

# GUIDING PRINCIPLES

East Hills Community Church of Riverside, Incorporated



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# GUIDING PRINCIPLES

## Purpose 1.0

The purpose of East Hills Community Church (EHCC) is connecting people to God, each other, and a purposeful life.

## Values 2.0

At EHCC we value...

- 2.1 **God's Word** - Discipleship is rooted in God's Word and our obedience to it; therefore effective teaching of God's Word on Sunday morning, in our small groups, and in each of our ministries is vital. (2 Timothy 3:16-17, Nehemiah 8:8, John 8:31-32, Romans 10:17)
- 2.2 **Worship** - Realizing worship is not simply singing, but offering ourselves to God, East Hills teaches worship as a lifestyle and also provides a significant worship experience through music. (Romans 12:1-2, Judges 5:3, Psalm 30:4, John 4:24)
- 2.3 **Leadership** - We desire to raise up leaders to influence others for the Kingdom of God. (2 Timothy 2:2, Luke 6:40, Exodus 18:25, Acts 20:28)
- 2.4 **Missions** - We are committed to not only providing financial and prayer support to those in the mission field, but also actively serving in the mission field ourselves locally and globally. (Matthew 28:18-20, Matthew 5:14-16)
- 2.5 **Serving and Ministry** - God has gifted each of us to serve one another and we believe that all believers are ministers and should be in ministry using their gifts. (1 Peter 4:10, Mark 10:45)
- 2.6 **Small Groups** - We are of the conviction that small groups are more than Bible studies; but people of faith doing life together. This includes living out our faith in community with one another, learning to love God and one another, investigating God's Word, experiencing real fellowship, and evangelizing others. (Acts 2:42-47, Mark 12:28b-31)
- 2.7 **Integration** - We believe our young people are not just the church of tomorrow, but also the church of today and therefore include them in our ministry efforts based on their giftedness and passion. We seek to include all people of all ages, backgrounds and cultures to be involved in the calling to make disciples. (1 Timothy 4:12, 2 Timothy 2:2, 1 Corinthians 12:12-27)
- 2.8 **Church Multiplication** - God has placed a call on East Hills to multiply churches. As a church plant itself in 1998, East Hills has already planted churches locally and abroad, as well as being a part of

other local church starts. We believe in multiplying churches in whatever ways God makes available. (Matthew 28:18-20, Ecclesiastes 3:1-8)

- 2.9 **Family** - Focusing on family events, integrating families into ministry, teaching and modeling family roles (husband, mother, child, etc.) are all vital elements at East Hills. (Ephesians 6:1-4, Deuteronomy 11:18-21, Titus 2:1-3)

## **Boundaries** **3.0**

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The Lead Pastor is the representative of the staff of EHCC. The following states the boundaries set forth for the accomplishment of ministry at EHCC.

- 3.1 **Integrity** - The leadership shall not cause or allow any practice, activity, decision or organizational circumstance that is unbiblical, unethical, or unlawful.

### **3.2 Financial Planning and Budgeting**

- 3.2.1 Financial planning shall not deviate materially from the purpose of EHCC or jeopardize financial stability.
- 3.2.2 An emergency reserve will be kept in our savings account of 8.33% of the annual budget.
- 3.2.3 The Lead Pastor will provide a monthly update to the Elder Board.
- 3.2.4 The Lead Pastor will present an Annual Budget to the Elder Board for approval.
- 3.2.5 The Elder Board will present the approved budget to the congregation for affirmation.
- 3.2.6 A year-to-date summary Profit and Loss statement will be provided each year at the annual meeting.

### **3.3 Financial Limitations**

- 3.3.1 The Lead Pastor may not spend in excess of the aggregate approved budget without the approval of the Elder Board.
- 3.3.2 Check Signing
  - 3.3.2.1 No check disbursements shall be released without two signatures.
  - 3.3.2.2 No individual shall sign any check written to themselves.
- 3.3.3 Church Assets
  - 3.3.3.1 The Lead Pastor shall not dispose of any real property or assets valued at greater than \$5,000 without the approval of the Elder Board.

