Personnel Conference

2020
Alabama Baptist State Board of Missions
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Resources

• Alsbom.org/ccs Church Compensation Services
• Lee Wright – lwright@alsbom.org; 334-549-1383 cell; 334-613-2241 direct line
• GuideStone – guidestone.org/compensationplanning
• Onegreatsunday.org. Click on archive, then 2018, then finances

Before we begin

Pastors have a “Dual Tax Status.”
1. Employee for Federal purposes
   • Withholding is not required
   • May receive housing allowance
   • Must pay their own SE tax
2. Self employed for Social Security
   • We should avoid the “lump sum” approach
The Work of the Committee
- Employment Procedures
- Salary Plans
- Personnel Benefits
- Personnel Services
- Legal Requirements
- Advisory role/ supervise
  - Page 2

How Many Staff Do We Need?
Section 2
Pages 6

Do We Need More Staff?
- What's not getting done?
  - Assimilating new people?
  - Developing leadership?
  - Church Growth?
  - Page 5
Ministerial Staff

- Growth is most probable 100:1 or lower
- Plateau is probable 101:1 – 150:1
- Decline is probable 151:1 or higher
- Consider age of the church
- Consider age & family make-up
- Consider the number of ministries and programs of the church

Pages 5-6

Ministerial Staff by Attendance

<table>
<thead>
<tr>
<th>Worship Attendance</th>
<th>200</th>
<th>300</th>
<th>400</th>
<th>500</th>
<th>600</th>
<th>700</th>
<th>800</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Time Program Staff</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

Does not include pastor or music staff, page 6

How many do we need? p. 7

- Fewer if
  - Young church
  - Large debt
  - Few seniors
  - Fewer deaths
  - Built around the pastor

- More if
  - Older church
  - Older members
  - No debt
  - Pluralistic members
  - Less traditional families
What Positions Do We Need?

In the 50’s, some cities were 30% youth
Today’s population in Alabama
Only 8% youth
12% children
6% preschool

Ministry Assistants, p. 7-8

Most churches use one of three basic styles of working relationships. They are:
1. Traditional assistant.
2. Task based ministry with few personal assistants.
3. A blend of the above.

Administrative Assistants

<table>
<thead>
<tr>
<th>Traditional assistant</th>
<th>1:1</th>
<th>One 40-hour assistant per full-time ministerial staff member.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blended</td>
<td>3/4:1</td>
<td>20-30 hours of assistant time per full-time ministerial staff member.</td>
</tr>
<tr>
<td>Task based ministry</td>
<td>1/2:1</td>
<td>20 hours of assistant time per full-time ministerial staff member.</td>
</tr>
</tbody>
</table>
How much staff can we afford?

Spending on staff
- 51% is the average 2018
- 47% was the average in 2006
- 45%-50% in larger church
- Up to 80% in smaller churches
- At 300 members, 50% is a place to start

Page 9

What about salaries?

- The median household income is the least you should provide to your ministerial staff as salary.
- In 2017 this ranged from $29,300 in Wilcox County to $78,200 in Madison & Limestone Counties. $55,500 Alabama average.
- Pay each minister at or above at least 75% of the pastor's starting salary.
- Associate ministerial staff (youth, etc.) should be based on a similar percentage of the ministerial staff starting salaries. Page 9

What is not salary?

- Fallacy of the “lump sum”
- Many churches make a mistake:
  - Providing what they call a “lump sum”
  - The money is allocated as the minister sees fit.
  - This approach must be avoided.
  - The term “Package,” should be avoided.
3 Financial Areas, page 24

- Salary and Housing
- Protection Benefits
- Ministerial Expenses

Salary Package

- Doing it right costs the church nothing.
- Doing it wrong costs the minister a lot. Page 24

Let's Examine

- Salary
- Housing
- Auto expenses
- Conference expenses
- Books
- Continuing education
- Ministry of hospitality
- Life Insurance.
- Personal Accident Insurance.
- Disability Insurance.
- Medical Coverage.
Salary
- Salary
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- Disability Insurance.
- Medical Coverage.

