

BUSINESS AND FINANCIAL PLAN OF THE MISSOURI BAPTIST CONVENTION

1. Cooperative Program and Special Offerings

The Convention approves the Cooperative Program of Southern Baptists as its major plan of world mission work, and it urges the churches in the state to support it and to look to the Convention to divide the Cooperative Program receipts equitably among all its programs.

The Convention also approves three mission offering plans: (1) the Lottie Moon Christmas Offering for international missions, (2) The Annie Armstrong Offering for North American missions, and (3) the Rheubin L. South Missouri Mission Offering, and others as determined by the Executive Board.

The Convention also approves promotion of the Southern Baptist Convention sponsored World Hunger Offering by the Missouri Baptist Christian Life Commission.

2. Budgets

- A. The Executive Board shall develop for Convention approval the goal and the budgets as follows:
 - a. A **Cooperative Program Budget Goal** showing the total amount of funds expected to be received for the Cooperative Program in the calendar year.
 - b. A **State Convention Cooperative Program Allocations Budget** showing:
 - (1) Percent of available funds going to the Southern Baptist Convention causes
 - (2) Percent of available funds going to Missouri Baptist Institutions and Agencies of the Convention
 - (3) Percent of available funds going to the Executive Board programs and the Missouri Baptist Convention
 - c. An **Executive Board Budget** showing
 - (1) Expected receipts from all sources for the Executive Board
 - (2) Disbursements of all anticipated receipts for the Missouri Baptist Convention and Executive Board programs shown by category
 - (3) Appropriation of any Executive Board money to causes not normally covered by any of its programs
- B. The budget goal and the proposed budgets shall be printed and distributed to the messengers of the Convention.
- C. At its annual meeting the Convention shall approve the Cooperative Program Budget Goal, the State Convention Cooperative Program Allocations Budget, and the Executive Board Budget allocated as to strategic initiatives.
- D. Each agency of the Convention shall submit to the Executive Board a copy of its annual budget as adopted by its board.

3. Fiscal Years

The fiscal year of the Executive Board and the Convention shall be the calendar year. Each agency shall determine its own fiscal year, and any change shall be incorporated in this Plan. The fiscal years of the agencies of the Convention currently are as follows:

- A. The Baptist Home--January 1-December 31
- B. Missouri Baptist Children's Home--January 1-December 31
- C. Missouri Baptist Foundation--October 1-September 30
- D. Hannibal-LaGrange College--August 1-July 31
- E. Missouri Baptist College--July 1-June 30
- F. Southwest Baptist University--July 1-June 30
- G. Windermere Baptist Conference Center—January 1-December 31
- H. *Word&Way*—January 1-December 31

4. Distribution of Funds

The Executive Board shall be the disbursing agency of the Convention.

The Southern Baptist Convention portion of the Cooperative Program Budget Goal received shall be remitted monthly within ten workdays after the end of the month.

The State Convention Cooperative Program Allocations Budget receipts--see 2.A.b.--shall be distributed according to the allocations voted by the Convention. Distribution shall be made monthly on a percentage basis proportionate to the amounts allocated until the approved budgets are met.

All designated funds received shall be distributed monthly within ten workdays after the end of the month.

5. Handling of Funds

The Convention and all agencies of the Convention shall be covered by a blanket bond, such bond to be determined by the amount of funds or securities involved and approved by the Convention or its Executive Board. Specific bond coverage shall be

provided for those employees who handle funds or securities. The books of the Convention or any agency of the Convention shall be open for inspection by Convention officers, members of boards, and other cooperating Baptists upon reasonable written request.

The securities of the Convention or any agency of the Convention shall be placed in a safety deposit vault or in a commercial bank or trust company for safekeeping, such securities to be deposited and withdrawn by two bonded representatives of the Convention or the agency of the Convention in the manner prescribed by the commercial bank or the trust Company. In lieu of this plan, the Convention or the agency of the Convention may deposit all securities with a commercial bank or a trust company, which will receipt for and handle them and be responsible for them.