3.3.3.2 East Hills Community Church of Riverside, Incorporated, with the approval of the Elder Board, has the ability to obtain debit cards for the general checking account or credit cards in the name of the organization for organizational use. Access to these cards will be at the discretion of the board of Elders. Spending on any debit/credit card must be reported to the treasurer or the Elder Board or his designee, along with a receipt of the spending.

- Debit/credit cards will be used only for business purposes. Personal purchases of any type are not allowed.
- No one other than the approved card holder can use any issued card.
- Lost or stolen cards must be reported immediately.
- Each card holder will sign a copy of this policy at the time the card is issued.

The organization will annually approve an official operating budget. The Elder Board will create an effective process for estimating the next year's cash flow necessary to create a reasonable budget.

3.3.3.3 All disbursements for building maintenance and repair, large equipment purchases or safety related issues are subject to the following guidelines:

- 3.3.3.3.1 All work orders up to \$2,500 in the aggregate within a calendar month, can be approved by the Lead Pastor.
- 3.3.3.3.2 Work orders exceeding \$2,500 in the aggregate, will require additional approval by the Elder Board.
- 3.3.3.3.3 All projects exceeding \$2,500 in the aggregate will require two (2) or more competitive bids before approval can be given to begin the project.

3.3.3.4 Tithes and Offerings

- 3.3.3.4.1 Deacons must give an accurate count of the giving on Sunday morning. This includes the physical giving from the Worship Service, money that was placed in the safe, and any checks/cash arriving in the weekend mail.
- 3.3.3.4.2 A minimum of three Deacons is required to handle and count money. This ensures that two will always be present if one needs to step out of the room. One person should never be left alone when money is being handled.
- 3.3.3.4.3 Deacons will use, fill in, and save an accurate *"Deacon's Sunday Report (Attendance and Giving)."*

- 3.3.3.4.4 The tithes and offerings will be split into designated and not designated giving.
- 3.3.3.4.5 Check numbers and amounts will be inputted into the *Deacon's Sunday Report*.
- 3.3.3.4.6 Cash will be counted with the totals inputted into the *Cash Count* tab of the *Deacon's Sunday Report*.
- 3.3.3.4.7 Attendance will be taken by counting each of the children and youth classrooms and the Worship Center. The count should be done at the start of the sermon ensuring that all adults, children and youth are in their proper place.
- 3.3.3.4.8 Attendance numbers will be inputted into the *Sunday Worship Attendance Count* tab of the *Deacon's Sunday Report*.
- 3.3.3.4.9 Copies will be made of each check and all \$100 bills (or higher currency) in order to be accountable and for proof of the amount should there be any discrepancy with the bank.
- 3.3.3.4.10 The completed "Deacon's Sunday Report (Attendance and Giving)" and any necessary documentation will be printed and secured for our bookkeeper to review. The report must be signed by two Deacons.
- 3.3.3.4.11 Deacons will take checks and cash along with a completed deposit slip to the bank for deposit.
- 3.3.3.4.12 The church bookkeeper will check the information to make sure it is accurate, add the online giving, add the direct deposits, and document all the information in its proper place.

### 3.3.3.5 Deacon Fund

- 3.3.3.5.1 A separate fund - apart from the General Fund - will be established for the Deacons to care for needs in and outside of the church congregation.
- 3.3.3.5.2 The Lead Pastor may disburse, provided funds are available, up to \$200 without approval of the Deacons or the Elder Board for the purposes of care. This would include, but is not limited to cash, bill payments, gift cards for grocery stores, gift cards for gas, or for food.

- 3.3.3.5.3 The Deacon Board may disburse, provided funds are available, up to \$1,000 without approval of the Elder Board after going through their normal process which shall include, but is not limited to, completion of a form for request of funds and an interview of the requestor by not less than three deacons. The interview may be bypassed if the Deacons find a member of the congregation who is in need that they wish to help but has not come forward.
- 3.3.3.5.4 All disbursements over \$1,000 must be approved by the Elder Board upon recommendations of the Deacons after they have gone through their normal process. The Elder Board may meet with the requestor at their discretion.
- 3.3.3.5.5 The approval levels may be adjusted by the Elder Board at their discretion.
- 3.3.3.5.6 A quarterly report summarizing the fund's expenditures will be made available to the congregation. Confidentiality of those helped will be maintained and not made public.

**3.4 Communication and Support to the Elder Board** - The Lead Pastor shall not mislead or withhold material information from the Elder Board in order for them to faithfully govern the church.

