



## FISCAL AGENT AGREEMENT

This agreement is between the fiscal agent (a congregation, synod or other organization) and a Congregation Under Development or Synodically Authorized Worshiping Community of the Evangelical Lutheran Church in America. The intent is to formalize a process to provide fiscal management for the growing ministry until the ministry can take on this responsibility themselves. Since the process of mission development can be lengthy and unpredictable, the fiscal agent relationship may be for an undetermined period of time and requires flexibility on the part of both parties as well as mutual agreement for any changes.

Third party Fiscal agents for developing congregations are those organizations that handle the salary and benefits and tax payment (if applicable) of the mission developer until the ministry is organized or able to handle their own finances. The fiscal agent and the ELCA will be joint/co-employers of the developers.

While you are asked to handle the financial responsibilities, the Director for Evangelical Mission (DEM) will continue to provide oversight to the developing ministry and supervise the mission developer with input from other Domestic Mission Unit (DM) staff, the synod, and local leaders, as appropriate.

Fiscal agents do not set programmatic policy regarding the ministry nor do they receive a management fee for their services. If the new ministry is its own fiscal agent, you will obviously be more involved in the day-to-day activities. Visit with your DEM about what is appropriate.

This document will remain in effect for an undetermined length of time and may be terminated by either party for any reason. Thirty-day notice is requested to accommodate any necessary transitions.

### **Who might be a fiscal agent?**

The fiscal agent might be the synod, another congregation in the synod, or the mission congregation itself—that is incorporated, has council/board approval, and can responsibly add another individual/s to its payroll.

## **WHAT YOU NEED TO DO AS A FISCAL AGENT FOR A MISSION DEVELOPER**

### **A. INITIALLY:**

1. Read this document carefully, walk through the Check List, and get your council's approval to be a Fiscal Agent. Ask the president, treasurer, or an authorized party—but not the pastor—who is subject to the agreement or Board of Directors to **sign this Fiscal Agent Covenant** which outlines roles and responsibilities. Send a copy of the signed covenant, together with the completed check list, to DM. (See last page.)

(Your DEM may want to gather all concerned parties to discuss the financial details and the processes:

- a) How are day to day expenses to be paid?
- b) Who—and how—Mission Founders gift-giving will be monitored. Who makes contacts if one of them is late in their commitment?
- c) Who—and how—salary contributions from the new ministry will be monitored.)
- d) Forms required)



2. Create an **appointment** letter, using the template attached, and forward to the mission developer for signing. When returned, file the original signed document and forward copies as requested in A.10. (The developer has (or will) receive one from DM.)
3. The developer must complete and sign an **I-9** no later than the first date of employment but not before accepting a job offer. The Fiscal Agent must complete and sign Section 2 within 3 business days of the developer's first day of employment. Keep it in the developer's personnel file. (Available at [www.uscis.gov/files/form/I-9.pdf](http://www.uscis.gov/files/form/I-9.pdf))
4. Provide a **W-4** form for lay developers and clergy *if you are asked to withhold their payroll taxes*. (Self-employed clergy may pay their own quarterly income tax and social security and do not have to use the W-4 form.) Re-do annually only if changed from the previous year. File.
5. Add the developer to your **Workers Compensation** policy. (The cost for this will be included in the total salary package of the developer and be considered in the determination of the DM grant with the Program Director for New Congregations). Make sure the developer is included in your general liability policy.
6. If the ministry is in Oregon, the fiscal agent must obtain and keep **Unemployment Insurance** current. Workers in other states need to be told that they do not have this benefit.
7. If the developer is ordained clergy, have the developer complete a "**Housing Allowance Form**" (insert your contact information into the form before giving to them). This needs to be completed before the beginning of each new year and accepted by your council. Keep the original in your permanent files, send a copy to developer, and ensure that it is received promptly. Make sure that this is completed before year end.
8. If you have not already done so, contact the ELCA **Board of Pensions** (BOP) to indicate that you are the fiscal agent for the designated developer and will be handling Board of Pensions items (Health insurance, disability, and pension). BOP can provide a "Change of Call" form which the developer needs to complete immediately. You will need to sign it and provide your BOP Employer ID number. (Please note: This form does not affect the developer's "call" status as a rostered leader. It's merely needed for billing and mailing purposes with the BOP.) The form is available at <https://www.elcabop.org/forms.aspx>. Notice that there are separate forms for clergy, rostered laypersons, and non-rostered laypersons.
9. If the mission developer wants to be covered by an **accidental loss of life/dismemberment/bodily injury policy**:
  - a) If you as the fiscal agent are a synod that participates in such a program (not all synods do), please provide the appropriate information to the mission developer.
  - b) If you as the fiscal agent are a congregation, you are not required to carry this, but the developer may choose to participate and pay on his/her own. (The company that the ELCA works with is Chubb: [www.chubb.com](http://www.chubb.com), but many other insurance companies carry this kind of insurance, too.)
10. **Send a copy of each** of the following to The Director for New Evangelizing Congregations, ELCA/DM, 9<sup>th</sup> floor 8765 W Higgins Rd., Chicago, IL 60631:



- A signed copy of this Fiscal Agent Agreement
- A signed copy of the Appointment Letter on your letterhead
- A completed Check List and Signed Fiscal Agent List, and dated
- A copy of the Financial Package Form you received from the DEM.

## B. ON-GOING

1. Maintain an **individual file** for the developer, as you do for each employee, which is kept confidential and includes anything related to payroll, salary, continuing education leaves/sabbaticals, or annual reviews. Employee records are personal and will be kept in a locked file, to be accessed only by authorized individuals. Medical records need to be filed separately; also the I-9 form needs to be in secure area as required by your state.

2. Handle all items related to the mission developer's **salary and benefits**, including health insurance, disability, pension, and first two quarters of the developer's **car allowance** (if the developer has just arrived at the ministry site and there is still no faith community gathering. After that, the responsibility for car allowance is that of the congregation-under-development). **Continuing Education** opportunities should be discussed between and agreed to by the developer and the DEM before requests are made for payment from the fiscal agent. Current funding agreement is \$500.00.

In the early stages of development, it may be wise for an outside fiscal agent to also handle start-up funds and **day-to-day program costs and income**, so as not to put the mission developer at risk with solo handling of funds. Some synods have chosen to provide a debit card with a "lid amount" so he/she doesn't need to voucher everything. All such expenses do need to be substantiated. However, once able, and agreed to by the DEM the mission should assume this responsibility. Determine, with the DEM, what is most appropriate in your specific situation.

**IF** it is decided that you, as fiscal agent, will handle these expenses, then you will also need to:

- a) Pay **day-to-day expenses**,
- b) Submit the congregations **mission support** (benevolence) to the synod on a regular basis. (Once new congregations start worship services and collect offerings, they provide 10% - 15% to the synod in mission support.)

You should receive a **Financial Package Breakdown** annually from your DEM, which indicates the salary package of the developer, contribution sources, and the income stream.

The DEM will have a conversation with the Director for New Evangelizing Congregations in DM related to the specific salary package and DM's financial commitment for the ministry for the year. DM provides the committed grant amount the first week of each month.

*(Resource: See the "Church Employment and Payroll" section, pages 15-26, of the "Congregational Treasurers Financial and Accounting Guide" on the ELCA Web site: <http://www.elca.org/Who-We-Are/Our-Three-Expressions/Churchwide-Organization/Office-of-the-Treasurer/Finance-for-Congregations.aspx> )*

3. Keep accurate **employment records**.



4. If the developer is ELCA ordained clergy, remind the developer in fall that you need the “**Housing Allowance Form**” by December 1 for the next year.

5. Keep the DEM informed about incoming funds from **Mission Founders** (synod and other congregations) as well as **salary contribution** commitments from the mission congregation. IF there are any problems, allow enough time for an appropriate resolution.

Salary contributions: The mission congregation shares incrementally increasing funds to the fiscal agent—from the offerings of the members (using 10% as a starting point)—toward their leader’s compensation package, once worship services begin. (This is in addition to the 10% (at least) to the synod for regular mission support.) The DEM determines the appropriate annual expectation in conversation with the Director for New Congregations. The ministry signs an annual covenant indicating its salary contribution.

