

the Informer newsletter

MONTHLY NEWSLETTER | PCAI & PCAI CLERGY ASSOCIATION
PARAGON CHRISTIAN ALLIANCE INTERNATIONAL
FEBRUARY 2020 – ISSUE 2

FIVE MINISTRY KILLERS

*Dr. Henry Harbuck / PCAI Int'l President and
General Overseer*

Real “truth” is acquired, not by what one may teach you, but through a four-fold process of assimilating personal information, observation, experience, and self-discovery. If these five points helps you in some way to examine what you think and monitor what you do and say, I will have accomplished my goal.

Through the years various methods and teachings have risen up within the “Spirit-filled” ministry ranks. Many have destroyed the reputation of ministries, major ministry figures and churches, and contributed to the destruction of Christian movements. Please consider the following:

Ministry Killer #1:

Following untested ideas, concepts, or plans proposed by books, tapes, television preachers and seminars.



Ministry Killer #2:

Ignoring the importance of honest evaluation from an audience, or your inner circle of leaders or friends.



Ministry Killer #3: Ignoring the importance of diligent [personal] Bible study and prayer.

Ministry Killer #4:

Disregarding proper order and etiquette both in the pulpit and church.

Ministry Killer #5:

Ignoring the fact that when you are perplexed by personal or family problems, it becomes apparent in your preaching. Your preaching may come across as angry.



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2149 Highway 139, Monroe,
Louisiana 71203

1-866-268-5600 |
FAX (318) 345-0350

Website:
www.paragonchristianalliance.org

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OFFICE HOURS:
9:00AM to 4:00PM

Churches and Ministries Financial Policies

(SOURCE: *Church Finance Today*)

While some written policies may be optional there are others a Board must have recorded in its documents. Below we have listed policies every ministry should have. We all think it can never happen to us (until it does) and these documents will help alleviate confusion in the event of an incident.

1. Budget Administration policy. Given the significance of the budgeting process for a church, provisions for approving and administering a church's budget are often a component of the church's bylaws. Whether in the bylaws or in a separate policy approved by the board, a church should have an authoritative document governing the approval and administration of its budgets. A well-written policy will address approval and administration of the church's budgets for operations, capital expenditures, debt principal reduction, and possibly auxiliary activities. Among other important provisions, the policy should specifically set the process for addressing and approving budget overages.

2. Conflicts-of-interest policy. A conflicts-of-interest policy addresses scenarios in which a person on the governing body (board) or otherwise in a position of leadership may benefit financially from a business arrangement or transaction involving the church. That can happen, for example, if the church buys goods or services from the leader, from his or her company, from one or more of his or her family members, or from any of their companies. Other examples include selling items to one or more of these related parties, renting property to or from a related party and so on.

For good reason, federal tax law restricts the terms of certain transactions between tax-exempt churches and their leaders (or parties related to their leaders). Violations of federal tax law can have dire consequences – not only for the church but for the individuals who approve the transactions. Additionally, state nonprofit corporation laws also typically provide for adverse consequences if a nonprofit corporation engages in an improper transaction with a related party. Further, transactions between a church and its “insiders” can easily result in greater public scrutiny for the church and adverse public relations.

Sometimes, a related-party transaction may be economically advantageous to a church. For example a board member may sell property to the church for less than its value in order for the church to build a necessary new facility. Even when a related-party transaction is economically advantageous on its face, the church should consider whether public perception of the transaction will be positive.

A well-drafted conflicts-of-interest policy prescribes how a ministry and its leaders are to address potential business arrangements in order to ensure that they are proper and in the best interests of the church.

3. Executive Compensation-setting policy. Compensation arrangements for a church's top leaders have characteristics similar to the related-party business transactions addressed in the description of conflicts of interest. A leader should never be involved in the decision-making process with respect to his or her own compensation. As with related-party business transactions federal tax law sets forth parameters for permissible executive compensation by tax-exempt churches. Violations in the arena of executive compensation can have dire consequences.

A well-drafted executive compensation policy prescribes the process for setting executive compensation and documenting the process, along with the data supporting the decision.

