

Church Moderators & Boards – Training 101

By Ellen Godbey Carson

Overview: This document describes many important aspects of the role of a Moderator who is both the presiding officer of the congregation and head of the church's governing board of directors ("Board"). The Moderator and Board are ultimately responsible for the management of the church and for keeping the church's resources and efforts focused on fulfilling its mission.

I. Understanding Fiduciary Duties

A. Due Care

Board members must act "(1) in good faith, (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (3) in a manner the director reasonably believes to be in the best interests of the [church]." (HRS 414D-149)

This requires active participation (attend meetings, review materials, participate in decisions) and reasonable inquiry (think critically, be informed, ask questions and investigate any warnings or problems).

B. Loyalty/conflicts of interest

Board members must have undivided allegiance to the church's mission, with no unfair personal benefit.

C. Obedience

Board members must be faithful to the church's mission, obedient to the church's Articles and Bylaws, and applicable laws.

Business Judgment rule: The Board need not be perfect or "right", but they must be appropriately informed, not conflicted, and must act in good faith, with an honest belief that their actions are in the best interest of the church.

Personal liability: Hawaii law provides immunity from certain civil liabilities for Board members who serve without remuneration, unless there is gross negligence. (HRS 414D-149(f)). However, Board members can still be personally liable in certain circumstances (personal tort, contract, etc).

II. Handling Conflicts of Interest (See HRS 414D-150)

A conflict of interest exists if any Board member has any “direct or indirect interest” in a transaction being considered by the board. Direct and indirect interests include personal, family, and economic/business relationships a director may have that are unrelated to the church’s best interest. Board members without a conflict can still vote on the matter, so long as proper procedures are followed to protect from improper influence from the conflicted director. (HRS 414D-150).

The church should have a written conflict of interest policy (signed by all Board members) to explain proper procedures to be followed. When a conflict exists, follow the conflict policy. This usually entails the conflicted Board member disclosing the conflict and refraining from discussion or deliberation on the issue. The Board decision should be made only by Board members without a conflict, assuring their decision is made based only on appropriate information and is fair to the church, Document the disclosure and abstention by the conflicted Board member in the minutes.

III. Assuring Legal Compliance

A. Annual registration with the DCCA

B. Prohibited transactions

“Substantial” lobbying/legislative activities (some lobbying is ok)

Any political campaign activity (endorsement, support, donations)

Private benefit/inurement, excess benefit transactions

Loan to a Board member or guarantee of a debt (HRS 414D-151)

C. Taxes

URBI (Unrelated Business Income) – See IRS Publication 598 on Unrelated Business Income Tax for Exempt Organizations and IRS Guide for Churches and Religious Organizations

GET (General Excise Tax) – imposed on rentals, sale of goods & services

- D. **Employment responsibilities (civil rights, personnel benefits)**
- E. **Corporate responsibilities (bylaws, records, meetings, notice)**
- F. **Consult experts (legal counsel, CPA, insurance rep, UCC)**

IV. Conducting Board meetings

A. Notice, agenda, quorum, voting, minutes

Notice and quorum – comply with bylaws and state law (HRS ch 414D)
Distribute agenda & reports in advance so all can review
Conference call options for absent Board members
Minutes – record persons attending, motions and votes
Executive session – for legal advice and personnel issues

B. Effective Agenda Strategies

Action Agenda: provides subjects to be covered, with time allocation and leader for discussion on each section, and action needed

Consent Agenda: avoids spending time on routine reports, minutes, etc, unless there is objection and/or need for discussion

C. Roberts Rules of Order

D. Facilitation principles

Control, focus, pertinence, inclusivity, timeliness

V. Exercising Effective Oversight

A. Setting the Church's mission/Strategic planning

Mission Statement, specific goals, objectives, actions and self-evaluation

B. Financial oversight

Prepare, recommend and/or approve annual budget, oversee finances
Oversee records creation and retention policies (generally, 6 + years)
Approve investment policies and procedures, oversee endowment
Institute risk management controls, fraud prevention, Safe Church policies
Procure insurance (GLO, D&O, Fire/Casualty, EE theft, EEOC, etc)
Recommend and retain an independent auditor and contractors

C. Property oversight

D. Personnel oversight – compensation, benefits, actions

Evaluation of minister(s)

