



*A higher standard.
A higher purpose.*

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SAMPLE POLICY FOR A LARGER CHURCH

Policy on Suspected Misconduct, Dishonesty, Fraud, and Whistle-blower Protection

XYZ Church is committed to the highest possible standards of ethical, moral, and legal conduct. Consistent with this commitment, this policy aims to provide avenues for employees to raise concerns about suspected misconduct, dishonesty, and fraud and to provide reassurance that they will be protected from reprisals or victimization for whistle-blowing in good faith.

PROCEDURE

Reporting

Employees and any other person who has a concern relating to suspected misconduct, dishonesty or fraud may make a report. The XYZ Church wants to hear of possible problems in these areas.

Concerns or suspected misconduct, dishonesty or fraud may be reported by telephone, email or regular mail, at the employee's or reporter's preference:

An employee may telephone: (---) --- ----. We have retained an independent company to receive calls and descriptions of possible issues. Reports they receive will be forwarded to the Chairman of the Audit Committee.

An employee can email directly the Chairman of the Audit Committee at:

_____.

An employee may write a letter to the Chairman of the Audit Committee at the following address:

Comment: Telephone number, name of Audit Committee Chairman, email and postal addresses must be kept current.

Timing

The earlier a concern is expressed, the easier it is to take action.

Investigating the Concern

Following the receipt of any complaints submitted, the Audit Committee will investigate each matter so reported and take corrective and disciplinary actions where appropriate.

The Audit Committee may enlist committee members, employees of the ministry and/or outside legal, accounting or other advisors, as appropriate, to conduct any investigation of complaints regarding financial reporting, accounting, internal accounting controls, auditing matters, or any other form of misconduct, dishonesty, or fraud. In conducting any investigation, the Audit Committee shall use reasonable efforts to protect the confidentiality and anonymity of the complainant.

Further Information

The amount of contact between the complainant and the body investigating the concern will depend on the nature of the issue and the clarity of information provided. Further information may be sought from the complainant.

Report to Complainant

The complainant will be given the opportunity to receive follow-up on their concern within two weeks:

- Acknowledging that the concern was received;
- Indicating how the matter will be dealt with;
- Giving an estimate of the time that it will take for a final response;
- Telling them whether initial inquiries have been made; and
- Telling them whether further investigations will follow, and if not, why.

Information

Subject to legal constraints the complainant will receive information about the outcome of any investigations.

Document Retention

The Audit Committee shall retain as a part of the records of the Committee any such complaints or concerns for a period of at least seven years.

SAFEGUARDS

No Retaliation

No pastor, officer, or employee or other person who in good faith reports a violation shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This policy is intended to encourage and enable employees and others to raise concerns within the organization prior to seeking resolution outside the organization.

Additionally, no employee shall be adversely affected because they refuse to carry out a directive which, in fact, constitutes corporate fraud, or is a violation of state or federal law.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. Every effort will be made to protect the complainant's identity.

Anonymous Allegations

Employees are encouraged to put their names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously will be investigated, but consideration will be given to:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

Acting in Good Faith

Anyone filing a complaint must be acting in good faith and have reasonable grounds for believing the information disclosed indicates misconduct, dishonesty, or fraud. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

DEFINITION OF TERMS

For purposes of this policy, the definition of misconduct, dishonesty, and fraud includes but is not limited to:

- Acts which are inconsistent with ministry policy
- Theft or other misappropriation of ministry assets
- Misstatements or other irregularities in ministry records
- Incorrect financial reporting
- Misuse of ministry resources
- Illegal activities
- Immoral or unbiblical activities
- Forgery or alteration of documents
- Any other form of fraud

XYZ Church reserves the right to modify or amend this policy at any time as it may deem necessary.

SAMPLE POLICY FOR A SMALLER Church

**Policy on Suspected Misconduct, Dishonesty, Fraud,
and Whistle-blower Protection**

If any person knows of or has a suspicion about misconduct, dishonesty or fraud, the Executive Pastor should be contacted. If the alleged wrongdoing concerns the Executive Pastor, then the Senior Pastor or other officer or director of the organization should be notified instead.

If the Senior Pastor, Executive Pastor, or other officer of the organization receives information about misconduct, dishonesty or fraud, they shall inform the Board (or, alternately, the Executive Committee, if such a Committee exists), which shall determine the procedure for investigating all credible allegations.

At all times, the privacy and reputation of individuals involved will be respected. There will be no punishment or other retaliation for the reporting of conduct under this policy. If the person providing the information requests anonymity, this request will be respected to the extent that doing so does not impede any investigation.