

Article V Notice

Without limiting the Convention's options regarding notice to members of the Board, or other notice called for but not defined, notice may be oral or written, communicated in person, by telephone, telegraph, teletype, facsimile or other form of wire or wireless communication, or by mail or private carrier. Oral notice is permissible if reasonable under the circumstances and is effective when communicated if communicated in a comprehensible manner. Written notice, if in a comprehensible form, is effective at the earliest of the following: (1) when received; (2) five [5] days after its deposit in the United States mail, if mailed correctly addressed and with first-class postage affixed; (3) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

Article VI Convention Staff

The Convention staff shall consist of the following: Executive Director-Treasurer; administrative staff consisting of chief financial officer, associate executive directors; field services staff consisting of directors of offices/groups and associates; manager, technical and others; and support staff. The Executive Director-Treasurer will have the authority to employ, manage and terminate Convention employees. Personnel policies and current retirement guidelines are listed in the *Convention Employee Handbook*.

A. Executive Director-Treasurer:

1. The Executive Director-Treasurer of the Executive Board, who also serves as Treasurer of the Convention, shall serve as an ex-officio, non-voting, member of the Executive Board and assist by furnishing information, materials, and needed guidance for the work of the Executive Board.

2. The Executive Director-Treasurer shall be nominated to the Executive Board by a search committee of the Board appointed by the Board Chairman, and the Board's choice shall then be nominated to the Convention.

3. The Executive Director-Treasurer shall be the chief administrative officer of the Executive Board and shall have general oversight of all Convention staff and business activities. The Executive Director-Treasurer shall be responsible and accountable at all times for carrying out the policies and instructions of the Board and the Convention.

4. In the event the Executive Director-Treasurer becomes unable to serve for any reason, an associate executive director of the Executive Director-Treasurer's choosing will serve as the Acting Executive Director-Treasurer until the Executive Board can elect an Interim Executive Director-Treasurer or a permanent Executive Director-Treasurer. In the event of the Executive Director-Treasurer's inability to make this choice, the Chairman of the Executive Board shall designate the person to serve as Acting Executive Director-Treasurer.

5. The Executive Director-Treasurer shall be empowered by the Executive Board to employ, manage and terminate the Convention staff and shall report staff changes to the

Administrative Committee

6. The Executive Director-Treasurer shall receive, account for, and distribute all funds as directed by the Convention or the Board. The Executive Director-Treasurer shall maintain historical accounting records.

7. The Executive Director-Treasurer shall keep and maintain complete and permanent records, and shall be the custodian of all properties, books, papers, records, insurance policies, bonds, and other documents belonging to the Convention or the Executive Board.

8. The Executive Director-Treasurer shall be responsible for working with the Chairman of the Executive Board in organizing all Board meetings, sending out notices and pertinent materials to Board members, and for maintaining a permanent record of all Board meetings.

Article VII

Business and Financial Plan

The Executive Board shall be responsible for updating and amending the Business and Financial Plan upon recommendation of the Budget, Finance, and Audit Committee. The Budget, Finance, and Audit Committee of the Board shall monitor the Business and Financial Plan.

Article VIII

Amendments

A. Amendments to these Standing Rules may be made at any regular or special Board meeting, provided that a copy of the proposed amendment shall have been forwarded to each Board member at least ten (10) days before the meeting is to be held.

B. Any amendments shall require a two-thirds (2/3) affirmative vote for passage. Such a change should not conflict with the Articles of Incorporation or Bylaws of the South Carolina Baptist Convention or the Business and Financial Plan of the Executive Board.

Note: Shaded areas cannot be amended because of the Nonprofit Act.

(Standing Rules last amended April 24, 2017)

BUSINESS AND FINANCIAL PLAN OF THE EXECUTIVE BOARD

I. The Convention

A. General

1. The purpose of this Business and Financial Plan is to provide policies and procedures for the financial operations of the South Carolina Baptist Convention (SCBC), Institutions and Entities of the SCBC, and Executive Board of the SCBC.

2. The plan is to be administered by the Executive Board of the South Carolina Baptist Convention.

3. The Budget, Finance, and Audit Committee shall monitor compliance with the plan and will review the plan at least every three years or more often as necessary and recommend changes to the Executive Board.