6. Obtain annually—from the DEM—signed “Letters of Intent” from all **Mission Founders**, including the synod, with agreed-upon dates of submission of funds. Initial gifts should be calculated so the Mission Founder is “paying ahead.”

IT IS NOT the responsibility of a fiscal agent to be a fundraiser but to channel funds received. (The fiscal agent may also be one of the Mission Founders, contributing toward the salary package as well as providing *prayer, presence, and other presents*. OR, if the fiscal agent is also the sponsoring congregation, it will be much more integrally involved and may have a much bigger financial commitment.)

7. Provide a **W-2** by January 31, each year, in keeping with local, state and federal requirements.

As required file 941 Forms, File W -3

8. Prepare appropriate **reports** requested by DEM and mission congregation leadership.

9. Direct **questions or concerns** to the DEM with ample time for resolution.

10. When the Fiscal Agent, the DEM, and the Ministry decide the ministry is ready to manage it’s own finances, work with the ministry leadership to intentionally **transfer financial management** to the ministry. The ministry must complete the incorporation process prior to taking responsibility for their financial management

11. As requested fiscal agent will share copies of documents with DEMs and DM.

12. Pray for them, love them, support them, and nurture them as you are able.

**For your information, DM will:**

1. Continue to be the sole employer for those individuals who are in this country on a Religious Workers Visa or have any immigration issues, until adjustments can be made without jeopardizing the developer’s immigration status.

2. Continue to receive new ministry profiles and, in consultation with nine bishops representing their respective regions as well as other individuals, approve new ministry sites throughout the ELCA.



3. Perform Mission Developer's Interview, a background check, and reference checks on each individual and pay any costs involved.

4. Give information regarding moving cost and cover the costs of the initial move for the developer.

5. Provide education and training for the developer (including offering harassment and abuse prevention training)

6. Provide coaching for each mission developer in coordination with the DEM

7. DM provides a grant to the fiscal agent. Checks will be sent the first week of each month.

NOTE: If the developer is new to the position, the synod will provide Start-Up Costs for setting up an office, as per the New Ministry Profile. Computer and other technology needs will need to come from that source.

8. Recruit and train a Director for Evangelical Mission (DEM) available to work on the synod territory and offer advice and supervision to all developers on the local level.

9. Handle performance goals and reviews with the DEM in a cooperative manner with the fiscal agent.

10. Handle any separations, involuntary terminations, and severance issues jointly with the DEM, the synod, and the fiscal agent, and the ministry with input from ELCA Human Resources.

11. Partner with other units of the Churchwide Office, especially the Mission Investment Fund as it provides loans and grants.

12. Continue to provide a network of support for ethnic specific, multicultural, urban, emerging, and other unique ministries.

13. Work closely with the DEM and synod tables for developing a system of maximizing Mission Partners and Mission Founders.

14. The DEM will assist the developer in handling coverage issues when there are requests for jury duty or call-up for military service, with input from DM for long-term coverage, if necessary.

15. Provide consultation with the Fiscal Agent and the DEMs, the synods, and the ministries, when needed.

The Domestic Mission Unit will work with Lutheran and ecumenical partners to accompany synods, institutions, agencies, and congregations to bring people to a richer understanding of their baptismal vocational call to serve God's mission in their setting and in the world.



**Fiscal Agent Agreement:**

We have read this document, obtained appropriate approval from leadership, and understand the roles and responsibilities. We are blessed to have the opportunity to share in this vital ministry of the ELCA and are privileged to support this ministry as it bring the Good News of the Gospel to it's community for the sake of the Church and the sake of the world. We agree to be the fiscal agent for

\_\_\_\_\_ at \_\_\_\_\_.  
(Mission Developer) (Ministry & Location)

1) Fiscal Agent Entity: \_\_\_\_\_  
Full Legal Name

Contact Name \_\_\_\_\_

Entity Full Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip code: \_\_\_\_\_

E-mail: \_\_\_\_\_ Phone number: \_\_\_\_\_

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_



**Evangelical Lutheran Church in America**

God's work. Our hands.

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