Protection Benefits – Protect church also
- Salary
- Housing
- Auto expenses
- Conference expenses
- Books
- Continuing education
- Ministry of hospitality
- Life Insurance.
- Personal Accident Insurance.
- Disability Insurance.
- Medical Coverage.

Church Expenses
- Salary
- Housing
- Auto expenses
- Conference expenses
- Books
- Continuing education
- Ministry of hospitality
- Life Insurance.
- Personal Accident Insurance.
- Disability Insurance.
- Medical Coverage.
Create a New Position

Watch for
1. Heavy Workloads
2. Growth of the church and/or community
3. Things not being done
4. Loss of a valued worker

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Developing Job Descriptions

Section 3
Page 10

Writing Good Job Descriptions

Good job descriptions should be helpful to the minister and should clarify the important parts of the job. The job description should be the basis for the evaluation. One helpful way to provide clarity and to “keep the main thing the main thing” is to categorize the responsibilities.
Simple Outline - Pastor

1. Preaching/Teaching ministry
2. Pastoral Care ministry
3. Administration.

Youth Minister

- **Youth Ministry**
  1. ministry with the youth
  2. ministry to the parents
  3. with the teachers and youth leaders. All three aspects are important for a good youth ministry.

Discipleship Pastor

- Administrator
- Growth agent
- Educator
- Minister
The performance review is a time to recognize achievement, set goals and objectives, to deal with potential problems and to recommend a merit increase for a valued employee. It can enhance the employee, encourage him and help him to be even more productive. The performance review should be based upon the job description for clarity.

Pastor
- Self Evaluation with the Deacons
- Self Evaluation and feedback with Deacon officers
- Deacon officers and pastor, then officers discuss the evaluation with the Deacons
Ministerial Staff
- Often the Pastor evaluates all and discusses the evaluation with the personnel committee.
- Sometimes, both are involved.
- Pastor should always be involved.

State Board of Missions
1. Positive Spirit
2. Punctuality
3. Presence
4. Productivity
5. Progress

Evaluation
1. Overall Ministry. Main items of the minister’s work.
   - Teacher, Preacher, Worship Leader
   - study and preparation
   - spiritual insights into practical applications.
   - Effective planner for worship services.
   - Effective leader for worship services.
   - Comments:
Evaluation
Pastoral Care
- Is timely and helpful in a crisis.
- Is available when needed.
- Provides effective counseling.
- Can maintain confidentiality.
- Is a good listener.
- Provides comfort to those in need.

Comments:

Evaluation
Leadership
- Demonstrates initiative
- Recognizes opportunities, forms a vision, and inspires others.
- Can be flexible and creative.
- Effectively analyzes the congregation
- Communicates well spoken & written
- Projects a good Christian role model.

Evaluation
Administration
- Effective at developing programs.
- Plans and prioritizes work effectively.
- Ability to develop volunteer and lay member forces.
- Demonstrates skill of delegation
- Prepares well & conducts effective meetings
Evaluation

Work Skills
• Freely and effectively conveys information and ideas to others.
• Demonstrates good judgment in selecting the proper mode of communication.
• Communicates in an open and direct manner.
• Demonstrates respect for all individuals regardless of their background or culture.

Evaluation
1. Teamwork
2. Judgment
3. Dependability
4. Job Knowledge
5. Supervisor Responsibility - (If Applicable)
6. Stewardship
7. Spiritual Leadership
8. Personal Development

Pareto's Principle - The 80-20 Rule
Pareto's Principle says that 80% of our results come from 20% of our work. One of the lessons we can learn is this: Don't just "work smart", work smart on the right things. Another way to say this is "Keep the main thing the main thing!" A good performance review can be beneficial to both the minister and to the church in this way. Page 15
Deep Principles during difficult times and possible termination

Dale Huff
Office of LeaderCare
Page 18

Deep Principles

1. **There should be no surprises.** Tell the staff member the situation. Tell him honestly about the needed areas of improvement. If resignation/termination appears certain, be honest about that. Explain honestly the anticipated steps.

