We Abide By The Following Standards For Membership In The Evangelical Council For Financial Accountability

STANDARD #1—*Doctrinal Statement*

Every member organization 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 Audit Review Committee*

Every member organization shall be governed by a responsible board of not less than five individuals, a majority of whom shall be other than employees/staff and/or those related by blood or marriage, which shall meet at least semi-annually to establish policy and review its accomplishments. The board shall appoint a functioning audit review committee, a majority of whom shall be other than employees/staff and/or those related by blood or marriage, for the purpose of reviewing the annual audit and reporting its findings to the board.

STANDARD #3—*Audited Financial Statements*

Every member organization shall obtain an annual audit performed by an independent public accounting firm in accordance with generally accepted auditing standards (GAAS) with financial statements prepared in accordance with generally accepted accounting principles (GAAP).

STANDARD #4—*Controls for Transferring Contributions*

Every member organization shall exercise management and financial controls necessary to provide reasonable assurance that all resources are used (nationally and internationally) to accomplish the exempt purposes for which they are intended.

STANDARD #5—*Financial Disclosure*

Every member organization shall provide a copy of its current audited financial statements upon written request.

STANDARD #6—*Conflicts of Interest*

Every member organization 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 audited financial statements of the organization; 2) the related party is excluded from the discussion and approval of such a transaction; 3) a competitive bid or comparable valuation exists; and 4) the organization's board has acted upon and demonstrated that the transaction is in the best interest of the member organization.

STANDARD #7—*Fund Raising*

Every member organization shall comply with each of the ECFA Standards for Fund Raising:

TRUTHFULNESS IN COMMUNICATION: All representations of fact, description of financial condition of an organization, 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.

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 an organization's ministry.

COMMUNICATION AND DONOR INTENT: All statements made by the organization in its fund raising appeals about the use of the gift must be honored by the organization. The donor's intent is related to both what was communicated in the appeal and to any donor instructions accompanying a gift. The organization should be aware that communications made in fund raising appeals may create a legally binding restriction.

PROJECTS UNRELATED TO A MINISTRY'S PRIMARY PURPOSE: An organization 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 treat them either as restricted funds and channel them through an organization that can carry out the donor's intent, or return the funds to the donor.

INCENTIVES AND PREMIUMS: Organizations making fund raising appeals which, in exchange for a contribution, offer premiums or incentives (the value of which is not insubstantial, but which 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.

REPORTING: On request an organization must provide a report, including financial information, on the project for which it is soliciting gifts.

PERCENTAGE COMPENSATION FOR FUND RAISERS: Compensation of outside fund raising consultants based directly or indirectly on a percentage of what is raised, or on any other contingency agreement, may create potential conflicts and opportunities for abuse. Full disclosure of such arrangements is required, at least annually, in the organization's audited financial statements, in which the disclosure must match income and related expenses. Compensation to the organization's own employees on a percentage basis or contingency basis is not allowed.

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