

JAYROE & COMPANY, INC.

PROFESSIONAL BUSINESS SERVICES

*Business Management/Tax Preparation/Estate Planning/Recordkeeping/Tax Seminars/Non-profit Consultation
Forty-eight years of service to the Public*

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Member – National Association of Tax Professionals

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February 2020

Please find included in this packet the following Policies and Resolutions free of charge exclusively for IAF Conference:

- Statement of Marriage
- Qualified Accountable Reimbursement Plan
- Qualified Ministerial Expenses
- Housing Resolution
- Spousal Accountability Policy
- Benevolence Policy

Sincerely,

Jayroe & Company, Inc.

ADDENDUM TO THE BY-LAWS REGARDING MARRIAGE & FAMILY

Attached is the new Statement of Marriage & Family that is prepared exclusively and only for your Church.

The following addendum is to be included as a permanent part of the current by-laws of any non-profit organization that wishes to make a firm and scriptural statement regarding Marriage and the Family.

It should be approved by either the Organization's membership or the Board of Directors of the organization, whichever is authorized to do so. Please consult the current By-laws to see the requirements for amending or adopting addendums to the current by-laws and act accordingly. In the adoption statement at the end of the addendum, you must include who approved the addendum: Membership or Board of Directors. In either case, the Corporate President, Secretary, and Board of Directors must sign after the document has been approved.

This addendum should be attached to the current By-laws and kept as a permanent part of the existing By-laws. The original addendum (and original By-laws) should be kept in a safe and permanent location at the organization's place of business.

(This Marriage & Family document is for 'one' organization's use only and cannot be copied, reproduced, modified or altered for any reason without the expressed written consent of Jayroe & Company, Inc. To copy or reproduce this document without the consent of Jayroe & Company, Inc. is not legal according to current laws and regulations.)

ADDENDUM TO THE BY-LAWS

The following is an addendum to the existing By-Laws of this organization and has been approved as noted below for inclusion as part of the legal documents of the organization.

Statement of Marriage. We believe that because God our Creator established marriage as a sacred institution between one man and one woman, the idea that marriage is a covenant only between one man and one woman has been the traditional definition of marriage for all of human history (“Traditional Definition of Marriage”). Because of the longstanding importance of the Traditional Definition of Marriage to humans and their relationships and communities, and, most importantly, the fact that God has ordained that marriage be between one man and one woman, as clearly conveyed in God’s inerrant Scriptures, including for example in *Matthew* 19:4-6 where in speaking about marriage Jesus referred to the fact that “he which made them at the beginning made them male and female,” the Organization hereby creates this policy, which shall be known as the “Marriage Policy” and is a part of the Organization’s By-laws.

Under this Organization’s Marriage Policy, the Traditional Definition of Marriage is the only definition of marriage that will be recognized or accepted. No elder, officer, employee, servant, agent, or any person, corporation, organization, or entity under the direction or control of this Organization shall commit any act or omission, or make any decision whatever, including allowing membership in this organization, that would be inconsistent with, or that could be perceived by any person to be inconsistent with, full support of this Organization’s Marriage Policy and strict adherence to the Traditional Definition of Marriage rather than any alternative to the Traditional Definition of Marriage.

This Organization’s Marriage Policy specifically prohibits acts or omissions including but not limited to permitting any Organization’s assets or property, whether real property, personal property, intangible property, or any property or asset of any kind that is subject to the direction or control of the Organization, to be used in any manner that would be or could be perceived by any person to be inconsistent with this Organization’s Marriage Policy or the Traditional Definition of Marriage, including but not limited to permitting any Organization facilities to be used by any person, organization, corporation, or group that would or might use such facilities to convey, intentionally or by implication, what might be perceived as a favorable impression about any definition of marriage other than the Traditional Definition of Marriage.