## **Accountability Principles** **4.0**

The Lead Pastor will work directly with the Consistory to achieve the fulfillment of the Purpose and avoid violation of the Boundaries.

### **4.1 Church and Community**

- 4.1.1 Devotion to Prayer and the Word of God under the teaching and guidance of the Lead Pastor, the Elder Board will continually seek the wisdom and leading of Christ as the Lord of the church.
- 4.1.2 Community Awareness - The Elder Board will maintain awareness of the needs of the people in the community and will work to enhance the church's ministry effectiveness in the community.
- 4.1.3 Congregational Awareness - The Elder Board will collect and/or review input and feedback from the congregation to better understand their needs.

### **4.2 Elder Board**

- 4.2.1 The Elder Board shall conduct itself with discipline and integrity with regard to its own process of governance.

4.2.2 The emphasis of the Elder Board shall be:

- 4.2.2.1 More visionary than administrative.
- 4.2.2.2 More outward focused than inward.
- 4.2.2.3 More committed to pastoral accountability than staff management.
- 4.2.2.4 More future focused than focused on past or present.
- 4.2.2.5 More proactive than reactive.
- 4.2.2.6 Affirming of diversity and unity.

### **4.3 Elder Board Job Description**

4.3.1 The essential tasks of the Elder Board are:

- 4.3.1.1 Representing Christ and His mission to the world.
- 4.3.1.2 Monitoring the Lead Pastor's performance.
- 4.3.1.3 Evaluating and refreshing the Guiding Principles.

4.3.2 In addition, the Elder Board shall exercise authority over issues granted to it in the bylaws of the church. The Elder Board will not assume responsibilities delegated by the bylaws to the Lead Pastor.

### **4.4 Elder Board Member Code of Conduct**

4.4.1 The members of the Elder Board will:

- 4.4.1.1 Live a lifestyle of obedience to scripture that guides our words and our actions.
- 4.4.1.2 Honor the principles and decisions of the Elder Board acting as a whole even in the case of respectful dissent.
- 4.4.1.3 Not represent any group or constituency within or outside the church to the detriment of EHCC (i.e. no hidden agendas).
- 4.4.1.4 Not foster dissent or attempt to exercise individual authority over the staff or the church except as explicitly stated in the Guiding Principles.
- 4.4.1.5 Respect the confidentiality of Elder Board issues.



4.4.1.6 Not participate in or facilitate gossip, triangulation, or passive aggressive behavior.

4.4.1.7 Disclose any conflict of interest and abstain from any decision affected by such interest.

#### **4.5 Development of Elder Board**

4.5.1 The Elder Board will remain humble and teachable as it is committed to personal growth and ministry development.

#### **4.6 Responsibility of the Lead Pastor**

4.6.1 The Lead Pastor has the responsibility and authority to serve as the primary leader of the congregation, staff and Elder Board.

4.6.2 The Lead Pastor will inform the Elder Board of any issues or concerns that affect the work of the Elder Board or the work of the Lead Pastor.

#### **4.7 Accountability for the Lead Pastor**

4.7.1 The Elder Board has the responsibility to support the Lead Pastor, monitor his performance, and hold him accountable.

4.7.2 Annual Goals of the Lead Pastor - The Lead Pastor will be required to write measurable goals each year that correspond to the Purpose Statement.

4.7.3 Annual Review of the Lead Pastor - Each year the Elder Board shall review the results achieved by the Lead Pastor on each of the annual goals. A merit raise, cost of living raise, corrective action or request for resignation shall be based on these results achieved within the Boundaries and Accountability Principles.

4.7.4 Periodic Goal Review of the Lead Pastor - The Lead Pastor's goals should be discussed for status, correction and/or modification quarterly.

4.7.5 The Elder Board speaks in one voice - Only decisions of the Elder Board acting as a whole are binding on the Lead Pastor.

4.7.6 Delegation to the Lead Pastor - Upholding the Guiding Principles and observing Boundaries, the Lead Pastor will use any reasonable interpretation to fulfill the Purpose of the church.

