

Legal Counsel for Churches

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Does Your Church Have A Speaker's Agreement?



Some churches occasionally have guest speakers at their services. Guest speakers may preach, teach or sing at revivals, conferences, concerts and regular worship services. In some instances, the guest speaker may travel a considerable distance to participate in your church's event.

Making arrangements for guest speakers often involves many details. Some speakers have special travel demands. Because there can be multiple matters to address, it may be a good idea to have a written agreement for all guest speakers.

A speaker's agreement should cover all aspects of travel expenses. Travel expenses include airfare, taxis, tips and meals associated with traveling to your church's event. If your church agrees to reimburse the speaker for meals and travel expenses, the agreement should specify the terms.

Reimbursement for ancillary costs should be discussed. These expenses include guests' special needs, entertainment and vehicle rental. If there are some expenses for which your church will not reimburse, the agreement should list those subjects.

The order in which expenses will be covered should be noted in the agreement. In some instances, your church may advance funds to the speaker for expenses. A church may request speakers pay for their own expenses in advance and apply for reimbursement from the church. The method of documentation for expenses should be specified in the agreement so there will be no disagreement about proof. The church may wish to request a list of itemized expenses with receipts after the travel.

The speaker's agreement may make it known that the church will reimburse only for expenses incurred during the event.

Speakers who desire to arrive earlier than needed for the event may expect reimbursement for the extended time.

In order to save money, the church may encourage a speaker to make their airline reservations weeks in advance prior to the speaking dates. The agreement could place a dollar limit on the air fares eligible for reimbursement. The class of airline seating may also be stipulated in the agreement.

In some instances, an airline ticket is less expensive when the speaker stays over a Saturday night. The agreement could authorize the reimbursement of lodging costs when a Saturday stay results in significant airline fare savings.

Some speakers may drive to your church for an event. Any limits on mileage reimbursement should be noted in the agreement and capped at the IRS rate. Reimbursements over this rate could be considered income to the speaker and thus taxable.

The question of accommodations should be agreed upon in the agreement. The church should indicate the extent of its lodging policy. If a suite or additional rooms are required, it should be clear who will cover the extra expenses. The church could indicate in the agreement that it will pay for room, taxes, gratuities, and meals only. If all other hotel expenses are to be paid by the speaker, this should be disclosed.

Finally, some speakers have a property interest in their likeness, recordings and messages. To avoid a complaint for infringement on the rights of the speaker, the church should have the terms specified in the agreement. The church needs to know if it can record and resell the sermon or song. Also, it should be discussed if royalties are expected to be paid. ■



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Guarding Against Third-Party Risks

Churches face all kinds of risks. These risks include threats to its reputation, finances and members. Such risks can come directly from its operations and staff. Increasingly, risks can also be caused by third parties. Church officials should understand the risks they are subject to from outside organizations.

Third parties are the other organizations and vendors with whom churches do business. These can include companies for services, partner organizations and contractors. The conduct of a third party can subject a church to significant hazards.

Churches should ensure that third parties operate in a way that minimizes risk to the church. This assurance can be improved by paying attention to a few critical areas.

First, if the church's third party receives confidential information, look for vulnerabilities in the vendor's processes. The vendor should use prudent safeguards to prevent a loss of data or exposure to unauthorized persons. The third party should provide evidence to the church to demonstrate that its practices are safe and sound.

Secondly, a third-party organization can present a risk to the church if it has not fully vetted its employees. Vendor employees who have a right of entry to sensitive systems and property should be trustworthy. Vendor employees who gain admittance to where minors are present should undergo background checks. Failure to see that third parties exercise proper due diligence can increase liability.



Thirdly, some outside parties can be considered critical vendors to a church. In these instances, a vendor is critical if it would be especially harmful to the church if the vendor suddenly went out of business. Critical vendors should be monitored more closely than vendors who pose little risk to the church.

Churches may wish to follow up with their critical third parties on a regular basis. Church officials may ask to see the vendor's financial statements periodically to ensure its reliability. The financial condition of a vendor may give the church notice of impending problems. If the church has suspicions that a critical vendor is at risk of going out of business, contingent preparations can be made.

Finally, some third-party relationships may fall in the category of a partnership or joint venture. Churches should be wary of relationships that expose it to the liability of the partner's conduct.

Third-party risks may be inevitable for most churches. Church officials can lessen the risks by identifying each source and taking proactive steps. ■



Here's Big News In A Small Package.



You've been asking for more online content about our services. Well, we've heard you and made some big changes to our web sites.

Our web sites have more content and guidance for churches and their officials. We've added an archive section where past editions of our newsletter may be found. Overall, we think you will enjoy visiting us online.

So pick up your tablet, smartphone or keyboard. Come pay us a visit at...

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