We believe that the Scriptures of the Word of God provide direction and instruction regarding the definition of marriage as being between one man and one woman, and this Marriage Policy is based on our belief in the Word of God. (Scriptures: 2 Corinthians 6:14; 1 Thessalonians 5:22; Colossians 3:17; Genesis 2:24; Ephesians 5:22-25, 28). Our belief will not permit the Organization nor its representatives to hold to, advance, advocating beliefs, or advancing, advocating, or engaging in practices that conflict with the Organization's faith or moral teaching. Allowing the use of our facilities or allowing anyone on our staff for any purpose that contradicts the Organization's beliefs would not be acceptable to the stance of this Organization based on its beliefs and teachings.

We believe this Organization's Marriage Policy is based upon God's will for human life as conveyed to us through the Holy Scriptures, upon which this Organization has been founded and anchored, and this Marriage Policy shall not be subject to change through popular vote; referendum; prevailing opinion of members or the general public; influence of or interpretation by any government authority, agency, or official action; or legal developments on the local, state, or federal level.

To allow the facilities of this Organization or any member of our staff to use or perform any activity inconsistent with the beliefs of this Organization would have a severe negative impact on the message that the Organization strives to promote and protect within this community.

Therefore, in no event shall persons or groups who hold, advance or advocate beliefs contradictory to the beliefs of this Organization be allowed to use any facilities of this Organization nor would any staff member or representative be allowed to participate in any activities that would be against the Organization's beliefs, values, or moral teaching according to scripture.

Church Name:

A(n) Corporation

*In a duly called meeting this addendum was approved by the _____
on the _____ day of _____, 2020, and as such becomes a permanent
part of the current By-Laws of this organization.*

Corporate Secretary:

Board of Directors: _____

QUALIFIED ACCOUNTABLE REIMBURSEMENT PLAN

This corporation hereby establishes a qualified accountable reimbursement plan for all employees and/or officers of the corporation to reimburse them for qualified business expenses incurred in the normal operation of the organization's business arrangements in accordance with the following criteria:

1. **Business Purpose:** Authorized business expenses covered by this plan must meet the requirements for deductibility as business expenses under the Federal Tax Law. Such expenses must have been incurred by an employee in connection with the performance of services by such employee or officer on behalf of the corporation;
2. **Adequate Substantiation:** Any employee requesting reimbursement for authorized business expenses hereunder must furnish to the corporation adequate substantiation of expenses to be reimbursed. Adequate substantiation shall be accomplished by the timely submission to the corporation on the expense voucher or other adequate document, properly completed in accordance with the substantiation requirements of the Federal tax law, together with any relevant documentary evidence required under the substantiation requirements of Federal tax law.
3. **Return of Excess Amounts:** Any employee receiving payment from the corporation for an authorized business expense incurred by such employee on behalf of the corporation must return to the corporation, within thirty (30) days after the incurrence of any such expense, any amount of such payment that exceeds the amount the employee has properly substantiated relating to such expense.
4. **Request for Reimbursement:** Any request for reimbursement or payment for any authorized business expense hereunder must be submitted by an employee within sixty (60) days after the incurrence of such expense by such employee. Any request for reimbursement or payment for the expense must be submitted via a properly completed and substantiated corporation voucher.
5. **Transportation Expenses:** Authorized transportation (automobile) expenses hereunder shall be reimbursed to an employee at the maximum federal per mileage rate or by actual expenses incurred for the properly substantiated mileage or expense in connection to official corporation business.
6. **Other Expense:** All other authorized business expenses hereunder shall be reimbursed in an amount equal to the actual cost thereof incurred by the employee.
7. **Advances:** In limited circumstances, advances of authorized business expenses to be incurred by an employee on behalf of the corporation may be granted by and at the sole discretion of the corporation. The amount of money advanced by the company to

Qualified Accountable Reimbursement Plan

an employee MUST be reasonably calculated not to exceed the amount of anticipated expenditures and made on a day within thirty (30) days of the day that the anticipated expenditures are paid or incurred. All other substantiation rules apply in this case.

