



GRACE COMMUNION  
INTERNATIONAL

# FINANCIAL MANAGEMENT POLICY

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## Contents

Summary .....	3
FINANCIAL MANAGEMENT POLICY .....	4
1.0 Introduction.....	4
2.0 National organisational structure.....	5
3.0 Statement of financial management.....	6
4.0 Financial structure .....	7
5.0 Accounting practices and procedures .....	8
6.0 Roles, responsibilities and expectations .....	15

Grace Communion International <sup>TM</sup>(GCI), in Australia, maintains the following financial management policies.

## Summary

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We are grateful for the resources provided by our gracious God, and strive to uphold the highest standards of fiscal responsibility as an expression of Christian stewardship and faith. Financial contributions through the generosity of our members, supporters and affiliates support the church's various ministries and mission endeavours.

Our congregations are bound together in one denominational and organisational entity, governed by a National Board and administered by the Mission Developer and National Director (MD/ND) for Australia. The MD/ND and national office team supervise, serve, support and administer the national fellowship.

Pastors are responsible to see that each congregation frames an annual plan and budget that reflects its goals, in fulfilling the church's mission of living and sharing the gospel, in the most effective and sustainable ways possible. This plan is to be submitted to the MD/ND in early June each year.

The church processes all contributions centrally and applies 75% of those contributions to the donating congregation according to its approved annual plan. The remaining 25% of contributed funds are applied to denominational administration and services.

The Board, through the MD/ND, is ultimately responsible for the income and expenses of GCI (Australia), including those of the local congregations, apart from those exempted in this document. An annual financial statement is prepared for the denomination that is audited by an independent auditor and received by the National Board.

Only properly appointed and authorised persons may carry out financial transactions on behalf of local congregations. These transactions must take place in accordance with the church's prescribed practices and procedures as outlined in this policy document.

It is necessary for pastors to expend funds for a variety of regular or incidental purposes in the course of their employment and so the church provides cash advances for this purpose or in some cases reimbursement of pastoral expenses. The national office provides guidelines for ministerial expenses and expects congregations to budget appropriately for these each year in line with the individual pastor's circumstances. These guidelines are also applicable to non-employed people undertaking authorised service to the church incurring such expenses. Financial responsibility and accountability extends to all employees and to those serving in non-employed congregational leadership roles.

# FINANCIAL MANAGEMENT POLICY

## 1.0 Introduction

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Grace Communion International in Australia strives to abide by the highest standards of fiscal stewardship and integrity. Toward that end, the church maintains the policies outlined in this document.

The generous financial support of members and supporters are the primary sources of funding for the church's congregational, national, and international ministries. Other income streams may be provided from the work of church subsidiaries. These ministries include:

### **Denominational ecclesiastical supervision and support**

- ☐ Maintaining appropriate governance and corporate practice through the National Board and MD/ND
- ☐ Maintaining regional and worldwide links within the fellowship
- ☐ Maintaining links with denominational headquarters

### **Pastoral care for congregations**

- A key focus of the church's work is to provide and support gifted and trained pastors
- ☐ The church also equips and supports ordained and lay ministry leaders who provide leadership in particular ministries
- ☐ Pastoral care and supervision for pastors is provided through the MD/ND
- ☐ *GCI Today*, other publications, *Life Together*, letters, e-mails, DVDs, conferences and the church website provide regular pastoral and congregational communication

### **Ambassador College of Christian Ministry™**

- ☐ Provides ministry training for men and women throughout our fellowship so that they can be properly equipped to serve, teach and lead in congregations
- ☐ Provides sound biblical teaching for those interested in learning more about Christianity, the Scriptures or aspects of the Christian life

### **Administrative support throughout Australia**

- ☐ Providing audit, accounting, taxation, and insurance management for the national denomination
- Providing payroll, workers' compensation, benefits, fleet, human resource management services to pastors and administrative employees
- ☐ Managing congregational funds including processing and receipting of contributions, payments of accounts, ministerial expenses, and reporting on congregational income and expenditure
- ☐ Managing and maintaining church property
- ☐ Maintaining regional electronic websites or networks

### **National and regional pastoral care and humanitarian support**

- ☐ For pastors serving in isolated areas
- ☐ For isolated members and congregations
- ☐ For scattered congregations in Asia and the Pacific Islands
- ☐ Humanitarian and emergency support

