access provider for personal correspondence in order to prevent Hilltop UCC from having ownership of personal email correspondence not related to work.

Hilltop UCC carries insurance for theft of laptop along with its regular coverages. Each Hilltop UCC employee who uses this type of Hilltop UCC equipment is responsible with using the equipment in a manner which limits the opportunities for theft to occur. The guideline is to have the laptop in their sight and possession at all times. Replacement of the laptop will be the employee's responsibility if their negligence created the circumstance to occur, e.g., left the laptop on a baggage carousel at an airport.

Each Hilltop UCC employee is also charged with proper care and maintenance of the computer equipment provided for their use. The laptop is to be placed in the carrying case provided by Hilltop UCC for transporting between work sites. Due to the potential for liquids to ruin the key board it is recommended that the employee not drink beverages over the surface of the keyboard and use the laptop in settings where others are not likely to spill liquids on it or knock it off of a resting place onto the floor. Damage to the laptop or peripherals while under the care and keeping of the employee may be determined to be charged to the employee depending upon the circumstance and level of care taken by the employee.

When problems with the functioning of the laptop occur the employee is required to notify the Minister who will repair or obtain repair service required to resolve the problem. Employees are not permitted to add software or peripherals to equipment owned by Hilltop UCC without notifying the Minister.

5.3 Software Copyright Infringement

5.3.1 General

According to the U.S. Copyright Law, illegal reproduction of software can be subject to civil damages of \$50,000 or more and criminal penalties including fines and imprisonment.

5.3.2 Licensed Software

Reproducing Software. No production of licensed software or its related documentation is permitted, unless authorized by the software manufacturer.

5.3.3 Local-Area Networks or Multiple Machines

Employees shall use the software only in accordance with the applicable license agreement.

5.3.4 Notification

Employees learning of any misuse of software or related documentation within Hilltop UCC shall notify the Minister or Moderator.

5.3.5 Disciplinary Action

Employees or former employees who make, acquire or sell copies of computer software licensed to Hilltop UCC will be disciplined or prosecuted as appropriate under the circumstances.

6. Supplies

Supplies are to be ordered through the inventory management system established by the Finance Department.

7. Voice Mail Pick-Up

Users, unless sick or on an approved leave of absence, are expected to check the activity on their Voice Mail accounts two times per day, once between 9 a.m. and noon and once between noon and 5:00 p.m. on each business day.

8. Email Pick-Up

Users, unless sick or on an approved leave of absence, are expected to check the activity on their email accounts two times per day, once between 9 a.m. and noon and once between noon and 5:00 p.m. on each business day.

9. Acceptable Use Policy for Use of Email and Internet Access System

All activity conducted on the Email and Internet Access system owned and administered by Hilltop UCC belongs to Hilltop UCC. The Email and Internet Access system is established and maintained by Hilltop UCC to provide the communication resources for its employees to provide research, training, collaboration and dissemination of educational programs, methods, materials and resources in accordance with Hilltop UCC's mission and programs. All use of the Email and Internet Access system must be consistent with Hilltop UCC's primary goals.

Activities not in accordance with this section are in violation of the policies of Hilltop UCC and are subject to disciplinary and termination procedures in the Employee Handbook.

9.1. Individual Responsibility

Each employee must provide the Minister or the Moderator with their current password for the Email and Internet Access system access immediately upon request. The Email and Internet Access system user is held responsible for his/her actions and activity within his/her account. Unacceptable uses of the Email and Internet Access system will result in suspension or dismissal in accordance with the Employee Handbook. Examples of unacceptable use are included, but not limited to, the list below:

9.1.1. Using the network for any illegal activity, including violation of copyright or other contracts;

9.1.2. Using the network for financial or commercial gain;

9.1.3. Degrading or disrupting equipment or system performance;

9.1.4. Vandalizing the data of another user;

9.1.5. Wastefully using finite resources;

9.1.6. Gaining unauthorized access to resources or entities;

9.1.7. Invading the privacy of individuals;

9.1.8. Using an account owned by another user;

- 9.1.9. Posting personal communications without the author's consent;
- 9.1.10. Posting anonymous messages.
- 9.1.11. Using the Email and Internet Access system to transmit threatening, obscene, or harassing materials.
- 9.1.12. Using the Email and Internet Access system so as to interfere with or disrupt network users, services or equipment. Disruptions include, but are not limited to, distribution of unsolicited advertising, propagation of computer worms and viruses, and using the network to make unauthorized entry to any other machine accessible via the network.

9.2. Purpose of Email and Internet Access System

The Email and Internet Access System has been established to: 1) provide the highest quality and optimum access of networking services to the community of Hilltop UCC, 2) to offer network resources at the maximum level of cost-efficiency, and 3) to promote and facilitate the mission and programs of Hilltop UCC.

9.3. Hilltop UCC Communications

Employees are to consider the activity on the Email and Internet Access system as Hilltop UCC property and are not private communications.

9.4. Monitoring

Hilltop UCC periodically monitors the nature of all messages on the Email and Internet Access system. These audits will occur without prior notice to employees. The use of Hilltop UCC e-mail, computer, and voice mail systems is limited to the business purposes of Hilltop UCC.