8. **Additional:** Any reimbursement for expenses hereunder shall be payable to an employee by the corporation with a check separate and apart from the employee's regular paycheck, if any.

9. **Failure to comply:** Consequences of failure by an employee to comply with any provision or provisions contained in this plan may, at the option of the corporation, render the expenses related to such failure non-reimbursable.

10. **Employee:** For the purposes of this reimbursement plan, employee is deemed to be any hired employee of the corporation; any elected or appointed officer; or appointed volunteer who is so selected to perform services for the corporation.

Approved this _____ day of _____, 2020

Church Name: _____

President

Corporate Secretary

Board:

JAYROE & COMPANY

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MINISTRY BUSINESS EXPENSES

The following items are various expenses that can be paid for by the church or reimbursed to the church employee/officer under a written Qualified Accountable Reimbursement Plan. In order to qualify they must be used for church/business purposes. Other substantiation and/or documentation requirements may be applicable. This is a listing of expenses that are deductible by the employee.

Auto Expenses (One business vehicle)	Repairs & Maintenance of Equipment
Advertising	Supplies
Business Insurance	Book, Tapes, Periodicals
Legal & Professional	Reference/Research Materials
Office Expenses	Sermon Preparation Materials
Postage/Shipping/Freight	Subscriptions
Lease of Equipment	Newspapers/Magazines for Ministry use
License	Ministerial Dues/Fees
Business Dues	Meals & Entertainment
Conference/Seminars Expenses	Seminar/Conventions Expenses
Motel/Lodging (Actual or Per Diem)	Uniforms (Not Suits, shirts, etc.)
Local Church Contributions (Pastor only)	Qualified Retirement Plan
Computer Expenses	Airfare
Other Ministry related expenses	Parking, tolls

HOUSING EXPENSES

The following items are considered as housing expenses and can be paid for or to the minister according to the housing allowance resolution.

House Payment or Rent	Utilities
Property Taxes	Insurance
Repairs/Maintenance/Upkeep	Lawn Maintenance
Association Dues	Furnishing for the Home
Appliance Purchase or Repair	Cleaning supplies
Furniture Purchase or Repair	

(PLEASE NOTE: The church must have a Qualified Accountable Reimbursement Plan on file and individual Housing Resolutions for each qualifying minister. Verification of the expense is necessary to meet the substantiation requirements of the Internal Revenue Service. Consult your tax preparer for full details as to the proper method of implementing these plans and resolutions.)

Accredited Tax Advisor - Accredited Tax Preparer

Licensed to Practice Before the Internal Revenue Service

Member National Society of Accountants - Member Arkansas Society of Accountants

HOUSING RESOLUTION

The Board of Directors of this organization hereby establishes a qualified housing allowance for

Rev.

in accordance with the Internal Revenue Code Section 107 and authorizes this individual to pay all qualified housing expenses under this plan.

The housing expenses that can be included in this allowance are utilities, taxes, insurance, repairs and maintenance, the cost of furnishing the home, and the rent or payment for the use of the home. The maximum amount allowed for the current year under this plan shall not exceed \$_____. This shall be effective beginning for the year _____.

It is the responsibility of the minister to maintain all necessary records, documents, and other supporting evidence to verify the allowance. It is understood, based on Code Section 107 that the amounts paid by the church are not taxable for Federal and/or State Income Tax purposes, however, the amounts are subject to self-employment taxes unless the individual minister has elected to opt out of the social security program by having an approved Form 4381 on file.

This designated housing allowance will remain in effect each year hereafter unless and until it is amended and approved by the board.

Approved _____ day of _____, 2020.