E. Fundraising – ensure adequate financial resources

Stewardship, estate planning, endowments, capital campaigns

Rental of facilities and space

Grants for programs and capital improvements

VI. Your Rights as a Moderator & Board Member

Right of access to records of the church necessary to perform duties;
Right to retain advisors (attorney, accountant, etc) to assist the board;
Right to reasonably rely on information provided by the church staff, its lawyers, accountants and committees of the board, unless the board member has information that makes such reliance unwarranted. HRS 414D-149(b) & (c)
Other rights as provided by Articles, Bylaws and applicable law

VII. Twelve Traits of Highly Effective Moderators

Conducts meetings in an efficient & focused way
Prepares for meetings, analyzes issues, plans for successful outcome
Helps church make & implement decisions – makes things happen
Is strategic, sees the long term & big picture
Is visionary, understands what the church needs & can be, how to grow
Is an independent thinker, critically analyzes issues, brain fully engaged
Is collaborative, respects everyone, avoids letting things get personal
Is fun and joyous, inspires others to want to be involved
Delegates & empowers others – board, committees, staff, volunteers
Oversees board, staff & congregation to assure progress & compliance
Team builds for future succession, helps recruit new board members
Provides spiritual leadership and public voice for the church

Important Notice & Disclaimer: This information and related remarks are for general educational purposes only and are not legal advice, nor a substitute for appropriate legal advice, focused on your particular circumstances.

Prepared by Ellen Godbey Carson, egcarson@icloud.com (808) 223-1800

Resources for Church Strategic Planning

I. Books and Print Resources

1. Loren Mead, *The Once and Future Church: Reinventing the Congregation for a New Mission Frontier* (Alban Institute, 1991)
2. Jim Collins, *Good to Great: Why Some Companies Make the Leap...and Others Don't* (HarperCollins, 2001)
3. Jim Collins, *Good to Great and the Social Sectors: A Monograph to Accompany Good to Great* (HarperCollins, 2001)
4. Claude Payne and Hamilton Beazley, *Reclaiming the Great Commission: A Practical Model for Transforming Denominations and Congregations* (Jossey-Bass, 2001)
5. Anthony Robinson, *Transforming Congregational Culture* (Eerdmans, 2003)
6. Paul Nixon, *I Refuse to Lead a Dying Church* (Pilgrim Press, 2006)
7. Richard Hamm, *Recreating the Church: Leadership for the Postmodern Age* (Chalice Press, 2007)
8. Anthony Robinson, *Changing the Conversation* (Eerdmans, 2008)
9. Beth Ann Estock and Paul Nixon, *Weird Church* (Pilgrim Press, 2016)
10. L. Gail Irwin, *Toward the Better Country: Church Closure and Resurrection* (Wipf and Stock, 2014)
11. Living Legacy Workbook (www.uccresources.com/products/living-legacy-workbook-church-legacy-and-closure-resource?variant=1209547376)

II. Studies

1. Barna Group (www.barna.org)
2. Pew Research Center, Religious Landscape Study, Adults in Hawaii (www.pewforum.org/religious-landscape-study/state/hawaii/)

III. Assessments and Surveys

1. Appreciative Inquiry
2. Asset Mapping (luthersnow.com)
3. New Beginnings (www.ucc.org/new-beginnings)
4. Mission Insight (missioninsite.com)
5. Strength Finders (and other spiritual gifts surveys)
6. UCC Local Church Profile (www.waipahuucc.org/app/download/762652877/11-24-2015++Approved+WUCC+Local+Church+Profile+signed+DS+12-08-15.pdf)

IV. Consultants

1. Center for Progressive Renewal (progressiverenewal.org)
2. Center for Parish Development (missionalchurch.org)
3. Holy Cow Consulting (holycowconsulting.org)

V. Fundraising & Capital Campaigns

1. UCC (www.ucc.org/finance_fundraising)
2. Ecumenical Stewardship Center (www.stewardshipresources.org)
3. United Church Funds Endowment Conference (ucfunds.org/investor-conference/regional-investor-conference-long-beach-2014/)

VI. Glossary

Action Plan: A detailed description of the strategies and steps used to implement a strategic plan.

Capital Campaign: A fundraising drive for building or maintaining the assets that support ministries and programs.

Goals: Desired outcomes or end results of ministries and programs that serve the mission.

Long-Range Planning: A periodic process of deciding on future organizational activity.

Mission Statement: A short description of the role your organization plays to help make the vision a reality.

