

Section 4: Personnel (Continued)

78. Has a neutral reference (confirms employment dates and titles only) or other policy been prepared which addresses giving references on prior employees?		
79. Has a signed release been received for the giving of references?		
80. Is a severance pay policy in force?		
81. Does this policy require the completion of a Severance Agreement?		
82. Have policies and procedures been established regarding the following workplace issues: a. Personal appearance and dress code? b. Open door arrangement? c. Inclement weather? d. Staff meetings? e. Sale of personal merchandise? f. Use of church telephones?		
83. Does the ministry have a Code of Ethics and is an acknowledgement statement required to be signed by each employee stating that they have read, understand and will comply with this code?		
84. Is a completed Form W-9 received on all contract labor before they are paid?		
85. If a completed Form W-9 is not received, is the ministry withholding back-up taxes and submitting them to the government on a timely basis?		
Additional Questions/Explanations:		
B. Compensation/Benefits/Expense Reimbursements		
1. Is the church working under a Salary and Wage Administration Plan?		
2. Does this plan address the following areas: a. Employee classifications and categories? b. Assignment of each employee into a classification and category? c. Determination of salary/wage scales?		

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<p>d. Employee placement within salary/wage scales? e. Salary/wage scales review process?</p>		
<p>3. Does this plan require the obtaining of comparable salary surveys and other proper substantiation to determine that employee salary and wages are reasonable in amount? (excise tax penalties can be imposed for excessive earnings and benefits based on intermediate sanction rules imposed by Congress.)</p>		
<p>4. Is a "New Hire" budget prepared for all new hires? Does this budget project all of the following: a. All forms of compensation? b. Protection coverages/benefits? c. Ministry expense reimbursements? d. Other projected expenditures (i.e. moving/relocation costs, furniture/equipment needs, etc.)?</p>		
<p>5. Does the governing board or appropriate committee (i.e. Personnel Committee) review the financial support of each minister and non-minister employee at least once a year?</p>		
<p>6. Are ministry related expense reimbursements and protection coverages separated from take-home pay so that actual true pay for work performed is reflected?</p>		
<p>7. Are all employee bonuses and cash gifts properly recorded as taxable income?</p>		
<p>8. Have minister and/or employee love gifts, which were collected from the congregation during a worship service, solicited under the direction of church leadership and handed over to the minister and/or employee, been properly evaluated to determine if the gifts are additional forms of taxable compensation?</p>		
<p>9. Are retirement gifts being recorded as taxable income?</p>		
<p>10. Have no/low interest rate employee loans been properly evaluated as to their taxability?</p>		
<p>11. Have noncash gifts to employees been properly valued as to their fair market value and reported as taxable income to the employee?</p>		
<p>12. Have bargain sales (below fair market value) to employees been evaluated to determine what portion of the value should be taxable income to the employee?</p>		