Church Name: _____

President of Corporation _____

Corporate Secretary _____

Board _____

SPOUSAL ACCOUNTABILITY POLICY

Inasmuch as the Ministers and/or employees of this Organization are required to attend meetings, seminars, camps, conferences, hospital visits, and other required functions on behalf of the Organization, and

Inasmuch as the Minister/employee is at times required to travel out of town for various meetings conferences and organization related business as required by the Organization,

Be it hereby resolved that the Board authorize and require the spouse of the Minister/employee to accompany the minister on these trips for the purpose of accountability. The spouse's presence is required on as many of these trips as possible to reduce the risk of inappropriate conduct and/or false accusations that could harm the Minister's and/or the Organization's reputation and future.

As a result of this requirement, the Organization agrees to pay for or reimburse to the spouse all the qualified accountable business expenses incurred on these trips based on the Organization's Qualified Accountable Reimbursement Plan. The spouse is required to maintain all documentation to substantiate the various expenses under the Internal Revenue Code and submit such documentation to the Church Secretary/Treasurer as prescribed by IRS regulations.

Approved this _____ day of _____, 2020.

Church Name: _____

President _____

Corporate Secretary _____

BOARD MEMBERS:

Benevolence Policy

Preamble

The benevolence fund is an officially recognized fund either included with or separate from the Church's general fund, established according to the church bylaws and according to Internal Revenue Service Regulations.

Benevolence Fund Committee

The Benevolence Fund Committee serves at the appointment of the Senior Pastor for a term of one year. There is no restriction on the number of consecutive years a member may serve on the Benevolence Fund Committee. The Benevolence Fund Committee does not consist of a fixed number of members.

Purposes

The purpose of this document is to set forth the responsibilities of the Benevolence Fund Committee and the guidelines for discharging those responsibilities. It is not intended to cover all circumstances under which funds may be disbursed from the fund, only those which involve the Benevolence Fund Committee. The pastor has ultimate responsibility and accountability for the benevolence fund, and will necessarily make many decisions to disburse funds from the fund—subject to these guidelines—without involving the Benevolence Fund Committee.

The purpose of the benevolence fund is to meet people's basic needs. The fund achieves this purpose primarily in two ways: 1) through specific disbursement at the direction of the Benevolence Fund Committee, 2) and/or the pastor.

The benevolence fund may be held in a separate banking account designated for benevolence only, or may be included in the Church's general fund.

Oversight and Accountability

The Benevolence Fund Committee is accountable to the church board. The Benevolence Fund Committee will interface with the church board when necessary through the Senior Pastor.

Income

The only regular source of income for the benevolence fund is through offerings, which may be a part of the general fund of the Church, or may be from special offerings taken for the purpose of providing benevolence funding to individuals.

The benevolence fund may be the recipient of special offerings to help individuals or groups of people involved in natural disasters or devastating circumstances. Any such offering will be recommended through the pastor.

Finally, gifts intended for the benevolence fund can simply be designated as such at the time the gift is given. Members of the congregation, however, will not be encouraged to give to the benevolence fund in lieu of giving to the general fund of the church and funds designated for the benevolence fund must conform to the policy of the Internal Revenue Service. Money will not be accepted that violates the Gift Acceptance Policy of this Church nor will designated funds be accepted for a specific individual when the Church has not established a purpose for benevolence reasons.

Guidelines for Disbursement

General Guidelines

The benevolence fund is intended as a source of last resort, to be used when the family or individual requesting assistance has explored all other possibilities of help from family, friends, savings, or investments. It is intended to be a temporary help during a time of crisis and special need.

Assistance from the benevolence fund is intended to be a one-time gift. In unusual circumstances, the Benevolence Fund Committee may decide to help more than one time. However, if individuals are assisted more than one time, it must be approved by the Church Board of Directors. Under no circumstance is a gift from the benevolence fund to be considered a loan. No gift may be repaid, either in part or in full, in money or in labor.

If the recipient desires to donate funds to the church at a later time, this individual should be encouraged to give directly to the general fund of the church. At the discretion of the pastor, the individual may be informed that the benevolence fund accepts designated giving, but only if the pastor discerns that the person understands this is not a payback of what originally was given.

