

## Church Board Administration

The governing board of a church plays a key role in the ministry. You're responsible for guiding the church and helping the ministry fulfill its mission. As a board member, you're held to a higher standard of accountability than others in the congregation. The following questions can help you determine whether you're taking necessary steps to protect the church and board members from legal liability, fines and other loss.

	Yes	Needs Attention
<b>Are we incorporated?</b>		
1. Does our Secretary of State's office have a record of our ministry's incorporation?	<input type="checkbox"/>	<input type="checkbox"/>
2. Does the name that we use for filing with the IRS and other government offices indicate incorporation?	<input type="checkbox"/>	<input type="checkbox"/>
3. Do our bylaws, constitution, or other governing documents state whether the ministry is incorporated?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Do we follow our bylaws?</b>		
4. Are members, pastors, and church leaders accepted into the church in accordance with the bylaws?	<input type="checkbox"/>	<input type="checkbox"/>
5. Do we adhere to the bylaws in making church decisions?	<input type="checkbox"/>	<input type="checkbox"/>
6. Do we conduct meetings in keeping with the bylaws?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Are we putting the ministry's needs first?</b>		
7. Do we follow established rules to prevent self-dealing, or using one's position on the board for personal benefit rather than the church's benefit?	<input type="checkbox"/>	<input type="checkbox"/>
8. Do we follow a set of rules to prevent conflicts of interest from affecting church board decisions?	<input type="checkbox"/>	<input type="checkbox"/>
9. Are all financial decisions documented and available to church members?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Are we protected by good Samaritan laws?</b>		
10. Are we familiar with our state's good Samaritan law, which provides limited protection for people who provide emergency medical aid?	<input type="checkbox"/>	<input type="checkbox"/>
11. Do we know the limits of protection under our state's good Samaritan law?	<input type="checkbox"/>	<input type="checkbox"/>
12. Does our state's good Samaritan law apply to all church staff members?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Do charitable immunity laws protect us from lawsuits?</b>		
13. Do the charitable immunity laws in our state provide any protection for our ministry?	<input type="checkbox"/>	<input type="checkbox"/>
14. Do our state's charitable immunity laws protect all ministry volunteers?	<input type="checkbox"/>	<input type="checkbox"/>
15. Do the charitable immunity laws in our state prevent ministry beneficiaries from suing volunteers who serve on our governing board?	<input type="checkbox"/>	<input type="checkbox"/>

*This is a sample document only. Your organization is responsible for compliance with all applicable laws. Accordingly, this form should not be used or adopted by your organization without first being reviewed and approved by an attorney. Brotherhood Mutual Insurance Company assumes no liability in the preparation and distribution of this sample form.*

	Yes	Needs Attention
<b>Do indemnification provisions in the bylaws help us?</b>		
16. Do our bylaws contain a provision that will protect board members from paying out-of-pocket costs if they're sued in connection with their ministry work?	<input type="checkbox"/>	<input type="checkbox"/>
17. Do the indemnification provisions also protect employees and volunteers working on behalf of the ministry?	<input type="checkbox"/>	<input type="checkbox"/>
18. Do the bylaws give our governing board the right to decide when and if an individual will be indemnified for out-of-pocket costs associated with the lawsuit?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Are we protecting our ministry from loss?</b>		
19. Do we have a process in place to identify common causes of physical injury and property damage at our church?	<input type="checkbox"/>	<input type="checkbox"/>
20. Have we developed an effective approach to promptly correct safety concerns or threats to ministry property?	<input type="checkbox"/>	<input type="checkbox"/>
21. Do we have an effective worker screening in place?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Do we comply with tax-exempt requirements?</b>		
22. Do we qualify for automatic recognition as an "exempt organization"?*	<input type="checkbox"/>	<input type="checkbox"/>
23. Are we filing an annual report with the IRS and the state, if required?***	<input type="checkbox"/>	<input type="checkbox"/>
24. Are we following the rules restricting political and lobbying activity by tax-exempt organizations?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Are we properly reporting any unrelated business income to the IRS?</b>		
25. Do we have church income from non-ministry activities, such as selling coupon books, renting our parking lot, or operating a coffee shop or book store?	<input type="checkbox"/>	<input type="checkbox"/>
26. Are we properly documenting this income separately from tax-exempt income?	<input type="checkbox"/>	<input type="checkbox"/>
27. Are we filing Form 990-T with the IRS to report this unrelated business income?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Are board members covered individually by the church's insurance policy?</b>		
28. Does our insurance policy grant coverage to church leaders specifically?	<input type="checkbox"/>	<input type="checkbox"/>
29. Does our insurance policy include directors and officers coverage?	<input type="checkbox"/>	<input type="checkbox"/>
30. Does our insurance policy cover church leaders for claims related to employment or sexual misconduct?	<input type="checkbox"/>	<input type="checkbox"/>

Notes: \_\_\_\_\_

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Completed by: \_\_\_\_\_ Date: \_\_\_\_\_

*\* Ask the church's attorney or certified public accountant (CPA) to answer this question. Churches with related ministries that resemble non-church organizations should not assume that the automatic exemption applies to all church operations.*

*\*\* Ask the church's attorney or certified public accountant (CPA) if your state has any annual filing requirements for tax-exempt organizations. Religious organizations must file Form 990 with the IRS each year, but churches are exempt from this requirement.*