### **Congregational outreach activities**

- ☐ Encourage development of community connections, service opportunities and relationships

### **Youth and Family Ministry coordination**

- Including SEP, children's church

### **Women's Ministry**

### **Conferences**

- National pastoral conferences, regional conferences, national women's conferences

### **Festivals**

- ☐ Development of website capabilities
- ☐ Development of national partnerships and networks (e.g., National Church Life Survey, Christian Management Australia)

## **2.0 National organisational structure**

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Grace Communion International Ltd, is the legal entity of our national fellowship. Our congregations are bound together in this one denominational and organisational entity, governed by the National Board and administered by the Mission Developer and National Director (MD/ND) for Australia. The Board, in consultation with the Pastor General, appoints the MD/ND as the chief executive officer to oversee the ecclesiastical supervision of the national church fellowship. A National Pastoral Team (NPT) provides input, advice and counsel to the MD/ND on pastoral, pastoral care and congregational matters. The MD/ND reports to the National Board and the Pastor General of the denomination. Pastors have ecclesiastical responsibility, and authority in congregations, supported by pastoral teams and local advisory councils (or administrative teams), and are accountable to and report to the MD/ND. Our structure is designed to operationally reflect a commitment to good governance practice and the ministry of all believers, expressed in team ministry.

### 3.0 Statement of financial management

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Managing our finances is a reflection of our faith and an expression of Christian stewardship. It is a key component of living and sharing the gospel

Ultimately, all our resources are given by God's grace. Our response is one of humble gratitude expressed in appreciation and positive endeavour for his glory and through our calling to live and share the good news of the gospel in Jesus Christ.

The church is committed to using its financial resources for the work of the gospel, primarily in our nation of Australia, and to that end commits to the following ethical standards of financial management:

- Providing appropriate financial management and reporting systems to ensure all funds are properly accounted for and applied in ways consistent with the church's mission and values. This includes:
  - Board appointed independent auditor
  - Presentation of annual budget to board
  - Annual report to board
  - Submission of appropriate company reports to ASIC
  - Overseeing expenditure of congregational funds against strategic plans and denominational mission
  - Supporting all employees with appropriate remuneration, and benefits, as well as ensuring financial entitlements are protected
  - Limiting administrative costs to those tasks essential to the support of the work of living and sharing the gospel
  - Investing funds prudently

The church supports the principle of first fruits giving as a component of active stewardship.

The church teaches that Christians have a spiritual duty to financially support their church and encourages each member to give as he or she is able and has been blessed by God. Thus, most but not all of our revenue is raised from our church members and is solicited, if at all, from verbal or written appeals in accordance with our doctrines. The practice of tithing and giving, while not mandated, is encouraged as a principle of Christian financial stewardship. The church strives at all times to present its financial status carefully and factually.

## 4.0 Financial structure

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The church's financial structure seeks to integrate national (and international) denominational ministry services with congregational community ministries. This financial structure represents a tangible expression of our commitment to "the ministry of all believers".

The church is the Body of Christ, carrying out his work on earth. Together, we participate in the ministry of Jesus Christ as he shares his life and love with us, conveying to all the good news of this love, acceptance and inclusion in the life of Father, Son and Spirit. Our Trinitarian, Christ-centred theology moves us to support our local, national and international endeavours as we live and share the gospel. Our national administrative and financial structure seeks to actively support this mission in the most practical and efficient way for a national fellowship with some 40 congregations of varying sizes and resources.

**To these ends, the church receives and processes all contributions centrally** (thus relieving congregations of the accounting, legal, audit, and other responsibilities associated with this) and applies 75% of those contributions to the donating congregation according to its annual plan for administration by its pastor, pastoral team, and local council, and/or finance committee. The remaining 25% of contributed funds are retained for denominational administration and services.

**The exceptions to this practice are:**

- a. where a small group or congregation does not wish or is unable to form a local council and/or annual strategic plan and budget and instead wishes to have its donations applied to central denomination expenses or to a larger nearby congregation from which it receives pastoral service;
- b. wills and bequests where the church as an organisation is listed as the beneficiary.  
Bequest Information (a recommended preamble and wording for bequests is at [this link](#));
- c. small, operational accounts such as that for social events and tea and coffee at church services.