Those requesting assistance must also be willing to receive financial, family, or emotional counseling. The Benevolence Fund Committee will not provide help to anyone who, in its estimation, will have negative or irresponsible behavior reinforced by financial help.

Those requesting help must be willing to give the Benevolence Fund Committee permission to follow up on any of the information provided to the committee. The committee will be sensitive to confidential issues as per the Church Confidentiality Policy.

Recipients

In order of priority, recipients of funds disbursed from the benevolence fund at the direction of the Benevolence Fund Committee are:

1. Church members
2. Regular attenders
3. Members of the community
4. Ministries and Christian agencies that serve people with the same needs as those which fit the criteria for assistance from the benevolence fund, but which provide services the church does not
5. Employees of the church. The benevolence fund will occasionally assist staff members in need subject to the guidelines of this policy where a crisis has occurred.
6. Any other individual who the committee or pastor deems is in dire need of assistance because of extenuating circumstances. However, the individual must be willing to prove the crisis based on the regulations of the Internal Revenue Service as stipulated in this policy.

Criteria

The stated purpose of the benevolence fund is to meet people's basic needs. Normally, these needs are defined as:

- lodging
- food
- clothing
- medical treatment
- transportation to or from a place of employment
- funeral expenses
- initial evaluation and professional counseling appointments

Needs that may *not* be met by the benevolence fund include:

- school expenses, business investments, or anything that brings financial profit to the individual or family
- paying off credit cards. Exceptions can be made when an individual has had to use a credit card in a crisis or emergency (e.g., hospitalization, death, etc.)
- needs of individuals who are wanted by the law or for paying fines as a result of breaking the law
- housing for unmarried couples
- legal fees
- penalties relating to late payments or irresponsible actions
- private school fees or tuition
- business ventures or investments

Generally, assistance from the benevolence fund will not exceed \$500 per year per person or family (this is a cumulative cap in the unusual case of someone who receives more than one gift from the fund). In very unusual circumstances, families and individuals who are in need of substantial funds (over \$500) and who have the opportunity to make a life-changing decision can continue to be assisted up to whatever limit the benevolence fund deems appropriate. Such cases should be reviewed carefully and, when appropriate, additional accountability should be sought. If the benevolent funds exceed \$500 then the Senior Pastor must be consulted and the Church Board should be notified for approval.

IRS Guidelines

Under normal procedures, the Church will follow the IRS guidelines:

1. If the person(s) are not a member of the Church, then no official reporting to the IRS is necessary as long as the benevolence is legitimate or necessary. Proof must be provided as to the needs of that individual(s) as noted in this policy
2. If the person(s) are members of the Church, and there has been a sudden disaster or situation that has caused a "*disruption in the normal lifestyle*" of that person (sickness, death, loss of job, fire, tornado, etc.) then benevolence can be disbursed and no official reporting to the IRS is necessary. The committee or Pastor must maintain documentation of such need and the reason for it.

3. If the person(s) are members of the Church and there has not been any type situation that has caused a "disruption in the normal lifestyle" of that person, then the Church is required to secure the name, address, and social security number of the member as official reporting to the IRS may be necessary.

Procedure for Disbursement

Source of Request

A request for assistance must be made directly to the Pastor or member of the benevolence committee. The church representative taking the request will record references, contacts, and other necessary data to collaborate the need.

Processing the Request

1. The request for assistance is to be considered by the committee or if necessary at the discretion of the Pastor.
2. Checks are written and disbursed. As much as possible, checks from benevolence funds will be payable to a vendors, homeowners associations, etc., rather than to the individual requesting assistance. This is excepted when less than \$100 is needed for living expenses, such as groceries, gas, or short term medical attention.
3. All data, forms, information, and other evidence verifying the need of benevolence shall be maintained by the Church Secretary for a period as prescribed in the Church Document Record Retention & Destruction Policy.

Church Name:

Approved this _____ day of _____, 2020

Chairman of Board: _____

Church Secretary: _____

Church Board:
