



Enhancing Trust

ECFA'S Seven Standards of Responsible Stewardship

Standard 1 –

Doctrinal Issues – Every organization shall subscribe to a written statement of faith clearly affirming a commitment to the evangelical Christian faith or shall otherwise demonstrate such commitment and shall operate in accordance with biblical truths and practices.

Standard 2 –

Governance – Every organization shall be governed by a responsible board of not less than five individuals, a majority of whom shall be independent, who shall meet at least semiannually to establish policy and review its accomplishments.

Standard 3 –

Financial Oversight – Each organization shall prepare complete and accurate financial statements. The board or a committee consisting of a majority of independent members shall approve the engagement of an independent certified public accountant, review the annual financial statements and maintain appropriate communication with the independent certified public accountant. The board shall be apprised of any material weaknesses in internal control or other significant risks.

Standard 4 –

Use of Resources and Compliance with Laws – Every organization shall exercise the appropriate management and controls necessary to provide reasonable assurance that all of the member's operations are carried out and resources are used in a responsible manner and in conformity with applicable laws and regulations, such conformity taking into account biblical mandates.

Standard 5 –

Transparency – Every organization shall provide a copy of its current financial statements upon written request and shall provide other disclosures as the law may require. The financial statements required to comply with Standard 3 must be disclosed under this standard.

An organization must provide a report, upon written request, including financial information on any specific project for which it has sought or is seeking gifts.

Standard 6 –

Related-party Transactions – Every organization shall avoid conflicts of interest. Transactions with related parties may be undertaken only if all of the following are observed: 1) a material transaction is fully disclosed in the financial statements of the organization; 2) the related party is excluded from the discussion and approval of such transaction; 3) a competitive bid or comparable valuation exists; and 4) the organization's board has acted upon and demonstrated that the transaction is in the best interest of the organization.

**Standard 7 –
Stewardship of Charitable Gifts –**

- 7.1 Truthfulness in Communications.** In securing charitable gifts, all representations of fact, descriptions of the financial condition of the organization, or narratives about events must be current, complete, and accurate. References to past activities or events must be appropriately dated. There must be no material omissions or exaggerations of fact, use of misleading photographs or any other communication which would tend to create a false impression or misunderstanding.
- 7.2 Giver Expectations and Intent.** Statements made about the use of gifts by an organization in its charitable gift appeals must be honored. A giver's intent relates both to what was communicated in the appeal and to any instructions accompanying the gift, if accepted by the organization. Appeals for charitable gifts must not create unrealistic expectations of what a gift will actually accomplish.
- 7.3 Charitable Gift Communication.** Every organization shall provide givers appropriate and timely gift acknowledgments.
- 7.4 Acting in the Best Interest of Givers.** When dealing with persons regarding commitments on major gifts, an organization's representatives must seek to guide and advise givers to adequately consider their broad interests.
- An organization must make every effort to avoid knowingly accepting a gift from or entering into a contract with a giver that would place a hardship on the giver or place the giver's future well-being in jeopardy.
- 7.5 Percentage Compensation for Securing Charitable Gifts.** An organization may not base compensation of outside stewardship resource consultants or its own employees directly or indirectly on a percentage of charitable contributions raised.