**The "75-25" model, as it has come to be known, is designed to:**

- Equip each congregation with its own financial resources so it can more effectively reach its own community, by allocating or applying 75 percent of the financial contributions from that congregation to its work.
- Provide for national denominational supervision and support of national denomination activities, leadership, supervision and communication (from the remaining 25 percent of contributions).
- Acknowledge the developmental stages of congregations and promote support between congregations for those less well-off.
- Encourage congregations to develop their own local ministries, programs and community connections within the national, regional and worldwide focus of our fellowship.

By processing and receipting funds centrally the church is able to relieve congregations of this task, ensuring that local ministries are not unnecessarily burdened with administrative and accounting responsibilities that could detract from pastoral and outreach ministry. Providing this central service also means that essential accounting, audit and reporting standards are maintained across all congregations and operations, to meet audit and legal requirements. Although we are a faith-based organisation, we must comply with the standards that are determined by our current complex and sophisticated legal and risk management environment.

## 5.0 Accounting practices and procedures

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Grace Communion International maintains its accounts on an in-house computer system using third-party produced software in a manner conforming to generally accepted accounting principles. Its accounting system operates under internal controls that are designed to safeguard the church's assets and produce accurate and reliable accounting information. Examples of internal controls used include: a system for the authorisation and approval of transactions, the application of funds against approved congregational plans, the separation of record keeping and reporting duties from those concerned with operations or asset custody, and the physical control of assets.

### **Audited financial statements**

The church produces an annual financial statement that is audited by an independent auditor and submitted to the National Board.

### **Board-level authorisation and oversight**

Members of the board of directors of Grace Communion International Ltd are instructed in and understand their duties under the law to use proper legal care in the exercise of their duties. Accordingly, all yearly budgets of the church are approved by the Board, regular financial reports are made to the Board by the MD/ND and the church's chief financial officer, and each yearly audited financial statement is presented to the Board for its review and approval.

### **Prohibition against personal benefit and conflicts of interest**

The title to all property and assets of the church is held in the name of the church and is irrevocably dedicated to its purposes and will not be used to the benefit of any private party. In addition, board members are required to inform the Board of any financial transaction involving any board member that may conceivably involve a financial conflict of interest.

## **Employee salaries**

Understanding the twin evils of both under- and overcompensation, the church strives to provide its employees, including its paid ministry, fair and reasonable salaries as objectively measured, taking into consideration: the nature of the job, the person's individual qualifications and merit, the training, education or experience required and possessed, the realities of the outside marketplace, the non-profit nature of the organisation, the financial ability of the employer and other relevant factors.

## **Operational practices**

Following is a summary of operational financial practices and policies relevant to the national administration and congregations.

The legal entity of Grace Communion International in Australia is governed by the National Board and administered by the MD/ND for Australia. The church's national administration is responsible for overseeing expenditure of congregational funds against annual strategic plans and denominational mission.

**Each congregation is required to frame an annual plan and budget that adequately and sustainably reflects its goals in fulfilling the mission of living and sharing the gospel in the most effective ways possible in its area of operation.** These plans should be submitted to the MD/ND by June 14<sup>th</sup> each year for approval.

Appropriately and accountably structured **local church councils** (see Charter for Local Advisory Councils policy) or administrative teams are authorised to seek reimbursement for budgeted and approved local expenses in support of the church's mission. For most congregations it will be appropriate for the pastor to appoint a treasurer as part of the local council or pastoral team.

The church's national administration may refuse to reimburse expenses that are:

- inconsistent with the church's mission
- outside the congregation's budget or planned program of mission
- not in accord with sound stewardship principles as determined by the church.

Note also that because accumulated congregational funds are invested to support denominational activities, reimbursement of expenses for extraordinary items over \$2,500 will require at least one month's notice.

## **Treasurer's responsibilities**

- Financial management of the local church in conjunction and cooperation with the pastor, pastoral team, or house church group.
- Budget preparations in conjunction with the pastor, pastoral team or house church group.
- Banking of money received from all sources, e.g., fundraising activities, socials, church tea and coffee collections, and banking on behalf of the national administration of offerings and the weekly donation boxes at church in accordance with church policies.