B. Cooperative Program

The South Carolina Baptist Convention approves the Cooperative Program as the primary channel of support for our total world mission outreach. The Convention appeals to the churches to contribute through the Cooperative Program and recognizes the right and responsibility of the Convention to divide equitably Cooperative Program receipts.

C. Budgeting

1. The Budget, Finance, and Audit Committee of the Executive Board shall serve as the Budget Committee.

2. Each institution/entity will receive a portion of Cooperative Program monthly receipts. The portion and any restrictions will be decided by the Budget, Finance, and Audit Committee.

3. The Budget, Finance, and Audit Committee of the Executive Board shall prepare and present at the second regularly scheduled meeting of the Executive Board a comprehensive South Carolina Baptist Convention Budget recommendation for the subsequent year. Compensation and travel for the Convention staff shall be included in the comprehensive budget recommendations to the Executive Board. The summary budget shall be recommended to the annual session of the Convention by the Executive Board.

D. Fiscal Year

The financial affairs of the Convention shall be operated on the fiscal year to coincide with the calendar year, January 1 through December 31. All mailed contributions post marked on or before December 31 and received by January 7 will be counted in the prior year. All electronic contributions must have a transaction date on or before December 31.

E. The Receiving and Disbursing Agency

1. The Executive Director-Treasurer shall be authorized to receive and disburse gifts for all causes supported in the South Carolina Baptist Convention budget. All gifts shall be deposited into the Convention Trust Account.

2. The Executive Director-Treasurer will act as the disbursing officer for all funds of the Convention.

3. The Executive Director-Treasurer shall invest available funds pending distribution. Such

investments will seek a reasonable rate of return with a minimum of investment risk. Interest earnings on the Convention Trust account shall be transferred to the Executive Board Operations Account and allocated to the budget adopted by the Executive Board and the Convention.

F. Distribution of Mission Gifts

1. Cooperative Program gifts shall be divided between Southern Baptist Convention and South Carolina Baptist Convention causes by the percentage in the South Carolina Baptist Convention budget approved annually by the Convention. Funds for all causes will be distributed on a monthly basis or more often as necessary as directed by the Budget, Finance, and Audit Committee.

2. Cooperative Gifts shall be distributed according to the intent of the donor without any reduction for administrative costs. All Cooperative Gifts will be distributed on a monthly basis or more often as directed by the Budget, Finance, and Audit Committee of the Executive Board.

3. Designated gifts for South Carolina Baptist Convention and Southern Baptist Convention causes shall be distributed according to the intent of the donors without any reduction for administrative costs. All designated gifts will be distributed on a monthly basis or more often as necessary as directed by the Budget, Finance, and Audit Committee.

G. Reporting

1. In keeping with good accounting principles of internal control, quarterly reports of church gifts shall be mailed to each treasurer, and cumulative quarterly reports of church receipts shall be mailed annually to the pastor.

2. A record of each church's giving to the South Carolina Baptist Convention Budget shall be published quarterly on the convention's Web site (www.scbaptist.org/givingreports), and a News Release will be submitted in January of each year to *The Baptist Courier* announcing the yearend reports are on the convention's website – providing the URL.

3. A record of gifts for designated causes and the Weeks of Prayer Offerings shall be published annually on the convention's Web site (www.scbaptist.org/givingreports). The *Baptist Courier* will be sent a News Release at the beginning of the year announcing the yearend reports for designated causes and the Weeks of Prayer Offerings are on the convention's website. The URL will be provided in the News Release.

4. Annual condensed audit reports of the Executive Board and of the institutions of the Convention shall be published in the *Convention Annual*.

H. Loan Guarantees

The Convention shall not directly or indirectly lend money to or guarantee the obligation of an officer of the Convention or a member of the Executive Board.

I. New Enterprises

No new enterprise involving the expenditure of funds shall be authorized by the Convention except upon favorable action by the Convention in two successive annual sessions, provided that this restriction shall not apply to a recommendation of an institution of the Convention concerning the expansion of its own work as defined by its charter or the Bylaws of the Convention.

J. Publication

The Business and Financial Plan shall be published annually in the *Convention Annual* following the Standing Rules of the Executive Board.

II. Institutions and Entities

A. Audit

1. The Budget, Finance, and Audit Committee of the Executive Board of the South Carolina Baptist Convention in cooperation with a representative of each institution and entity shall elect annually a responsible firm of certified public accountants to examine the books and records of each institution and entity of the Convention.

2. Upon completion of the audit, a copy of the audit and management letter will be provided to the appropriate committee(s) of the institution's Board of Trustees. A representative of the auditing firm shall personally appear before the appropriate committee of the Board of Trustees to make a summary presentation of the audit report and answer any questions of Trustees.

3. A copy of the audit report and management letter of each institution and entity shall be filed in a timely manner with the Executive Director-Treasurer. A subcommittee of the Budget, Finance and Audit Committee of the Executive Board will review the audit and management letter of each institution and entity of the Convention and make a report to the full committee and Executive Board as needed.

4. Summary audit information for each institution and entity shall be published in the *Convention Annual*.

B. Trust Funds

Each institution and entity of the Convention shall maintain all funds, such as trust funds, endowment funds, and current and capital funds, separate and inviolate as to the cause for which the funds were received. Such funds are not to be used for any other purpose, even temporarily, except as specified by the Convention or the donors.

C. Reserves

Institutions and entities of the Convention shall provide their own Contingent Reserve to be utilized for any crisis that may occur in their operation.

D. Indebtedness

Indebtedness by any institution or entity of the Convention must be approved in advance by each respective board of trustees. Any indebtedness or liability, except as can be repaid out of anticipated revenue from the institution or entity (and other sources) within a period of two (2) years, must be reported to the Budget, Finance, and Audit Committee of the Executive Board within 30 days after the approval of the aforementioned respective board of trustees.

E. Conflict of Interest

All institutions and any other entities of the Convention shall comply with the South Carolina nonprofit corporation act regarding conflict of interest.

F. Expansion

Any institution or entity of the Convention anticipating expansion shall submit its plan of projected expansion through the Executive Director-Treasurer, and the Executive Advisory Team, and the Executive Board.

G. Special Solicitations

No financial appeals may be made to the churches by any institution or entity of the Convention for any purpose, either current or capital, without the prior approval of the Convention.

III. Executive Board

A. Audit

1. The Budget, Finance, and Audit Committee of the Executive Board shall elect a responsible firm of certified public accountants each year. The auditors are to examine the books and records of the Convention and each institution and entity of the Convention.

2. A copy of the audit report and the management letter for the Executive Board will be provided to the Budget, Finance, and Audit Committee.

3. Summary audit information for the Executive Board and each institution shall appear in the *Convention Annual*, and complete audits and management letters shall be placed in the permanent file of the Executive Board in Columbia, South Carolina and are available for inspection during regular business hours.

B. Reserves

1. The Executive Board shall maintain the Executive Board Ministries Contingent Reserve. The reserve is limited to one half (1/2) of the Executive Board Ministries portion of the annual South Carolina Baptist Convention budget.

2. The Executive Board Contingent Reserve is to be utilized only to provide emergency funds for operations of the Executive Board Ministries overall program during a period of drastically decreased receipts which may occur during a general economic recession or depression, or through other unusual emergencies.

3. The Executive Board must approve the utilization of the Executive Board Contingent Reserve based on a recommendation from the Budget, Finance, and Audit committee.

4. The Executive Board Contingent Reserve will be invested to provide a reasonable rate of return in accordance with the Convention's Investment Policy Statement. Earnings on this account will be transferred to the Executive Board Strategic Priorities Fund.

5. At the close of the year, the Executive Board Contingent Reserve Fund will be adjusted to one half (1/2) of the Executive Board Ministries portion of the next year's budget. The adjustment will be from/to the Strategic Priorities Fund.

6. The Budget, Finance, and Audit Committee may authorize temporary reserves as needed for specific needs or future projected needs.

C. Expense Reimbursement

1. Officers of the Convention, members of official Convention committees, and the members of the Executive Board shall be reimbursed for their official travel on a basis established by the Budget, Finance, and Audit Committee of the Executive Board.

2. If the President of the Convention elects to attend the annual session of the Southern Baptist Convention and the expenses are not otherwise provided, reimbursement may be made

from the appropriate area of the Executive Board budget.

D. Conflicts of Interest

Members of the Executive Board and the employees of the Convention (hereinafter referred to as representative) shall not engage in conduct which constitutes a conflict of interest.