2. **Use a carrot and stick.** This seems manipulative, but do so in an attempt to persuade and also an attempt to be open and honest.

3. **Keep the discussion to the main 3 or 4 complaints.**

4. **Follow the bylaws.**

5. **Be fair. Be full of grace.** Process can be more important than product.

6. **It takes 6 months or longer to find a place of ministerial service.** Severance should be generous and should be based on this fact.

7. **Utilize important key leaders in the church.** Make sure that you have the support of key leaders.
Deep Principles
8. Realize that others are not where you are.
9. Don't mislead the congregation!
10. Time to vacate the office should be as short as possible but reasonable.

Employment Practices
Section 5
Page 19

Calling Ministerial Staff
1. A great responsibility
2. A spiritual experience
3. Blessings:
   1. Knowledge of church
   2. Faith development
   3. Bonding

Pages 83-84; 20-23
Step One: Organization

Organization
1. Role of pastor in the work of the committee
2. Bond of Confidentiality
3. Report to Church
4. Need for Unanimity

Step 2: Develop Profile

1. Self Study
   1. Gather information about church
   2. Gather information about the area of service
2. Profile Minister
   1. Develop job description
   2. Determine expectations; age, education, experience, need to be married?

Step 3: Gather & evaluate resumes

Gather Resumes

Resources
- LeaderCare and Church Health
- Directors of Missions
- Schools
- Other ministers
- Church recommendations
Step 3
2. Consider the Resumes
3. Gather Further Information
   Run references

Step 4: Interview
1. Contacting the Prospective Minister
   1. Consider one person at a time
   2. Visit his church if possible
2. Interview
   1. Present job description
   2. Discuss expectations
   3. Salary and benefits

Step 5: Present to church
1. Presentation to the Church
2. Church Vote. What is required? What notice is required?
Important Principles, page 84
1. Pastor involved – has veto power
2. One person at a time
3. Visit the person on his "home turf"
4. Interview him and ask questions about his life, ministry, leadership style, concepts, philosophy of ministry, ability, experience, etc.
5. Wife must be present during the interview.

Important Principles
6. Write out, in detail, the "considerations of call" - salary, fringe benefits, vacation time, etc. Go over the job description with him. Explain it. Leave nothing to chance.
7. Invite him to your church. Meet with various committees and/or other leaders at a suitable time
8. References, credit reports, etc., should be checked on each prospective minister.

Screening
• Criminal Background check
• DL check if he might drive church vehicle
• Credit check
• Check references – don’t overlook this step
Additional methods

- Go to a restaurant. How does he treat his spouse? The server? Charles Schwab executive notified the server ahead of time to mess up the applicant’s order to see how the person would react.
- Going to the restaurant, invite spouses. They often pick up on things you might miss.
- Look at his car. Does it look like an episode of “Hoarders?”

After the call, welcome the new minister

2. Review the church – Programs, Ministries
3. Provide a brief church history.
4. Introduce all staff.
5. Tour the building / Tour the community
6. Locate a few members’ homes
7. Visit any missions or ministry points.

Interview Questions, p. 86

- Salvation, call to ministry, life family, etc.
- Philosophy of ministry
- Ask about ministry to parents; ministry to teachers and leaders
- Leadership style
- Experience
- Relationships with employers, groups
- Partner in ministry with spouse
Do not copy another business or church
Other charities are subject to laws from which the church is exempt
Other charities have reporting requirements
Government agencies can do things illegal for the church such as comp time.
Government agencies are required to put contracts out for bid.
Policy Manual

- Employment: Exempt or non-exempt
- Orientation
- Vacation, sick leave, sabbatical, PTO.
  Minister vacation based on SBC service
- Accountable reimbursement policy
- Benefits provided
  - Retirement – matching?
  - Health insurance
  - Life, disability

Employment Legal Issues
Section 8
Page 40

Proper Screening & Supervision

1. Negligent hiring
2. Negligent supervision
   1. 2 person rule
   2. Windows in the doors or open doors
   3. Child sexual abuse awareness training
   4. Staff counseling policies
3. Negligent retention
Labor Laws

**Age Discrimination in Employment Act**

A church that employs fewer than 20 individuals is exempt from the age discrimination law.

