

## “Must Have” Policies for Church Leadership

The number of potential policies a church could have is almost limitless. Some of these are "must have" because they are driven by statute; some because they help the church Leadership Board ("the Board") meet their duties; some are "must have" because of the nature of the church and the high value of having the policy (e.g. a church and a child protection policy). Each Board will need to determine for itself the importance of a particular policy and the consequences of not having one. This is a non-exhaustive check-list, in no particular order, for churches with existing policy manuals, and a starting point for those wanting to develop basic policies.

### 1. Conflict of Interest

The church, as a ministry initiated and sustained by God, has a mandate to conduct all of its affairs decently and above reproach both in the sight of God and humanity. A commitment to operate with the highest level of integrity, including avoiding conflicts of interest that either directly or indirectly result in material personal advantage or privilege, will help achieve this mandate. Avoiding conflict of interest is also captured by the duties of loyalty and care attributable to Leadership. Ideally, there should never be a question of, or even an appearance of, an advantage or privilege being received or given without the individual concerned fully disclosing the facts to the person designated by the policy.

The elements of a conflict of interest policy are:

- Definition of conflict
- Examples of conflicts of interest
- Application of the policy
- Interpretation of the policy
- Consequences of violation of the policy
- Disclosure of potential conflict

### 2. Gift Acceptance and Valuation

A Gift Acceptance and Valuation Policy (GAVP) is a "must have" document especially when a church chooses to accept gifts other than cash. The process of setting up a GAVP should be neither lengthy nor complicated. The complexity and key elements of the GAVP are also defined by the existing infrastructure for gift planning.

### 3. Donor Directed Funds (Designated Gifts)

A restricted contribution designated to a particular church-approved program or project must be used for the purpose for which it was given. It is helpful to have a policy that states

the designated contribution is accepted subject to certain provisions for specific situations such as when a project is oversubscribed or terminated.

For example, if, in response to a fundraising drive for a new piano, a church received \$23,000 in designated gifts but only needed \$20,000, what happens to the extra \$3,000? It is a common misconception that the church can unilaterally reallocate the excess funds, or that the donors can be asked to redirect their gifts. Even if it could be determined which donors contributed the extra \$3,000 (difficult if all donations responded to the same request), there is not a legal basis for doing so.

To avoid being legally precluded from using designated funds for other projects where a project is oversubscribed or is terminated, the church should make the policy known to all donors and, for example, publish its donor designated funds policy on all appropriate fundraising materials. The policy might be stated as follows:

*Spending of funds is confined to programs and projects approved by the organization. Each restricted contribution designated towards such an approved program or project will be used as designated with the understanding that when the need for such a program or project has been met, or cannot be completed for any reason determined by the organization, the remaining restricted contributions will be used where needed most.*

#### **4. Privacy**

Privacy legislation, both federally and provincially, applies only to "commercial activities." It applies to charity activities, such as trading mailing lists, membership lists, or donor information for any type of consideration. It also applies to any contracts the church enters with individuals. But it does not apply to employees. PIPEDA will affect most charities only marginally, if at all but it would be prudent to follow its spirit and intent. Manitoba has enacted privacy legislation through Bill 200.

Churches are encouraged to take a "best practices" approach to personal information privacy, through the adoption and implementation of a privacy policy that meets all legislative requirements in the jurisdiction(s) operated in, whether or not the privacy legislation technically applies.

Where it is clear that privacy legislation applies, a policy should be developed that ensures that the particular legislation's requirements will be met. Where it is determined that no privacy legislation applies, it would still be prudent to apply the principles of your province's legislation and if none, the federal Personal Information Protection and Electronic Documents Act ("PIPEDA") to all the processes and functions of your organization. This

creates an efficient system of applying the privacy requirements uniformly and it allows your donors, service recipients, volunteers and staff to have a clear understanding of your organization's commitment to personal information privacy.