1. A conflict of interest transaction is a transaction with the Convention in which a representative has a direct or indirect interest
2. A transaction in which a representative has a conflict of interest may be:
 - a. authorized, approved, or ratified by the vote of the Executive Board or the Budget, Finance, and Audit Committee of the Board if:
 - (1) the material facts of the transaction and the representative's interest are disclosed or known to the Board or Budget, Finance, and Audit Committee of the Board; and
 - (2) the Board members approving the transaction in good faith reasonably believe that the transaction is fair to the corporation.
3. A representative has an indirect interest in a transaction if:
 - a. another entity in which the representative has a material interest or in which the representative is a general partner or is a party to the transaction; or
 - b. another entity of which the representative is a director, officer, or trustee is a party to the transaction.
4. A conflict of interest transaction is authorized by the Executive Board or Budget, Finance, and Audit Committee of the Board if it receives the affirmative vote of a majority of the members on the Board or on the committee who have no direct or indirect interest in the transaction.

E. Fiscal Year

The financial affairs of the Executive Board shall be operated on the fiscal year to coincide with the calendar year, January 1 through December 31. All mailed contributions post marked on or before December 31 and received by January 7 will be counted in the prior year. All electronic contributions must have a transaction date on or before December 31.

F. Authorized Agents

The Executive Director-Treasurer and the Chief Financial Officer are named as the authorized agents of the Executive Board to transact the business of the Board.

G. Financial Policies and Operational Procedures

1. The Executive Board shall maintain an Executive Board Operations Account for the business of the Executive Board. This account will always be separate and apart from the Convention Trust account. All Executive Board transactions will be processed through the Executive Board Operations account.
2. The Executive Director-Treasurer shall invest available funds pending distribution. Such investments will seek a reasonable rate of return with a minimum of investment risk. Interest earnings on the Executive Board Operations Account shall be used by the Executive Board Ministries.
3. All disbursements from the Executive Board Operations account shall be supported by proper documentation and adhere to the Financial Policies and Procedures manual approved by the Budget, Finance and Audit committee. The Executive Director-Treasurer and the Chief

Financial Officer shall implement internal controls to safeguard assets according to generally accepted accounting principles.

4. The Executive Director Treasurer shall secure fidelity bond coverage for all Convention employees.

5. At the close of each fiscal year any undesignated, unexpended funds in the Executive Board budget shall be transferred to the Executive Board's Fund Balance. Expenditure of the Executive Board's Fund Balance in excess of \$50,000 must be approved by the Budget, Finance, and Audit Committee upon recommendation of the Executive Director-Treasurer. Expenditure of the Executive Board's Fund Balance less than \$50,000 must be approved by the Executive Director-Treasurer and the Chief Financial Officer.

H. Investments

The Executive Director-Treasurer and the Chief Financial Officer shall have the responsibility and authority to invest funds of the Convention and the Executive Board to provide a reasonable rate of return with a minimum of investment risk. The Budget, Finance, and Audit Committee shall establish and maintain an investment policy for the Executive Board.

I. Indebtedness

All loans of the Executive Board must be approved by the Budget, Finance, and Audit Committee and the full Executive Board. All notes and other instruments required to execute such loans shall be signed by the Executive Director-Treasurer and the Chief Financial Officer.

J. Real Property Transactions

In order to sell, dispose of, mortgage, or encumber any of the real property of the South Carolina Baptist Convention it shall be necessary first to obtain a resolution to be passed at a meeting of the Executive Board with a quorum present. Deeds of title, bills of sale, contracts, bonds, and mortgages or other instruments executed pursuant to the authority thus granted by the Executive Board shall be signed by the Executive Director-Treasurer and the Chief Financial Officer. The Executive Director-Treasurer shall affix the corporate seal thereto and when so executed shall fully bind the South Carolina Baptist Convention for the purpose expressed in said instrument.

Amendments

Alterations may be made in the Business and Financial Plan by a two-thirds (2/3) vote of the Executive Board at any meeting of the Executive Board, provided that:

- A. the change has been recommended by the Budget, Finance, and Audit Committee, and written notice, including a draft of changes, has been sent to Executive Board members two weeks prior to the meeting, or
- B. a member of the Executive Board has sent written notice of a proposed change, including a draft of changes, to all Executive Board members at least 30 days prior to the meeting of the Executive Board.

Note: Shaded areas cannot be amended because of the Nonprofit Act.

(Business & Financial Plan last amended December 13, 2018)