- Liaising with the bank regarding changes of signatures and other relevant matters.
- Supervising weekly donation box and offering collections and accounting, including the “Monthly Donation Report” being sent to the national office in accordance with appropriate guidelines and time-frames.
- Segregation of duties, reporting, banking and checking the deposits against receipts and the log book confirming no discrepancies exist.
- Checking accuracy of claims for payment requests and petty cash claims (with appropriate Tax Invoices/receipts) forwarded to the national administration as well as the local account operations.
- Balancing local church account books at the beginning of each month, providing a report to the council, and displaying the report on the notice board for members of the congregation at least every six months. (Separate monthly reports will be provided from the national office, i.e., a *Profit and Loss Statement* and a *General Ledger of Transactions*. These reports will show income and expenses for the local area.)

### **Collection, processing and accounting of funds**

**All contributions to the church should be forwarded to the national office for processing.** This includes:

- Cash, cheques, money orders
- Direct debit
- B-Pay and credit card donations
- Online donations via [www.gci.org.au](http://www.gci.org.au)
- Funds collected in offerings and local collection boxes

Other contributions for specific congregational activities do not need to be forwarded to the national office, but should be properly processed, accounted for and reported at least bi-annually (to the congregation) by the responsible local parties. This includes:

- Fundraising for local church activities, such as:
  - Dances, dinners, picnics, youth activities, children’s activities, church tea and coffee funds
  - Locally initiated emergency humanitarian or emergency appeal responses.
  - Host congregations of festivals to provide for the local gathering

The national office will process all contributions and allocate 75% of funds received from a congregation to the financial operation of that congregation (see “Payment of Expenses” below).

25% of funds received from a congregation to the provision of national denominational services including:

- Ecclesiastical supervision and support throughout Australia, international support as needed
- National administration
- Audit, accounting, taxation, and insurance management
- Insurance for annual gatherings

- Payroll, benefits, and human resource management services
- Subsidy of salary costs for smaller congregations as necessary
- Processing and reporting of contributions and payments of accounts and expenses for all congregations and the national entity
- Maintaining appropriate corporate practice and governance through the National Church Board and the MD/ND
- National Pastors' Conferences
- National Women's Conferences
- Managing and maintaining church property
- Developing and maintaining church website
- Hosting regional websites
- Maintaining other websites (e.g., ACCM, Pacific Training & Development, Australasian Centre for Leadership Studies)
- Supporting local congregational websites
- Denominational accountability and communication with international headquarters and other regional offices
- Emergency Assistance Fund
- Support and financial management of CarePac fund
- Denominational communication services (*GCI Today*, member letters, e-mail newsletters and internet website news)
- National pastoral care for scattered members and isolated national congregations
- Regional pastoral care for scattered congregations in Asia and the Pacific Islands as requested

An administrative budget will be presented annually for board approval. The MD/ND and Chief Financial Officer (CFO) and company secretary manage the financial operations of the church and present an annual report to the Board at the Annual General Meeting (AGM).

### **Payment of local expenses**

The national office will process all contributions. From the 75% allocation of funds received from a congregation the following congregational expenses will be paid:

- ✓ pastoral salaries and expenses
- ✓ hall rentals or leases
- ✓ expenses for pastoral and outreach activities and programs
- ✓ insurance (public liability, contents)
- ✓ contributions to specific church ministries such as Youth and Families Ministry, Summer Education Program (SEP), Women's Ministry, GCI Emergency Fund, or CarePac
- ✓ provision of emergency or welfare assistance within the congregation and/or community
- ✓ contributions to other humanitarian organisations.

By submitting a Payment Approval request form, congregations can be reimbursed for approved expenses (with appropriate tax invoices or receipts). All such payment requests must be submitted on the appropriate form and be signed by two of the approved local church signatories. Appropriate invoices and/or receipts must also be provided. Approved expenses are those that are incurred in line with the congregation's submitted and approved annual strategic plan and its budgetary capacity.

Note that because accumulated congregational funds are invested to support denominational activities, reimbursement of expenses for extraordinary items over \$2,500 will require at least one month's notice.

**Note, too, that disbursement of these funds is conditional upon:**

- a. the congregation submitting and having approved a strategic annual plan and budget
- b. the congregation having in place an accountable local advisory council (or administrative team) and/or pastoral team with a designated treasurer and/or finance committee

Funds from small groups and/or congregations without the above structures and processes in place will be applied to central denominational funds and used for general denominational services and to make payments for essential expenses (such as hall rentals or visiting speakers) in the area as requested. Congregations may also choose to reduce the percentage of contributions that can be applied to the congregation's expenses so as to provide increased support for denominational services. Such decisions should be communicated in writing through the pastor / pastoral team / local advisory council as appropriate and should have the demonstrated support of the congregation.