4.7.7 Theology and Character of Lead Pastor - The Lead Pastor will teach, preach and live according to the Bible.

### 5.1 Accountable Reimbursement Policy

- 5.1.1 Whereas Treasury Regulations 1.162-17 and 1.274-5(e) provide that an employee "need not report on his tax return" expenses paid or incurred by him/her solely for the benefit of his/her employer for which he/she is required to account and does account to the employer and which are charged directly or indirectly to the employer; and

Whereas Treasury Regulation 1.274-5(e) further provides that "an adequate accounting means the submission to the employer of a reimbursement form (statement of expense) or similar record maintained by the employee in which the information as to each element of expenditure (amount, time and place, business purpose, and business relationship) is recorded at or near the time of the expenditure, together with supporting documentary evidence, in a manner which conforms to the 'adequate records' requirements" set forth in the regulation; and

Whereas this organization desires to establish a reimbursement policy pursuant to Treasury Regulations 1.162-17 and 1.274-5(e); therefore be it Resolved, that This organization hereby adopts a reimbursement policy pursuant to IRC Section. 62(c), IRC Section 274 and Treasury Regulations 1.162-17 and 1.274-5(e), upon the following terms and conditions:

The President, or any person now or hereafter employed by this organization shall be reimbursed for any ordinary and necessary business and professional expense incurred on behalf of the organization, if the following conditions are satisfied:

1. The expenses are reasonable in amount;
  2. The person incurring the expense documents the amount, time and place, business purpose, and business relationship of each such expense with the same kinds of documentary evidence as would be required to support a deduction of the expense on the person's federal income tax return; and
  3. The person documents such expenses by providing the organization treasurer with an accounting of such expenses no less frequently than monthly. In no event will an expense be reimbursed if substantiated more than sixty (60) days after the expense is paid or incurred by a pastor, associate in ministry or employee.
- 5.1.2 The organization shall not include on a President's or other employee's Form W2 the amount of any business or professional expense properly substantiated and reimbursed according to the preceding paragraph, and these persons should not report the amount of and such reimbursement on his or her Form 1040.
- 5.1.3 Any organization reimbursement that exceeds the amount of business or professional expenses properly accounted for pursuant to this reimbursement policy must be returned to the organization within 120 days after the associated expenses are paid or incurred and shall not be retained by the President, associate or employee.

- 5.1.4 If, for any reason, the organization's reimbursements are less than the amount of business and professional expenses properly substantiated by a President or other employee, the organization will report no part of the reimbursements on the employee's W2, and the President or employee may deduct the unreimbursed expenses as allowed by law.
- 5.1.5 Under no circumstances will the organization reimburse a President or other employee for business or professional expenses incurred on behalf of the organization that are not properly substantiated according to this policy. The organization and staff understand that this requirement is necessary to prevent our reimbursement plan from being classified as a "non-accountable" plan.
- 5.1.6 All receipts and other documentary evidence used by a President or other employee to substantiate the business nature and amount of business expenses incurred on behalf of the organization shall be retained by the organization. The President or employee may, at his or her election, make copies of such evidence.
- 5.1.7 The organization reserves the right to deny a reimbursement request for the following reasons:
1. The individual requesting the reimbursement incurred an unauthorized expenditure;
  2. The individual does not submit the request within 60 days of incurring the expenditure; or
  3. The organization's budget cannot support the reimbursement.

In the case where the organization denies a reimbursement request, a written explanation shall be given to the individual stating one of the three items described above. Denied individuals may appeal the denial to the Elder Board. The decision of the Elder Board shall be the final resolution.

## **5.2 Anti-Terrorist Policy**

- 5.2.1 WHEREAS, exempt organizations under section 501(c) of the internal revenue code may engage in activities overseas and give money and support to foreign organizations that have not qualified for tax-exempt status in the United States, Revenue Ruling 68-489, 1968-2C.B. 210 clearly indicates that "An organization will not jeopardize its exemption under section 501(c)(3) of the Code, even though it distributes funds to nonexempt organizations, provided it retains control and discretion over use of the funds for section 501(c)(3) purposes so long as it meets certain requirements."
1. All foreign activities and support of foreign organizations shall be to further the purposes of this organization as stated in the articles of incorporation.
  2. The exempt organization will be required to ensure that use of the funds for section 501(c)(3) purposes will be limited to specific projects that are in furtherance of this organization's exempt purposes.
  3. This organization shall retain control and discretion as to the use of the funds and;

4. Maintain records establishing that the funds were used for section 501(c)(3) purposes.

5.2.2 WHEREAS, Executive Order 12947, and its annex 13099, issued by President Bill Clinton and Executive Order 13224, issued by president George W. Bush, blocking certain transactions between U.S. citizens, including corporations and persons who commit, threaten to commit or support terrorism.