Stakeholders: Any person or group with a vested interest in the outcome of a ministry, project or plan.

Strategic Planning: A systematic process that an organization agrees on and commits to, stating its reason for existence and the current priorities that are essential to its purpose.

SWOT: An abbreviation for the analysis of an organization's internal Strengths and Weaknesses and external Opportunities and Threats.

Vision Statement: A brief description of the desired future the organization is committed to creating.

Federal Income Tax Exemption

UCC “Blanket” Tax Exemption

“The Internal Revenue Service issued a letter ruling on June 10, 1964, granting a group tax exemption to the United Church of Christ and its conferences, associations, synods, councils, and educational, charitable, and religious organizations as listed in the Yearbook & Directory” (UCC Yearbook and Directory, page 2).

Do Churches Need their Own 501(c)3?

“Churches are exempted from filing for recognition for tax exempt status under section 508(c)(1)(A) of the tax code. Thus, even if [XXX Church] was not listed under the UCC’s exemption, as a church it is still automatically exempt from income taxes 501(c)(3) without first applying to the IRS for recognition of exempt status. The UCC’s blanket exemption, however, is effective, so it has formal recognition as a 501(c)(3) through the UCC. That said, it’s fine if the church wants to go through the time and expense of getting its own exemption, because it may indeed be true that large donor organizations as a condition of grant making desire the grantee to have its own exemption. That’s different, however, from reaching the conclusion...that [XXX Church] Kaahumanu Church is not a 501(c)(3).”

How Do I Get Proof of Tax Exemption?

- Call Conference Minister’s office at 808-791-5640, or,
- Email leehenrychang@hcucc.org

What Will I Receive?

Copy of the UCC Yearbook and Directory listing

Copy of the 1964 IRS determination letter

Copy of the 2002 IRS affirmation letter

Foreword -- Why SafeConduct™?

In search of a unique term to define this abuse prevention ministry, the Insurance Board has come upon the term **SafeConduct™**. Its appeal is in the dual meaning of “**conduct**” as it applies to preserving sacred space. First, we wish to nurture good “conduct” as demonstrated by **personal behaviors** that are consistent with our religious values. Second, as we might “conduct” an orchestra, we wish to “**guide**” and to “**lead**” in ministry.

Every relationship is defined by the quality of conduct. From the ethics of adult relationships, to fair uses of power, mutual support among peers, nurturing of trust and defense of vulnerable individuals, our conduct defines us as individuals and leaders.

Organizational conduct, including your safe church program, must begin with the creation of a policy and a set of procedures appropriate to your ministries. On the one hand, your policies must be comprehensive, while you must also be able to “live” them every day. The Insurance Board is pleased to provide you services that support your policies and their implementation.

While the services we provide focus on conduct in support of children and preserving sacred space, the fundamentals have application to broader concerns including ethical relationships, sexual harassment, protection of vulnerable adults, bullying, and tolerance around race, religion and sexual orientation.

Several policy resources are offered here:

- The denominations we support have published documents regarding abuse prevention programs. **Links to documents** are provided on this website.
- A **National standard for abuse prevention programs** has been articulated by the Centers for Disease Control (CDC). You can find the information by going to their link on this website.
- The **resources of our partner, Praesidium, Inc.**, are also available through this website in the form of a **self-assessment** tool, sample policy language, **on-line training** programs and **background checking** services.

The information contained in this area is open to every site visitor. **On-line training and background checking services are available to all United Church of Christ, Christian Church (Disciples of Christ) and Presbyterian Church (USA) organizations** who are participating in the IB insurance program or eligible to participate.

The services we offer here, on-line training and background checking cannot be implemented in a vacuum. They are building blocks in a solid structure of abuse prevention. Once you have created your program, it is essential that you sustain its essential activities with discipline and consistency – **SafeConduct™**.

If your organization is taking its first steps, you are beginning an important journey, one filled with certain challenges, revelations, satisfaction, and reward. We hope that you find the resources offered here valuable.

Starting *Praesidium* Services

To begin using *Praesidium* services, you must first appoint an Administrator. Your Administrator will be provided login credentials to

1. operate the *Armatus* training system and
2. enter information directly in the background checking system.

The two systems are very easy for a novice computer user to operate and can be operated in a paperless environment.

After *Armatus* users are assigned, the Administrator can track individual progress and create reports as needed.