*Floats:* Because there are numerous incidental local expenses that must be handled in the course of normal operations, cash floats can be provided from the congregation's accumulated funds to the local treasurer / finance committee for this purpose. These floats will be forwarded in response to an appropriately signed request. Funds from local floats can be used for small, incidental expenses such as stationery, postage, flowers, photocopying, etc. Floats can be "topped up" upon receipt of appropriate evidence of payment. Appropriate local administration of float funds should include clear guidelines on who disburses the funds, evidence of purchase required, and authorised approval of disbursement. Of course, disbursements must always be consistent with approved local budgets and plans.

**Unused accumulated congregational funds**

In order that the church properly fulfils both its responsibility to our mission, and its responsibilities for accountable financial management, congregations are encouraged not to accumulate more than two years' income. The accumulation of income may indicate the congregation is not committing the offerings of members to the work of the gospel – the purpose for which those offerings have been made.

As of July 2004, accumulated congregational funds in excess of two years' income for the congregation will be subject to a request by the national office for those unused funds to be donated to a specified national or regional denominational purpose consistent with the church's mission.

This policy is necessary to guard against potential claims of misuse of contributions (that is, that

contributions are not being used in support of the church's mission), as well as to ensure sound stewardship by emphasising our active, intentional response to the great commission given to the church.

## Ministerial expenses

Because pastors must expend funds for a variety of regular or incidental purposes in the course of their employment, the church provides pastors with cash advances to cover these expenses. The national office

these each year in line with the individual pastor's circumstances. Variations to the guidelines are permitted with the expressed consent of the national office.

Pastors are responsible for obtaining receipts, keeping appropriate records, completing ministerial expense forms, and submitting them to the national office on a monthly basis.

**The deadline for forms to be submitted is the 14th day of the month following that for which expenses are claimed.** This allows expenses to be properly incorporated into the congregation's income and expense report for that month. Failure to submit the expense sheet by the date specified will result in withholding of further reimbursements.

Following is a summary of reasonable ministerial expenses payable from congregational funds.

### Telephones

A pastor is expected to have a single home telephone line in order to handle telephone communication with members, the national office, other pastors, and e-mail communication. Therefore, the rental of the telephone service and payment for all church-related calls and internet access will be reimbursed monthly. Second lines, ISDN, cable services, etc., are a personal responsibility.

Pastors will often need to use a mobile telephone in the course of their work and may have all church related calls up to a specified value (within the local budget) reimbursed, along with reasonable service fees. Normally, such plans include a specified value of free calls. Pastors are encouraged to limit the duration and number of mobile phone calls due to the sometimes higher charges for such calls. Pastors should work out an agreed maximum anticipated call cost per month with the local council.

### Stationery and postage

Reasonable stationery, postage and other such office-related expenses will be reimbursed. Actual costs should be worked out according to local circumstances with the treasurer and/or council.

### Maintenance of computer, printer and/or other office equipment

The church acknowledges that computers are an essential professional tool for pastors, but it does not expect pastors to be producing spreadsheets, publications, or presentations on their computers. Ideally, gifted people within the congregation can provide these services – including, hopefully, the equipment required.

Congregations may – in line with their strategic plans and budgets – fund purchases, leases or upgrades of computers and office equipment according to local needs and budgetary capacity. Congregations will also be responsible for maintenance of all such equipment, including all existing computers being used in the local area.

### **Motor vehicle expenses**

Where a minister (or other person conducting authorised church duties) is not supplied a fleet vehicle and so uses a private vehicle for their authorised duties, an appropriate reimbursement per kilometre travelled in relation to the duties shall be payable in line with the [ATO's guidelines](#).

Rates per business kilometre: see link to [ATO cents per km rates](#).

The only variation to this rate is that employees of the church (who are not supplied a fleet vehicle) are reimbursed at the rate of 40 cents per kilometre because they are able to claim the difference between 40 cents and the ATO rate as a tax deduction).

### **Meals and hospitality**

This is an area of expense that obviously varies considerably depending on the pastor's pastorate (e.g., single city, single congregation versus statewide, multi-congregation). But the responsibility to provide for such expenses also extends to ministers visiting an area and incurring such expenses. These expenses should be taken into account by non-pastored churches requesting pastoral visits, in addition to other costs involved for travelling authorised speakers.