4. Dishonesty, fraud, and whistleblower protection policy. While it might seem obvious, it is a good idea to have a policy that specifically prohibits illegal activity, fraud, and other financial improprieties. Such a policy removes any doubt about whether such conduct in a church is permissible. A dishonesty, fraud, and whistleblower protection policy both prohibits improper activity and prescribes the process by which an employee can report apparent improprieties. It also establishes the manner in which a church addresses such reports. A provision of the Sarbanes-Oxley Act of 2002, a federal law, prohibits retaliation by employers against workers for reporting certain improprieties. A well-drafted policy will help a church avoid violating this law as well as controlling state law.

5. Document retention policy. The federal Sarbanes-Oxley law includes provisions prohibiting the destruction or falsification of documents subject to certain federal proceedings. Additionally, federal tax law and other federal and state laws allow regulatory authorities to examine the records of churches for various reasons. Such laws also require churches to maintain appropriate records related to compliance with the laws. It is important for churches to maintain records that may be required to be produced in the event of an IRS or other regulatory examination. Attorneys generally advise churches to adopt a document retention policy prescribing the types of records to be maintained and the duration of time that they will be maintained. In some cases, attorneys specifically advise that such policies require destruction of documents after the applicable retention period.

6. Donor privacy policy. In the current era of pervasive spam emails and data breaches, donors to churches increasingly want to know how their data will be used and protected once it is provided to the church. It is considered a best practice in the nonprofit sector to have a donor privacy policy and to make that policy readily available to donors. Key elements of a donor privacy policy include informing the donor as to what kinds of information is gathered, how the information is used, whether it will be shared with others and under what terms,

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A Fresh Vision and Focus for 2020-part 1

By Brother Hershell Lewis, Jr. /Alabama

Proverbs 29:18 Where there is no vision, the people perish: but he that keepeth the law, happy is he.

2 Chronicles 20:20 And they rose early in the morning, and went forth into the wilderness of Tekoa: and as they went forth, Jehoshaphat stood and said, Hear me, O Judah, and ye inhabitants of Jerusalem; Believe in the LORD your God, so shall ye be established; believe His prophets, so shall ye prosper.

There is a story told of a church when it was started was so moved by this verse that the people made a sign that read "Where there is no vision the people perish to put on the front of the building. The church thrived for many years. Many years later the former pastor that founded the church came through town and decided to visit the church. He was heartbroken to see that no one had been in the building for quite a few years. The windows were broken out and the doors were barely hanging on the hinges. As he was looking he noticed the sign they had put on the front of the building while he was there. After all these years the sign was still readable except for the "W". The sign now read "here there is no vision the people perish".

If we are to accomplish anything in life we must have a vision. Without a vision, we will wander about aimlessly never accomplishing anything. The word "vision" in Proverbs 29:18 has to do with a revelation or mental vision. A revelation is a divine disclosure to man.

So how do we get a fresh vision? We find the answer in 2 Chronicles 20:3. And Jehoshaphat feared, and set himself to seek the LORD, and proclaimed a fast throughout all Judah.

In 2 Chronicles 20, we see that three kingdoms decided to form an alliance and wipe out Judah. When Jehoshaphat got word of this verse 3 tells us that he feared. Fear is a strong emotion. We must realize that emotions in and of themselves are not sin. In themselves, they are neither good nor bad. It is how we react in that emotion that makes it a bad or good. Jehoshaphat responded in the right way to his fear by seeking God.

In verse 3 we see the first two things we must do in order to receive a fresh vision. The first thing Jehoshaphat did was to "set his face to seek the Lord". To set one's face means to devote or dedicate one's self to something with their whole being. Can you imagine what would happen

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Church/Ministry Tax/Law Dates To Remember

In addition to the regular semiweekly and monthly withholding requirements, churches should note the following dates for this month.



Jan Harbuck - PCAI Office
Need Help? Call 1-866-268-5600

February 10, 2020

Churches/Ministries with nonminister employees (or ministers who report their federal income taxes as employees and who have elected voluntary withholding) may file their employer's quarterly federal tax return (Form 941) by this date instead of January 31 if all taxes for the fourth calendar quarter (of 2019) have been deposited in full and on time.