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Equal Opportunity

**The Civil Rights Act of 1964** -- "race, color, religion, sex, or national origin."

15 or more employees for at least 20 weeks in a year. Includes Part-time

**Exempts** religious organizations, including churches, from the prohibition against discrimination based on religion, and the United States Supreme Court upheld the constitutionality of this provision in 1987

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Fair Labor Standards Act

**At least minimum wage**

**Must pay time and a half for hours over 40 worked in a 7 day look back period.**

You may not give comp time (Except in the same 7-day work week which is not comp time).

**Salaried employees are covered just as hourly employees are.**

Page 42
Fair Labor Standards Act

- An employee may not volunteer for the same job for which they are paid.
- Bookkeeper could not be treated both as a paid employee and an unpaid volunteer bookkeeper for the same institution.
- A church secretary may not be paid and volunteer as church clerk.
- Requires covered employers to pay males and females the same for the same work.

Exempt or Non-Exempt

- Exempt are Executive, Administrative, or Professional.
- Ministers are exempt employees even if they don’t make $455 per week ($679 January 1, 2020).
- In most churches, Ministers are exempt; everyone else is non-exempt.
- Typical exceptions: daycare director or someone who supervises others.
- Page 48

Group Medical Insurance

- May have a group with as few as 2 with GuideStone.
- Group is often a good choice and better price.
- Only required to provide if 50 employees – FTE.
- ACA forbids discrimination in favor of the higher paid employees, but regulations never written, so not enforced.
OSHA, page 42

- Occupational Safety and Health Act
- You can invite OSHA to your church to conduct a safety inspection
- Primary problem: Custodial
  - Mixing cleaning chemicals
  - Chemical burns
  - Safety Data Sheets
  - Safety procedures

Immigration Law

- I-9 is required on all employees including ministers
- www.uscis.gov
- Retain 3 years or 1 year past termination whichever is greater
- Keep in a separate file
- Alabama requires E-Verify

Family Medical Leave Act

- 12 weeks unpaid leave for family and medical emergencies
- Keeps any health insurance in place
- Get your old job back or a job with equal pay
- Required for employers 50 and greater
- Many churches provide even when not required
- If not required, don’t refer to the act itself, it might change
Workers Comp is required when the church has 5 employees. Includes full time and part time. Includes ministers. You will pay WC insurance based on work category on your W-2s and 1099s. We recommend that you have Workers Comp even when not required.

Termination
- Should not be a surprise
- Discipline should be documented
- Have a witness present
- Provide 2 weeks pay
- Pay for any unused vacation
- Page 44

Frequent grounds for lawsuit
- Not based on conduct specified in personnel handbook
- Violated a procedure in the manual
- Violated the law
- Defamation or invasion of privacy
- Page 44
Payroll Taxes

**Warning:** Federal law specifies that any corporate officer, director or employee who is responsible for withholding taxes and paying them may be liable for a penalty in the amount of 100% of such taxes if they are either not withheld or not paid over to the government. This penalty is of special relevance to church leaders, given the high rate of noncompliance by churches with the payroll reporting procedures.

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Personnel Files

2. **Form A-4** [www.revenue.alabama.gov](http://www.revenue.alabama.gov)
3. **Form I-9** from the USCIS. [www.uscis.gov/i-9](http://www.uscis.gov/i-9)
5. **New Hire Form.** Before 5th day of work (Alabama DIR). [www.labor.alabama.gov/nh](http://www.labor.alabama.gov/nh)

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Other Labor Laws

- **Sexual Harassment:** Employees should understand the procedure for reporting situations and employers should always take complaints seriously.
- **Churches are excluded by law from the following:** COBRA, Federal Unemployment Tax, and Alabama Unemployment Tax.
Child Labor Law

Alabama Child Labor Law: Under the new system, work permits are no longer required for each minor employed. In its place, employers are required to obtain a Child Labor Certificate in order to employ minors. www.labor.alabama.gov

Working as a Team

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Questions?