While in some instances pastors may choose to stay with church members, as an employer the church is committed to ensuring that its employees are provided with appropriate transportation, accommodation, and provision of meals when required to travel away from home.

Generally, the expenses will be payable outlined below will be applicable where the pastor is required to be away from home for more than 12 hours and / or it is not reasonable ("reasonable" should certainly include considerations of personal safety, health and comfort) to expect a same-day return home or when a pastor is expected to entertain guests in the course of his work for the church.

**The away-from-home allowances are based on Australian Taxation Office guidelines [reasonable travel and meal allowances](#).**

*A specific meal allowance outside the travelling / away-from-home allowance is a "Hospitality allowance" which may be applied to pastoral / council / other organisational meetings in home. It is suggested that up to \$12 per person be considered an appropriate allowance.*

**All such expenditures must be properly accounted for including adequate receipts.**

## 6.0 Roles, responsibilities and expectations

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Financial responsibility and accountability extends to all employees and to those serving in non-employed congregational leadership roles. To this end, the following roles, responsibilities and expectations are highlighted:

### **The National Office**

- Will provide timely and accurate financial reporting to congregations on a monthly and annual basis. The MD/ND or CFO and Office Manager will also respond – with comments, questions, or suggestions as appropriate – to annual strategic plans and budgets.
- Will provide a national office contact to handle inquiries, requests, or support.
- Will operate an annual denominational budget approved by the National Board.
- Will release available congregational funds upon receipt of appropriate payment requests (in line with the congregation's strategic plan and budget) and the church's mission.
- Will retain and invest unused congregational funds. The income from such investments shall be applied to denominational costs.

### **Financial reporting to congregations**

Monthly income and expenditure reports will be provided to each local congregation unless otherwise requested. Interim reports can be supplied on request. (Such interim reports may not, however, include all expenses and income if appropriate end-of-the-month procedures have not been completed.)

### **Administration of pastoral and administrative payroll**

All employees, including pastors, are employees of Grace Communion International – they are **not employed by a specific congregation**. The national church is the registered, legal, incorporated entity and it takes responsibility for employment, supervision, and remuneration of employees through the MD/ND.

Salaries, conditions and employment contracts are set by the MD/ND. Salaries for pastors are paid centrally by the national church according to the employees' contract and are paid from the congregation's 75% funding. Where pastors serve more than one congregation, appropriate pro-rata remuneration for salary, expenses, and benefits should be provided by that congregation (thus reducing the costs to the other congregation). The costs associated with the pastor's salary and benefit will be provided to the local treasurer and/or finance committee annually and should of course – as with any individual's salary details – be treated with discretion.

### **Pastors and Pastoral Teams**

- Pastors will appoint a treasurer as part of their pastoral team or local advisory council/admin team. In larger congregations the treasurer may be supported by a finance committee.
- Will ensure that appropriate authorised signatories for local expenses are appointed and that those signatories are advised of their financial responsibilities, including details of appropriate and inappropriate budgetary expenses.
- Will prepare an annual strategic directions plan for the congregation.
- Through the treasurer / finance committee and/or local council, will ensure that an annual budget is prepared consistent with the annual strategic directions plan.
- Will submit their annual strategic directions plan and matching budget to the national office by June 14th each year for review and approval. These budgets should reflect a July-June reporting period.
- Through pastors / pastoral teams / local advisory councils, will submit their annual strategic directions plan and matching budget to the congregation each year and should provide regular (at least bi-annual) updates on progress.
- Local teams will handle financial information relating to pastoral salaries and benefits with appropriate discretion.

### **Congregations**

- Will provide pastors and other employees with appropriate financial resources to carry out their functions effectively. They shall be properly funded or reimbursed for expenses incurred in carrying out their duties.
- Congregations that do not have a pastor or “share” a pastor with another congregation should plan to properly cover the costs of the pastor’s salary and/or expenses incurred in providing pastoral services to their congregation. This should include consideration of travelling time.
- Congregations will keep in mind that pastors are employees and that their employment is contracted, supervised and managed by the national denomination. The church has legal employment contracts with its employees that stipulate a standard 38-hour working week (for full-time employees) with the note that employees “will occasionally be expected to work weekly hours in excess of [38 hours]”. To compensate, the church has agreed to “grant time off in lieu ... for this excess time”.

### **Pastors and other employees**

- Will at all times properly account for expenditures and will only incur such expenses in line with approved guidelines and practices.