6. Contracts

Construction contracts involving at least \$25,000 shall only be negotiated with contractors that are adequately bonded.

7. Reporting

The Executive Board shall report quarterly to all of its members, to the Convention officers, and to the officers of the agencies of the Convention concerning the following: (1) receipts of all monies from all sources, including the Cooperative Program, and designated and other Executive Board and general Convention incomes and (2) disbursement of funds in accordance with the approved budgets.

The Executive Board shall report to the churches annually the receipts from the churches and the distribution of these funds in accordance with the budgets approved by the Convention.

Each agency of the Convention shall report quarterly to the Executive Board relative to its financial condition and operations.

8. Direct Solicitations

No appeals shall be made directly to churches by any agency of the Convention for financial needs without the approval of the Convention or the Executive Board.

9. Indebtedness

No Convention agency or any of its officers, committees, departments, or subsidiary corporations shall create any indebtedness except such as can be repaid out of anticipated receipts from the Convention (and other sources) within a period of three years without the formal approval in writing of the Executive Board. If the creation of indebtedness involves the erection of building or the purchase of real estate, the agency shall furnish the Executive Board, in writing, information relative to the source(s) of such receipts.

Neither the Executive Board nor any of its officers or subsidiary corporations shall create any indebtedness, either directly or indirectly, except such as can be repaid out of anticipated receipts from the Convention (and other sources) within a period of three years without the consent of the Convention.

10. Trust Funds

The Executive Board and each agency of the Convention must keep all trust funds separate and sacred to the trust or the cause for which they were received. Such funds are not to be used, even temporarily, except as specified by the Convention or the specific donor. There shall be no commingling of funds.

11. Investment of Funds

The Executive Board is encouraged, when appropriate, to use the Missouri Baptist Foundation for investment of funds, permanent or temporary, functioning as endowment or escrow. Each Convention agency is encouraged, when appropriate to use the services of the Missouri Baptist Foundation for similar investments. Neither the Convention nor the Foundation shall use its funds in any way to purchase securities issued by the Convention.

12. Cash Control

The Executive Board and the agencies of the Convention shall maintain appropriate internal control procedures in keeping with generally accepted accounting principles and sound fiscal accounting practices.

Prior written approval of the executive director/treasurer of the Missouri Baptist Convention Executive Board is required for the establishment or modification of any depository bank account for funds related to the operation of Missouri Baptist Convention Executive Board programs and/or activities. The purpose of the account should be included in the written request for approval.

The authorized signatures must include the executive director/treasurer. Two signatures must be required for withdrawal of funds from any account.

The bank must be instructed to send monthly statements to the office of Financial Services.

13. Board Designated Funds (Net Assets)

Board Designated Net Assets will be in the form of cash or investments (liquid assets). In order to maintain control of these assets, all non-budgeted use of funds will be evaluated as follows:

- A. The initial request for non-budgeted use of funds will be submitted to the Executive Director/Treasurer in the format specified by the Administrative Staff.
- B. The Executive Director/Treasurer and the Financial Services staff will analyze possible sources of available funds and the impact on net assets.
- C. Upon completion of this analysis, an interview will be conducted with the Administrative Staff and the person/group making the initial request.
- D. The Administrative Staff will present the recommendation to the Administrative Committee of the Executive Board for possible recommendation to the Executive Board for approval.
- E. A permanent file will be maintained in the Financial Services office of Board action approving non-budgeted use of funds.
- F. Designated funds will be maintained in separate accounts.