9.5. Notice to Users

The Email and Internet Access system contains a notice when employees log onto the computer network and require an affirmative acknowledgment by having the employee indicate that she has read the screen before moving on. The notice states clearly that the Email and Internet Access system are not private and will be audited and the parameters of employee use. It also states on-line etiquette for using Hilltop UCC resources. The statement is presented below:

All systems and electronic communications are to be used for business purposes only and in accordance with Hilltop UCC policies and procedures. All systems are subject to periodic Hilltop UCC audits for business and security purposes. Please keep these guidelines in mind when using the Email and Internet Access system.

9.6. Email and Internet Access System Backups

Regular backups of the email system are performed. Email is normally retained for a period of two months before it is purged. Hilltop UCC reserves the right to preserve messages for longer periods that document employee misuse of the Email and Internet Access system.

9.7. Frequency of Mail Pick Up

Each user is expected to pickup the activity on their account on a timely basis, defined as within 48 hours, in order to prevent loss of unanswered messages and to accomplish prompt response to messages left by another user.

9.8. Violation of Policy

Hilltop UCC will review alleged violations of the Acceptable Use Policy on a case by-case basis and will handle them in accordance with the policies stated in the Employee Handbook.

9.9. Pornographic, Encrypted Files

The accessing and retransmission of pornographic files on the Internet via the Email and Internet Access system is unacceptable business activity. Unauthorized uses of encryption technology to block access to any file on a Hilltop UCC network is prohibited and can be grounds for termination. Hilltop UCC uses encryption technology to provide security for selected transmissions. Employees must report to the Minister the encryption technology used for security of their files.

9.10. Improper Use of Hilltop UCC Resources

Employees who surf the Net are expected to be doing assigned work. Such activity will not be permitted to clog the corporate networks, block access and use computing power needed for Hilltop UCC activities. Third, even if computing is not interfering with work, resources that are being used must not be for personal gain. When an employee is not meeting work goals and performing below standards their supervisor will address performance with that employee. Electronic distractions affecting performance will be treated as any other performance problem.

9.11. Personal Use of Hilltop UCC Resources

Hilltop UCC allows employees to use Hilltop UCC resources for charitable purposes such as maintaining mailing list databases. Such use is permitted if the Minister has given the project. Any other significant non-Hilltop UCC uses also require management approval.

9.12. New Products; Services Developed with Hilltop UCC Resources

Hilltop UCC employees are prohibited from using Hilltop UCC resources for unauthorized projects, developing software and conducting their own businesses. All work done with Hilltop UCC resources will be owned by Hilltop UCC and if any court should rule otherwise then all work will be deemed assigned to Hilltop UCC. Employees are not to bring any proprietary materials from any other employer to the offices of Hilltop UCC.

9.13. Protection from Copyright Infringement

The Minister or her/his designee must be notified prior to loading and downloading of software and data on the Email and Internet Access system.

9.14. Data and System Security

Confidential information that is managed on the Email and Internet Access system is subject to the policies set forth from time to time by the Minister. Digital signatures are to be used to verify the sender. Network security, both the local area network and outside to the Internet, is maintained by the Minister or her/his designee to prevent the loss of business assets.

10. Procedures for Storm Closing of Office

The Hilltop UCC office has a procedure for use in notifying employees prior to the workday when the office will be closed due to hazardous travel conditions. The Minister will update and publish the procedure from time to time as needed. Please contact the Minister to obtain a copy.

11. Confidentiality and Ethics

All categories of employees of Hilltop UCC are required to hold on a confidential basis the information that they obtain while serving in the employment of Hilltop UCC and to conduct their business affairs fairly, impartially, and in an ethical manner. The sections of the Employee Handbook that address these two areas are presented below.

Confidentiality

Much of the information that is handled on a day-to-day basis at Hilltop UCC must be treated as confidential. Any information which, if disclosed without authorization, could be detrimental to the operation and reputation of Hilltop UCC, its agents and members, or that which may infringe on anyone's right to privacy should be handled with the utmost discretion and confidentiality. Such information should be shared only on a "need-to-know" basis. Violations will be subject to disciplinary action up to and including dismissal.

Ethics

Hilltop UCC's standards require its staff to avoid any activity or interest that might reflect unfavorably upon their own or Hilltop UCC's integrity. This applies to actions both within the work environment and in the community. In all our dealings within Hilltop UCC and in the Community, it is our practice to conduct our business affairs fairly, impartially, and in an ethical manner. Our actions must exemplify harmony, respect and integrity.

Source: Adapted from the Administrative Procedures and Policies Manual of the Connecticut Conference of the UCC

Procedures (No. 15) Risk Management Program

The development and implementation of a risk management program is a key tool in managing down the cost of property and casualty insurance. The booklet, *Caring for Our Churches -- A Loss Control Manual*, is a guide to this task. There are five sections in this resource.

Section A -- Loss Control - What's it all about?

Section B -- How to Use this Guide

Section C -- Introduction to the Five Steps to Loss Control Success

Section D -- Appendixes providing information on camps and financial controls

Section E -- Resources for Additional Information

Obtain a copy of *Caring for Our Churches -- A Loss Control Manual* for those responsible for management and oversight of your church's property.

For a copy of "Caring for Our Churches -- A Loss Control Manual" contact UCCIB at 800-437-8830, mail address: 11921 Rockville Pike, Rockville, MD 20852-2737.