To safeguard the personal information entrusted to the church and to comply with PIPEDA, for example, the church should state its commitment to the following principles, in its privacy policy:

- Accountability
- Identifying purposes
- Consent
- Limiting collection
- Limiting use, disclosure, and retention
- Accuracy
- Safeguards
- Openness
- Individual access
- Challenging compliance

The policy should also state how these principles will be enacted to protect personal information.

Generally, where privacy legislation is applicable, the church is required to designate a specific individual as the Privacy Officer to be its Personal Information Compliance Officer. Any inquiry, request or concern related to privacy matters should be made in writing to that officer. Also, a copy of the policy should be available (e.g. on the church's website, with a printed copy to made available if requested by mail or e-mail at the church address). Even where privacy legislation does not technically require this, these are good practices to follow.

## **5. Benevolence Fund**

Many charities, particularly churches, provide direct help to individuals in need, usually called benevolence. The purpose of such a fund is to follow God's command to care for one another. Help is given with the understanding that no individual in the community who is willing to receive help in Christ's name should be without food, shelter and other basic needs. A policy on how to administer the fund will help the church to be a good steward, and avoid being used as a conduit for private benevolence. A benevolent fund policy would normally outline topics such as:

- purpose
- level of support guidelines fundraising

- determining need and eligibility
- reporting and documentation.

## **6. Lifestyle**

The intent of a Christian lifestyle policy would be to set out standards and principles that glorify God, and express faithfulness and service to Christ as a condition of service with the church, whether as a volunteer or an employee. Consequently, through the policy, volunteers and employees would be required to fully support the objects of the church, to endorse the Christian commitment of the membership, and to conduct themselves in a manner consistent with principles of Scripture. The points outlined in the policy would be based on Scripture. Captured in the policy might be the encouragement from the church to volunteers and employees to establish the personal, spiritual disciplines that foster and promote a personal relationship with God, essential to effective service as a Christian believer. Disciplines such as prayer, Bible study, regular church attendance, and sharing of faith and beliefs with others would be identified.

In summary, the policy would outline, as determined by the church, conduct and personal lifestyles viewed as incompatible with Christian standards and values for anyone serving with the church. Such a policy would also include how the standards would be enforced.

## **7. Health & Safety**

The content of the health & safety policy for a church will be driven by the requirements of the applicable provincial or federal legislation. The requirement to have a health & safety policy is based on the number of paid employees in your church. In Manitoba, the requirement to appoint a health & safety representative occurs when there are ten (10) or more paid employees. For the purposes of most health & safety legislation, churches are treated the same as 'industrial establishments'.

Many common activities in a church are regulated by health and safety legislation. For example:

- Use of ladders
- Temporary stairs for a stage set; and
- Placing of chairs in aisles for overflow crowds.

## **8. Fire Safety Code**

It is important to have an up-to-date fire safety plan that complies with provincial standards in order to protect staff, volunteers and beneficiaries of your programs. Its main elements

would include: involving local fire department, site visit, fire plan approval, implementing fire safety recommendations, training staff & volunteers, developing an evacuation plan, and monitoring.

## **9. Human Rights**

The value of a human rights policy is not only to avoid inadvertently transgressing provincial human rights legislation, but help to ensure a positive environment that values its employees and volunteers. Its key elements would be:

- Job design and hiring
- Benefits
- Harassment
- Promotion
- Termination
- Coverage of Volunteers

## **10. Child Safety and Abuse Policy**

Even though this issue has been addressed by the Mennonite Brethren Church of Manitoba with the implementation of the Safe Place Policy in 2004, there is an on-going need to ensure there is compliance to the conditions in that policy. The emotional, psychological and spiritual trauma and upheaval caused by child abuse is devastating, affecting not only the innocent victims throughout their entire lifetime, but also their families, communities and the organizations in which such incidents have taken place. Likewise, allegations against ministers, teachers, other staff and volunteers who have been wrongly accused can destroy reputations, careers and relationships. In financial terms the consequences have also been staggering, including substantial civil damages being awarded against institutions and their leaders for negligence in not showing reasonable care and diligence in establishing and maintaining appropriate abuse prevention measures.