

FINALIZED/APPROVED

**Policy for Compensating Service Providers at
Crozet United Methodist Church (CUMC)**

Background

In order to ensure equity, consistency, transparency, and legal compliance in decisions to pay individuals for services to CUMC, the following guidelines are established to assist church leadership.

Definitions (for the purposes of this proposal)

- Service Provider: Any individual, group, or organization providing services to the staff and/or congregation of CUMC.
- Employee: An individual who provides services to CUMC as part of a formal employment relationship (part-time or full-time). Employees work during hours established by CUMC, perform tasks under the direct control/management of a CUMC supervisor, and are generally not employed by others to perform similar services. Employees are assigned specific job responsibilities and are evaluated by a supervisor based on those responsibilities. Where appropriate, CUMC may define the terms of employment in a contract.
- Indept. Contractor: An individual or organization who provides professional services to CUMC as defined in a contractual agreement between the individual/organization and CUMC. The contract is generated by the contractor and negotiated with CUMC. A contractor generally provides services for more than one client, possesses specialized skills and expertise, sets his/her own hours, works independently, and has authority on how best to accomplish agreed upon tasks independent of the employer's direct management. Examples include landscapers and housekeepers.
- Licensed Vendor: An individual or organization licensed to do business in the Commonwealth of Virginia. Examples include LLCs and 501c3 non-profit organizations.
- Volunteer: An individual who, as a member of the CUMC congregation, lends his/her time and talents in support of the church's ministries. Volunteers receive no payment for their service.

Guidelines

Service Providers may be retained by CUMC to perform tasks for the church and its congregation. CUMC does not pay its members as vocalists, speakers, or instrumentalists for worship services. Service providers receiving payment must be classified as an employee,

independent contractor, or licensed vendor. To qualify as an independent contractor, a service provider must generate a contract for review and negotiation with the relevant CUMC committee or representative having formal signatory authority on behalf of the church (usually the Senior Pastor or her designee). The contract should establish clear terms and conditions that define the relationship between CUMC and the service provider. All necessary tax forms must be issued by CUMC with appropriate copies retained on file.

To qualify as a licensed vendor, an individual or organization must be approved by the appropriate state licensing agency to conduct business in the Commonwealth of Virginia. CUMC will follow its existing policies and procedures for initiating a business relationship with a licensed vendor.

Any individual or group compensated by CUMC for services provided and not classified as an employee, licensed vendor, or independent contractor must first be approved by the Senior Pastor. The Senior Pastor and Staff/Pastor Parish Relations Committee will determine if the individual or group should be classified as an employee of CUMC, or be paid on an ad hoc basis subject to a contract or other set of terms and conditions established by the Senior Pastor or her designee. Normally, an individual or group providing recurring services for the church on a for-pay basis will be considered an employee.

Instrumentalists

Recognizing that instrumentalists do not easily fall into the classification framework established above, the following provisions will guide CUMC staff in determining when to offer compensation to these specific service providers.

CUMC requires a dedicated guitarist and drummer for its weekly contemporary worship service, and an organist for its traditional service. As such, these instrumentalists are paid according to a contract established and approved by the Senior Pastor.

CUMC will, from time-to-time, pay additional individuals with specialized training/talent to provide instrumental accompaniment during worship services. Neither a contract nor approval by the Senior Pastor or Staff/Pastor Parish Relations Committee (SPPRC) is necessary if:

- The instrumentalists are paid a flat rate of \$75 for each Sunday they provide their services. If working both Sunday services, a rate of \$100 is provided. The rate includes any necessary rehearsals during the preceding weeks. And,
- The instrumentalists are retained for no more than six Sundays within a calendar year. If an individual is retained for more than six Sundays, he/she must be reviewed and approved by the Senior Pastor to ensure appropriate stewardship of church resources and evaluation of church organizational and staffing needs.