The results of background checks are almost instantaneous. You may have access to different levels of checking based on your comfort level with maintenance of confidential information. See the ***Administrator Guide*** in the **Administrators** section of the website to help decide who should be an administrator and which level of service you desire.



HAWAI'I CONFERENCE UNITED CHURCH OF CHRIST
1848 Nu'uauu Avenue
Honolulu, Hawai'i 96817

Thank you for your continued support of Our Church's Wider Mission and special offerings to the mission of the Hawai'i Conference and the United Church of Christ.

Please use this form when submitting your church's missions offerings to aid in the timely and accurate processing of your gift.

Mission	Suggested Date	Amount
OUR CHURCH'S WIDER MISSION	Monthly	\$ _____
SPECIAL SUPPORT		
-One Great Hour of Sharing	4 th Sunday of Lent	\$ _____
-Neighbors in Need	1 st Sunday in October	\$ _____
-Christmas Fund (Veterans of the Cross)	Christmas	\$ _____
-Strengthen the Church	Pentecost	\$ _____
HCUCC SPECIAL OFFERINGS		
-Henry Opukaha'ia Scholarship	3 rd Sunday in February	\$ _____
-He Waiwai no na Ekalesia	1 st Sunday of Advent	\$ _____
OTHER GIFTS		
- Others _____		\$ _____

****Please make checks payable to the Hawai'i Conference UCC** **Total** \$ _____

Church Name: _____

Church Treasurer _____

Church Address: _____

Date: _____

Useful Links and Resources for Church Treasurers

Federal Tax and Reporting

Internal Revenue Service (Tax Forms and Publications)

irs.gov/forms-pubs

Federal Reporting Requirements for Churches, 2017

pbucc.org/images/pbucc/publications/TaxResources/FRR.pdf

Tax Guide for Ministers (for Filing Year 2016)

pbucc.org/images/pbucc/publications/TaxResources/TaxGuide.pdf

State of Hawaii

Department of Commerce and Consumer Affairs (Corporate Filing and Renewal)

<https://hbe.ehawaii.gov/annuals/#/>

Department of Taxation (GET & Payroll Taxes)

tax.hawaii.gov/forms/

Department of Labor (State Unemployment Tax)

labor.hawaii.gov/ui/hui-express-file-quarterly-reports/

Attorney General (Charitable Organization Registration and Exemption)

ag.ehawaii.gov/charity

United Church of Christ

Church Building and Loan Fund (Church Building Loans)

cblf.uccpages.org

Cornerstone Fund (Church Building Improvement and Investments)

cornerstonefund.org

Insurance Board (Church Insurance, Workers Comp, Safe Church/Conduct)

insuranceboard.org

Pension Boards (Pensions)

pbucc.org

United Church Funds (Investments and Endowments)

ucfunds.org

Other

Congregational Library (Church Records and Retention)

congregationallibrary.org/churches/records-management

Richard Hammar, *2017 Church & Clergy Tax Guide*, Christianity Today, 2017
(order online, search by title)



January 30, 2017

Dear Friends,

Aloha! In partnership with the Hawai'i Conference UCC and the Hawai'i Conference Foundation, United Church Funds (UCF) will be hosting three free luncheons and workshops focused on growing and managing endowment assets for local churches.

It is our sincere hope that you will take the opportunity to attend, share and learn from UCF's experience and expertise regarding planned giving strategies, endowment governance, best practices and ways to engage your congregation in building a strong culture of stewardship to support your church's mission and ministry.

Who should attend?

- Pastors
- Lay leaders involved in church Finance, Stewardship, and/or Investment Committees

What are the key topics?

- Sustainable Investment Strategies for Local Churches
- Starting or Growing Planned Giving Campaigns
- Building your Endowment for the Future

When and Where will the luncheons be held?

Wednesday, March 22

Noon – 2:00 pm

Church of the Holy Cross

440 W. Lanikaula Street

Hilo, HI

Thursday, March 23

Noon – 2:00 pm

Lihue United Church

4340 Nawiliwili Road

Lihue, HI

Friday, March 24

Noon – 2:00 pm

Hawai'i Conference Office

1848 Nuuanu Avenue

Honolulu, HI

How do I RSVP?

Please email Matt Wagner, Senior Executive for Business Development at matt.wagner@ucfunds.org by March 1, 2017, indicating which location you will be attending and the church you represent.

Thank you for the opportunity to serve your church, and we look forward to seeing you in March!

Sincerely,

Donald G. Hart

President