

## CAN THE CHURCH LEADERSHIP TEAM ANSWER THESE 6 QUESTIONS?

As leaders, our ministry priority is to focus on the big picture rather than the administrative details, but part of the fiduciary and leadership responsibility of a pastor, elder, board member, or trustee is knowing the answers (or knowing who has the answers) to these questions:

1. ***Where are the church's legal documents?*** These documents include the Articles of Incorporation, Determination Letters from Federal and/or State Agencies, EIN (Tax ID number), Statements of Information or other regularly submitted state filings, Constitution & By-Laws, Insurance Policies, Financial Obligations, Minutes of Church Business Meetings, Church Policy Manual, Audit Reports, etc. Beware of assuming that "someone" has all the records in a safe, accessible place. He or she may have left the church years ago.
2. ***Who maintains the state filings?*** Every state requires that churches file an information form on a regular basis (yearly or every other year) that is submitted with a small fee for the purpose of maintaining the organization's active tax-exempt status. In California this is done via the Secretary of State's Office; in Arizona through the Arizona Corporation Commission. Failure to file when it's due results in a penalty.
3. ***Are the pastors and staff licensed or ordained by the EFCA? If not, do they have legitimate legal standing to be compensated as clergy?*** One responsibility of the church leadership team is ensuring the theological health of the pastors and staff. Like physical health, effort is required to reach and maintain spiritual health and theological competence. By encouraging the church staff to obtain a ministry credential (and by protecting the time they need to do so), we can take advantage of the excellent doctrinal and moral accountability the EFCA offers. Additionally, an EFCA credential satisfies the IRS by confirming pastoral legal status, which allows a minister certain tax advantages. The EFCA offers a wealth of credentialing resources. Go to <https://go.efca.org/ministries/office-president/efca-credentialing> for information and <https://go.efca.org/podcasts/efca-theology-podcast> for the theology podcast.

4. ***Is there an understandable guide that explains the tax and financial obligations of a local church?*** The answer to this is an easy “yes”! It costs less than \$15.00 and is updated yearly. *The Church and Nonprofit Tax & Financial Guide* written by Dan Busby, Michael Martin, John Van Drunen and published by Zondervan, is our recommended go-to reference that reviews the most recent laws that impact churches, “how to’s” regarding financial records and reporting, and sample board resolutions, charts, checklists and procedures. Plan to order the latest edition on the first business day of the New Year.
  
5. ***What does EFCA West offer in terms of administrative assistance to the local church?*** EFCA West exists to serve the local church – it is our privilege to assist church plants set up legal, financial, and governing foundations and provide established churches with resources that encourage administrative best practices. Additionally, we have access to the excellent and wide-ranging resources of the national EFCA (Evangelical Free Church of America) and the ECFA (Evangelical Council for Financial Accountability). Call (209.667.5789) or e-mail ([Rita.Nystrom@efca.org](mailto:Rita.Nystrom@efca.org)) with any administrative questions or concerns or to obtain a copy of *Check the Status of Your Church Documents* – a one page guide which reviews the basics.
  
6. ***How important is it that everything (administratively) be done in a fitting and orderly way (1 Corinthians 14:40)?*** Every local church honors God by creating an environment of transparency and integrity in legal and financial matters that models spiritual health for the larger community. God has placed people in our churches who love Jesus, are persons of integrity and are gifted in administration. By identifying and empowering them we can establish and maintain the church’s administrative well-being.