



## Statement of Financial Accountability

We have modeled our financial standards after those promulgated by the Evangelical Council on Financial Accountability. Due to our size, we are not eligible for membership in the EFCA. Some of the major differences include: EFCA members have audits and we have not yet started that process. EFCA members follow accrual basis accounting and due to our size, we are on cash basis accounting.

### **Seven Standards**

#### **Standard 1 - Doctrinal Statement**

Networking in Christ shall subscribe to a written statement of faith clearly affirming its commitment to the evangelical Christian faith and shall conduct its financial and other operations in a manner which reflects those generally accepted biblical truths and practices.

#### **Standard 2 - Board of Directors and Financial Oversight**

Networking in Christ shall be governed by a responsible board of not less than three individuals, which shall meet monthly to establish policy and review its accomplishments. The board shall review the monthly and annual financial statements. When the organization has grown to the point where an audit can be afforded, annual audits will begin.

#### **Standard 3 - Financial Statements**

Each month, Networking in Christ is required to submit to the Board, complete and accurate financial statements.

#### **Standard 4 - Use of Resources**

Networking in Christ shall exercise the management and financial controls necessary to provide reasonable assurance that all resources are used (nationally and internationally) in conformity with applicable federal and state laws and regulations to accomplish the exempt purposes for which they are intended.

#### **Standard 5 - Financial Disclosure**

Networking in Christ shall provide a copy of its current financial statements upon written request and provide other disclosures as the law may require. Networking in Christ will provide a report, on request, including financial information, on any specific project for which it is soliciting gifts.

#### **Standard 6 - Conflicts of Interest**

Networking In Christ shall avoid conflicts of interest. Transactions with related parties may be undertaken only if all of the following are observed: 1) a material transaction is fully disclosed in the financial statements of Networking in Christ; 2) the related party is excluded from the discussion and approval of such transaction; 3) a competitive bid or comparable valuation exists; and 4) Networking in Christ's board has acted upon and demonstrated that the transaction is in the best interest of Networking in Christ.

## **Standard 7 - Fund-Raising**

Networking in Christ shall comply with each of the following Networking In Christ Standards for Fund-raising:

### ***7.1 Truthfulness in Communication***

All representations of fact, description of financial condition of Networking in Christ, or narrative about events must be current, complete, and accurate. References to past activities or events must be appropriately dated. There must be no material omissions or exaggerations of fact or use of misleading photographs or any other communication which would tend to create a false impression or misunderstanding.

### ***7.2 Communication and Donor Expectations***

Fund-raising appeals must not create unrealistic donor expectations of what a donor's gift will actually accomplish within the limits of Networking in Christ's ministry.

### ***7.3 Communication and Donor Intent***

All statements made by Networking in Christ in its fund-raising appeals about the use of the gift will be honored by Networking in Christ. The donor's intent is related both to what was communicated in the appeal and to any donor instructions accompanying the gift.

### ***7.4 Projects Unrelated to a Ministry's Primary Purpose***

Networking in Christ's raising or receiving funds for programs that are not part of its present or prospective ministry, but are proper in accordance with its exempt purpose, must either treat them as restricted funds or channel them through an organization that can carry out the donor's intent or return the funds to the donor.

### ***7.5 Incentives and Premiums***

Networking in Christ's making fund-raising appeals which, in exchange for a contribution, offer premiums or incentives (the value of which is not insubstantial, but is significant in relation to the amount of the donation) must advise the donor of the fair market value of the premium or incentive and that the value is not deductible for tax purposes.

### ***7.6 Financial Advice***

Any representative of Networking in Christ, when dealing with persons regarding commitments on major estate assets, must seek to guide and advise donors so they have adequately considered the broad interests of the family and the various ministries they are currently supporting before they make final decisions. Donors should be encouraged to use the services of their attorneys, accountants, or other professional advisors.

### ***7.7 Percentage Compensation for Fund-raisers***

Compensation of outside fund-raising consultants or Networking in Christ's own employees based directly or indirectly on a percentage of charitable contributions raised, is not allowed.

### ***7.8 Tax-deductible Gifts for a Named Recipient's Personal Benefit***

Tax-deductible gifts may not be used to pass money or benefits to any named individual for personal use.

### ***7.9 Conflict of Interest on Royalties***

An officer, director, or other principal of Networking in Christ must not receive royalties for any product that Networking in Christ uses for fund-raising or promotional purposes.

### ***7.10 Acknowledgement of Gifts-in-Kind***

Property or gifts-in-kind received by Networking in Christ should be acknowledged describing the property or gift accurately without a statement of the gift's market value. It is the responsibility of the donor to determine the fair market value of the property for tax purposes. Networking in Christ may be required to provide additional information for gifts of motor vehicles, boats, and airplanes.

### ***7.11 Acting in the Interest of the Donor***

Networking in Christ must make every effort to avoid accepting a gift from or entering into a contract with a prospective donor which would knowingly place a hardship on the donor, or place the donor's future well-being in jeopardy.