

## GENERAL CONSTRAINTS, LIMITATIONS AND BOUNDARIES FOR CHURCH LEADERS

### AS ESTABLISHED BY THE BIBLE, CONSTITUTION/BYLAWS & BOARD/COUNCIL

A church leaders need to know the general boundaries (limitations and constraints) within which they must operate. This information needs provided to all leaders on a periodic basis to remind them of their general boundaries of operation. These general constraints, limitations and boundaries of operation should be audited periodically to assure compliance,

1. **Biblical Constraints.** Church leaders shall not knowingly cause or allow any setting where the Bible, the Church's biblical principles and Church's Statement of Faith are not honored.
  
2. **Business Constraints.** The Church leaders shall not cause or allow any practice, activity, decision or organizational circumstance that is unlawful, imprudent or in violation of any generally accepted business or professional practice. Do not cause or allow:
  - a. Conflict of Interest: leaders, employees, volunteers, donors, vendors, business partners, local community.
  - b. Exposure to liability claims due to lack of assessment and minimization of risks.
  - c. Release or loss of confidential information, church files, intellectual property or privacy information.
  - d. Transfer ownership, encumber, acquire, materially change or dispose of (chattel, surplus, etc.) any real property without required approvals.
  - e. Non-compliance with all federal, state and local non-profit guidelines and requirements.
  
3. **Financial Constraints.** The Church leaders shall not cause or allow the development of financial jeopardy or comprise fiduciary responsibility. Do not cause or allow:
  - a. Use accounting procedures contrary to GAAP (Good Accepted Accounting Principles)
  - b. Expenditure of funds without the stated limits of authority to approve expenditures.
  - c. Allow expenditures that exceed the lower of actual accumulated income on hand or in the budget in any fiscal year without approval of the highest level of leadership.
  - d. Invest Church funds in any investment other than CD's, a Church Credit Union Fund or a Money Market Fund
  - e. Incur debt, other than a capital lease for equipment less than \$ \_\_\_\_\_
  - f. Failure to resolve issuers raised in the auditor's management letter without top church leadership knowledge.
  - g. Financial fiscal year to go unaudited according to Church requirements.
  
4. **Employment Constraints.** The leaders shall not:
  - a. Hire or retain anyone or accept volunteer services from anyone unwilling to embrace the Church's Vision, Mission, values and biblical statement of faith. Where possible it is best to use existing active members or people who are willing to become active members.
  - b. Discrimination or Harassment (e.g. emotional, sexual, etc.)
  - c. Fail to have a Code of Conduct, Conflict of Interest, Nepotism, and Whistleblower Policies

- d. Hire anyone or use a volunteer without a job description or hire anyone or use a volunteer not qualified for the position.
- e. Withhold from an employ a due-process grievance procedure that can be used without retaliation as wells as a progressive documented disciplinary procedure
- f. Fail to conduct performance reviews based upon pre-established requirements and goals.
- g. Fail to properly maintain personnel files on employees and volunteers and screen anyone having contact with minors.
- h. Cause or allow any conditions that are inhumane, unfair or undignified.

5. **Communication Constraints.** Employees and Leaders shall not permit through the chain of command allow higher level leaders to be uninformed about matters essential to carrying out their position and policy responsibilities. Employees and Leaders shall not:

- a. Fail to report any non-compliance with policies at any level within the organization.
- b. Fail to submit metrics monitoring data on a timely manner.
- c. Fail to advise leaders of anticipated adverse media coverage, threatened or pending lawsuits, and extraordinary changes (internal or external).
- d. Fail to notify leaders about major initiatives outside the business plan or budget or consult with the leaders before making an ongoing significant time commitment outside their Church.

6. **Security Constraints.** Leaders shall not fail to implement a security policy covering staff and attendees for services and events on and off the Church campus.

*These samples are provided as input to assist you in developing procedures, but are not a substitute for considering the risks at your church and establishing your own policies and procedures to reduce those risks to acceptable levels. Transformation Ministries provides these as a convenience for its churches but directly states to you, the user that Transformation Ministries is not providing these to you as legal advice or even a substitute for legal advice. Use of these samples is at your own risk. Laws change and best practices change, sometimes rapidly. It is your church's responsibility to stay abreast of changes in laws and best practices. It is recommended you always consult with your attorney and/or CPA as part of the process of developing your policies and procedures.*