Be it RESOLVED, that this organization adopts an International Activities and Terrorism Policy effective immediately and unless rescinded or amended shall remain in effect perpetually. This policy is based on the voluntary best practices guidelines issued by the U.S. Treasury Department. The organization shall take all reasonable steps to stay up to date with the latest list of countries considered state sponsors of terrorism and are subject to special sanctions under 31 CFR Part 596. This organization shall regularly check and rely upon the data provided by the U.S. Department of State as found in the "Specially Designated Nationals and Blocked Persons List" and "List of Sanctioned Countries".

Furthermore, this organization shall ensure that all transactions between this organization and any foreign entity or individual will be for the furtherance of our exempt purposes, and that the following information be gathered:

1. The foreign organization's name in English, in its native language, and any other identifying information.
2. The places where the foreign organization maintains a physical presence.
3. Copies of the organization's formation documents as approved by the proper authorities.

### 5.3 Benevolence Policy

5.3.1 This church, in exercise of its religious and charitable purposes, has the ability to establish a benevolence fund to assist persons who are truly in need.

Title 26 CF 1.170A-4A(D) defines a truly in need person as: A person who lacks the necessities of life, involving physical, mental, or emotional well-being, as a result of poverty or temporary distress. Examples of needy persons include a person who is financially impoverished as a result of low income and lack of financial resources, a person who temporarily lacks food or shelter (and the means to provide for it), a person who is the victim of a natural disaster (such as fire or flood), a person who is the victim of a civil disaster (such as a civil disturbance), a person who is temporarily not self-sufficient as a result of a sudden and severe personal or family crisis (such as a person who is the victim of a crime of violence or who has been physically abused), a person who is a refugee or immigrant and who is experiencing language, cultural, or financial difficulties, a minor child who is not self-sufficient and who is not cared for by a parent or guardian, and a person who is not self-sufficient as a result of previous institutionalization (such as a former prisoner or a former patient in a mental institution).

This church would further need to refrain from the giving of benevolence to any persons that would be considered disqualified, as defined in section IRC § 4946. Disqualified persons are any individual who is:

1. A substantial contributor to you;
2. A Pastor, Elder, Deacon, or any other individual who has similar powers or responsibilities;
3. An individual who owns more than 20% of the total combined voting power of a corporation that is a substantial contributor to you;
4. An individual who owns more than 20% of the profits interest of a partnership that is a substantial contributor to you;
5. An individual who owns more than 20% of the beneficial interest of a trust or estate that is a substantial contributor to you;
6. A member of the family of any individual described above;
7. A corporation in which any individuals described above hold more than 35% of the total combined voting power;
8. A trust or estate in which any individuals described above hold more than 35% of the beneficial interests; and
9. A partnership in which any individuals described above hold more than 35% of the profits interest.

The administration of the benevolence fund, including all disbursements made to fully-qualified individuals, is subject to the exclusive control and the discretion of the board of Elders or other designated body of this church.

#### **5.4 Conflict of Interest Policy**

5.4.1 The purpose of the Conflict of Interest Policy is to protect this tax-exempt organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Pastor or Elder of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

##### **5.4.2 Definitions:**

**Interested Person:** Any Pastor, Elder, employee or member of a committee with Elder Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

**Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
2. Compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement,

3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.
4. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
5. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate Elder Board or committee decides that a conflict of interest exists.

#### 5.4.3 Procedures:

- 5.4.3.1 **Duty to Disclose:** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Elders and members of committees with Elder Board delegated powers considering the proposed transaction or arrangement.
- 5.4.3.2 **Determining Whether a Conflict of Interest Exists:** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Elder Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- 5.4.3.3 **Procedures for Addressing the Conflict of Interest:** An interested person may make a presentation at the Elder Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest. The chairperson of the Elder Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the Elder Board or committee shall determine whether the organization can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Elder Board or committee shall determine by a majority vote of the disinterested Elders whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
- 5.4.3.4 **Violations of the Conflicts of Interest Policy:** If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making

further investigation as warranted by the circumstances, the Elder Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### 5.4.4 Records of Proceedings:

The minutes of the Elder Board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Elder Board or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions
3. The content of the discussion, including any alternatives to the proposed transaction or arrangement, and
4. A record of any votes taken in connection with the proceedings.