FEBRUARY 28, 2020

- Churches/Ministries file Copy A of Form 1098-C with the IRS by this date to report the sale or use of a donated vehicle.
- Applicable large employers, generally employers with 50 or more full-time employees (including full-time equivalent employees) in the previous year, must file a Form 1095-C for each employee who was a full-time employee of the employer for any month of the previous calendar year by this date.

IRS Announces 2020 Mileage Rates

The Internal Revenue Service has announced the new standard mileage rates for 2020. Starting on January 1, 2020, the standard mileage rates for the use of a car, van, pickup, or panel truck will be:

- 57.5 cents per mile driven for business use, down one half of a cent from the 2019 rate
- 17 cents per mile driven for medical or moving purposes, down three cents from the 2019 rate
- 14 cents per mile driven in service of charitable organizations

(SOURCE: www.churchlawandtax.com)

Fresh Vision...continued from page 3

if we set our face to seek God wholeheartedly? God has given us an invitation to “Call unto Me, and I will answer thee, and shew thee great and mighty things, which thou knowest not.” Jeremiah 33:3. Somehow many have let the devil feed them the lie that they are not worthy to go to God with their requests, yet James 4:2 says “Ye have not, because ye ask not”. James also tells us that “The effectual fervent prayer of a righteous man availeth much.” James 5:16. James is saying that a righteous man or woman who is praying with a great intensity putting their whole being into it is very powerful. God moves when His children call unto Him believing that He will answer.

The second thing we see in verse 3 that Jehoshaphat did was that he and the nation of Judah fasted. To fast means to abstain from food. True fasting is not twisting the arm of God in order to get one's way. True effective fasting is a time to bring the flesh under subjection as you seek after the heart and mind of God. As we spend time praying when we would normally eat, our spirit is strengthened and we can gain a new vision. There are some things we face that we can only overcome as we fast and pray. Jesus said, “This kind can come forth by nothing, but by prayer and fasting.” Mark 9:29. Could it be one of the reasons we don't see more true victories is we don't have people fasting and praying? Now let me very carefully add something here I realize there are those with medical problems that will make it very difficult to fast, especially for a lengthy time. I believe most people can fast at least 1 meal. If one is not able to fast 1 meal yet they decide to “fast” TV, Internet, Facebook, or whatever and truly pray during that time, I believe the Heavenly Father will honor that.

In 2 Chronicles we see that after praying and fasting God sent His Word and told the people not to worry, that He would fight this battle for them. They were given the promise that God would inter-

vene and they would not have to fight. He encouraged them to not be dismayed nor to fear. So now we come to verse 20 which says “And they rose early in the morning, and went forth into the wilderness of Tekoa: and as they went forth, Jehoshaphat stood and said, Hear me, O Judah, and ye inhabitants of Jerusalem; Believe in the LORD your God, so shall ye be established; believe His prophets, so shall ye prosper.” Our third point is found in this verse in the phrase Believe in the LORD your God so shall ye be established; believe His prophets, so shall ye prosper”. Believe here means to stand firm, to trust, to be certain. It means to feel confident that one is able to do what one said they will do. With that in mind putting our belief in an all-knowing, everywhere present, all-powerful God we can surely not go wrong.

(To be continued)

Churches and Ministries... continued from page 2

and how the donor may opt out of certain aspects of the church's use of the data. Donor privacy policies are, by their nature, specific to the church and its use of donor and member information. For example, some churches publish membership directories or similar resources and others do not.

7. **Policy requiring board approval for the issuance of debt and other financial obligations.** Many churches have provisions in the bylaws that require the board to approve the issuance of any debt above a certain threshold or the entering into a contractual obligation to make ongoing payments in excess of a certain threshold. An alternative to having such a provision in the bylaws is for the board to adopt a policy with such requirements.

ANNOUNCEMENTS

CHARTER RENEWAL DEADLINE!!!

Charters under the PCAI 501(c)3 Group Exemption have been mailed their annual renewal report packet.

It is also available on our website

www.paragonchristianalliance.org under “Resources” tab in a PDF file.

It is important that your report be received in our

**office no later than
March 28th.**



These reports and renewals are in compliance with the IRS code to maintain your charter's tax-exempt status under the PCAI Group Tax Exemption.