14. New Enterprises and Expansions

- A. As used in this section, the following terms shall have the meanings set forth: "Contingent liability" or "contingently liable", means any new debt of an agency for which the Executive Board of the Convention must sign as a debtor or guarantor; or any debt of an agency for a plan of expansion which will not be fully collateralized according to customary banking practices; or any plan of expansion which would impair the ability of the agency to pay its current or future debts. "Plan of expansion" shall include but not be limited to construction of new plant facilities, extensive remodeling of existing plant facilities, additional degree programs at educational agencies, or additional care facilities at benevolent agencies.
- B. No new educational or benevolent agency involving the expenditure of funds of the Convention or the contingent liability of the Convention shall be authorized except upon favorable action by the Convention in two succeeding annual meetings.
- C. Any plan for expansion by any educational or benevolent agency beyond any commitment previously approved by the Convention for which the Executive Board of the Convention will be contingently liable must be submitted to Inter-Agency Relations Committee for review, report and recommendation as to approval or disapproval by the Executive Board. The Executive Board shall then act on the report and recommendation of the Inter-Agency Relations Committee. If the Executive Board approves the plan for expansion by a vote of three-fourths (3/4) of those members present and voting, the plan may then be implemented. No such plan may be implemented without the prior approval of the Executive Board as herein set forth; provided, however, that any plan of expansion disapproved by the Executive Board may be implemented upon the approval of the Convention at the next annual session following disapproval by the Executive Board.
- D. Written notice of intention to submit a plan for expansion as provided for in paragraph (C) of this section shall be given to the chairman of the Inter-Agency Relations Committee, the President of the Convention and the Executive Director within seven (7) days after an agency has submitted such a plan for expansion to its board of trustees and received authorization to proceed with work regarding research and preparation of a formal proposal. The notice of intention to submit a plan for expansion shall contain all information available at the time of submission as to the nature of the project, total approximate cost and extent of Convention liability or financial participation.
- E. The Executive Board may from its own funds employ personnel to study and review proposed plans of expansion.

15. Purchasing

The Executive Board shall establish purchasing procedures for the Executive Board staff which should recognize appropriate internal control procedures.

16. Charters

All proposed charters or amendments to charters of the agencies of the Convention shall be submitted to the Convention, upon recommendation by the Executive Board for approval before they become effective. This provision shall also apply to subsidiary corporations of all agencies.

Copies of all charters and amendments to charters shall be filed with the executive director of the Executive Board.

17. Contingent Reserve Fund

It is desirable for the Executive Board to raise and maintain a Contingent Reserve Fund equal to at least three months of its operational budget. This fund should be maintained by applying any unused funds at the years end or by budgeting an annual amount. The Executive Board shall determine and provide for the adequacy of such fund.

Each agency of the Convention shall set up a reserve for contingencies.

18. Audits

The Executive Board of the Convention shall upon recommendation from the Audit Committee of such Board employ an independent certified public accounting firm to conduct an annual audit of the financial condition and operations of the Convention. The accounting firm shall submit a report of the audit through the Audit Committee to the Executive Board. The Executive Board shall submit a report of the audit to the Convention.

Each agency of the Convention shall employ an independent certified public accounting firm to conduct an annual audit of its financial condition and operations. The accounting firm shall submit a report of the audit to the board of the agency.

Copies of all audit reports of the financial condition and operations of the Convention and of its agencies shall be filed in the office of the Executive director of the Executive Board.

A copy of all audit reports shall be made available by the Executive Board or the agency to any Baptist who is a member of a church affiliated with the Convention upon reasonable written request.

The audit reports of the Convention and its agencies shall be printed in the Annual and the official news journal of the Missouri Baptist Convention and shall include such information as is determined appropriate by the accounting firms.

The Executive Board shall designate an appropriate committee to study and report to the Executive Board on agency audits. A general statement relative to the financial condition and operations of each agency shall be printed in the Annual.

19. Insurance

Any institution, agency, or body receiving substantial funds from the Convention must carry sufficient insurance to safeguard the Convention and the churches of the Convention in matters of property loss and/or liability.

20. Amendments

The Business and Financial Plan shall be published in the Annual following the Constitution and Bylaws for the Convention and may be amended at any annual session of the Convention by a two-thirds vote of the messengers present, provided that any amendment to this Business and Financial Plan shall be made by motion no later than the end of the business session on the day preceding the final day of the annual meeting, and upon receiving a second shall stand referred to the Committee on Continuing Review for report on the final day of the annual meeting.

*The term "agency", as used in this Plan, means any unit other than the Convention and its Executive Board.