#### 5.4.5 Compensation:

A voting member of the Elder Board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation. No voting member of the Elder Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### 5.4.6 Annual Statements:

Each Pastor, Elder, employee, and member of a committee with Elder Board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

#### 5.4.7 Periodic Reviews:

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax exempt status, periodic

reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

#### **5.4.8 Use of Outside Experts:**

When conducting the periodic reviews as provided for in 5.3.7, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Elder Board of its responsibility for ensuring periodic reviews are conducted.

### **5.5 Donated Property Policy**

**5.5.1** In the event that the church receives a donation of personal property that does not have a useful church function, the Elders Board will meet at a regularly called board meeting and decide how to put the property to use or dispose thereof. The church will follow the procedures outlined below:

1. We will first attempt to find an applicable use of the property.
2. The property will be evaluated and an estimated value will be established that is as close to the fair market value of that item. An attempt to sell the property at that price will be made. The monies raised from the sale of the item shall be used solely for church purposes.
3. If efforts to sell the property fail, then it shall be auctioned off on the church property to the highest bidder. At all times the funds from the sale of the item shall be used solely for church purposes.

**5.5.2** The organization may accept gifts of real estate, including houses, condominiums, commercial properties, farmland, rental property and undeveloped land, after a thorough review of the following factors:

1. The usefulness of the property for church purposes.
2. The marketability of the property.
3. The existence of restrictions, reservations, easements, and/or other limitations.
4. The existence of encumbrances, such as mortgages and mechanics liens.
5. Carrying costs, such as property owner's association dues, taxes, insurance, and other maintenance expenses, and
6. Fair market value in relation to the costs and limits listed above as determined by a qualified appraisal conducted in accordance with IRS standards.



5.5.3 Prior to the acceptance of any parcel of real property, an assessment of the potential environmental risks may be conducted. This assessment may include the following:

1. An inquiry of the present owner regarding his, her or its knowledge of the history of the property.
2. A title search to determine who the prior owners might have been.
3. A consultation with federal, state, and local environmental agencies to find out whether the property has any history of hazardous waste contamination, and
4. A visual inspection of the property for any evidence of environmental hazards

5.5.4 An environmental audit conducted by a professional service also may be required. The decision to accept gifts of real estate requires approval by the Elder Board.

The organization reserves the right to require that the donor or the donor's personal representative pay the cost, including professional fees, of any review or investigation described above as a condition of considering acceptance of the property in question.

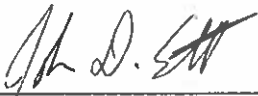
The undersigned hereby certifies that he is a duly elected and qualified member of the Elder Board of East Hills Community Church of Riverside, Incorporated, a corporation duly formed pursuant to the laws of the state of California and that these Guiding Principles and Core Policies have been duly adopted at a meeting of the official board of Elders. This meeting was held in accordance with state law and the bylaws of the above-named corporation and that the policies therein are now in full force and effect without modification or rescission.

## Signatures of Adoption

6.0

These Bylaws adopted on this the 15<sup>th</sup> day of December, 2022, make null and void all prior addenda, and these Guiding Principles supersede and replace all previous Guiding Principles voted on prior to this day.

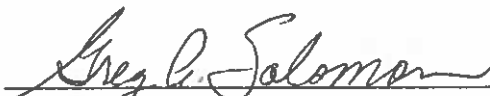
Signed and certified, to be effective immediately.



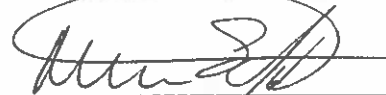
John Stewart - Lead Pastor/President



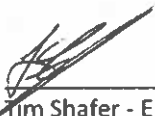
Ken Koozin - Elder/Treasurer



Greg Solomon - Elder/Vice President



Marc Salcedo - Elder/Secretary



Tim Shafer - Elder

