

ACCOUNTABILITY CHECKLIST

The Independent Sector has developed a checklist to aid non-profit organizations in developing a policy of accountability, transparency and integrity. If churches do not have such a policy in place, it is easy to slip into harmful, even forbidden actions unconsciously or even unknowingly. Please examine this list carefully. If you would like more information about any of the areas mentioned, you may contact this office or go to www.independentsector.org. Following are some of the areas mentioned that are particularly applicable to churches.

1. Adopt a statement of values and code of ethics.
2. Adopt a conflict of interest policy. (The Internal Revenue Service has been increasingly concerned about this area. Remember no employee, member, or organization controlled by an employee or member of a 501(c)(3) corporation can

benefit from the assets of the corporation except as reasonable salary and benefits. If a church is audited by the IRS, your church will be expected to have such a policy or be willing to put forward a reasonable explanation why the church has no such policy.)

3. Conduct independent financial reviews regularly.

4. Create a policy on reporting suspected misconduct or malfeasance.

5. Keep up with the law regarding non-profits. (Senior pastors, you are expected to know and abide by those laws. Ignorance will not be an excuse.)

Pastors, please don't ignore the business side of your responsibilities in the magnitude of your ministry responsibilities. Preventive policies put in place can help avoid common pitfalls.

CHURCH LAW

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