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12Stone[®] Church

Personnel Policy Handbook

This handbook belongs to 12Stone[®] Church. The recipient is responsible for knowing this handbook's contents and updates, for safeguarding it, and for returning it to the Chief Financial Officer or Human Resources upon termination.

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Welcome!

The Pastors, Staff, and Board welcome you to the ministry at 12Stone® Church (the Church).

It is a privilege for the entire staff to work together as a team for the LORD.

This handbook is for staff at all levels of employment. It is designed to acquaint you with 12Stone® Church and provide you with information about working conditions, employee benefits, and other policies affecting your employment. Because of the at-will-employment relationship (explained further in this document), this handbook is not in any way a contract.

Please be aware that policies in this manual may be changed, deleted, or added at any time by 12Stone® Church. You will be notified as changes occur. The most current version is posted on the intranet at home.12stone.com.

You should read, understand, and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed by 12Stone to benefit employees. One of our objectives is to provide a work environment that is conducive to both personal and professional growth. Any questions concerning the interpretation, application or administration of these policies and procedures should be directed to the Chief Financial Officer or Human Resources.

Please thoroughly familiarize yourself with the contents of this handbook and help ensure that all of our personnel policies are administered as consistently and fairly as possible.

In our work together as a team, our goal is to have a heart for people while we fulfill our purpose:

*We exist to inspire life, share life, and give life, because Jesus said,
"I have come that they may have life, and have it to the full."*

John 10:10

General Provisions

Handbook Conventions

This handbook contains the basic personnel policies, practices, and procedures for 12Stone® Church. It is not, however, intended to alter the employment-at-will relationship in any way.

These policies and procedures should serve as a guide for employees of the Church in their routine work activities and relationships. These personnel policies, procedures and practices are subject to change at the Church's discretion. **This Handbook is not a contract, express or implied, for any specific duration of employment. Furthermore, this handbook does not create a contract for benefits.**

As used in this handbook:

- A. The words "shall" or "will" are understood to be mandatory in nature, and the word "may" as permissive in nature;
- B. The masculine gender includes the feminine gender;
- C. "Supervisor" means an individual with the authority to assign, direct, and review the work of the employee;
- D. "Immediate family" means the employee's spouse, brother, sister, parent, child, step-child, father-in-law, mother-in-law, sister-in-law, brother-in-law, daughter-in-law, son-in-law, and any other member of the employee's household.

Personnel Officer

The Executive Pastor is the Personnel Officer and is responsible for fair and consistent enforcement of personnel policies. The Executive Pastor is the senior advisor to the Board on all matters concerning human resource management.

The Chief Financial Officer provides staff assistance to supervisors and department heads in developing, communicating, and carrying out personnel policies. The CFO advises the Executive Pastor on legal and regulatory matters associated with human resource management.

Personnel Records

12Stone® Church maintains personnel records for applicants, employees, and past employees in order to document employment related decisions, evaluate and assess policies, and comply with government record keeping and reporting requirements. The Church strives to balance its need to obtain, use, and retain employment information with each individual's right to privacy. To this end, it attempts to restrict the personnel information maintained to that which is necessary for the conduct of its ministry operations or which is required by federal, state, or local law.

Employees have a responsibility to make sure their personnel records are up to date and should notify Human Resources in writing of any changes in at least the following:

- A. Name
- B. Address
- C. Telephone number
- D. Marital status (for benefits and tax withholding purposes only)
- E. Number of dependents
- F. Addresses and telephone numbers of dependents and spouse or former spouse (for insurance purposes only)

- G. Beneficiary designations for any of any church administered insurance, disability, and pension programs
- H. Persons to be notified in case of emergency

In addition, employees who have a change in the number of dependents or marital status must complete a new IRS Form W-4 and GA tax form for income tax withholding purposes within ten days of the change if the change results in a decrease in the number of dependents.

Employees may inspect their own personnel records in the presence of the Chief Financial Officer or Human Resources and may copy, but not remove, documents in the file. Such an inspection must be requested in writing to the Chief Financial Officer and will be scheduled at a mutually convenient time during regular office hours.

Employees who feel that any file material is incomplete, inaccurate, or irrelevant may submit a written request to the Chief Financial Officer that the files be revised accordingly. If such a request is not granted, the employee may place a written statement of disagreement in the file and pursue the matter further using the regular grievance procedure.

Employees are expected to maintain confidentiality concerning the terms of their employment with the church, specifically as they relate to salary, benefit package, and conditions of employment. All supervisors with knowledge of their employees' terms of employment are also required to keep all information pertaining to an employee's hiring, termination and terms of employment confidential. All employees who, through virtue of office or position, have access to employees' salaries, benefit packages and terms of employment, and the church as a whole, are required to hold confidential all information relating to individual packages, as well as the Church's overall program.

Statement of Faith

All employees must read and agree to the Church's Statement of Faith as a condition of employment.

The Bible

The sole basis of our belief is the Bible. The Scripture in it's entirety is composed of the 66 books of the Old and New Testaments, which originated with God, and was given through the instrumentality of many different chosen authors.

God

We believe that there is one living, true, holy God, eternally existent in the Holy Trinity of Father, Son, and Holy Spirit.

Jesus Christ

We believe that Jesus was miraculously conceived, born of a virgin, and sinless in life. Christ was fully man and fully God, walked our earth, lived a life of obedience, suffered at the hands of men, and died on the cross. He fully atoned for the sins of all, was bodily resurrected, and enthroned at God's right hand as our Intercessor.

Salvation

The central purpose of God's revelation in Scripture is to call people in fellowship with Himself described as follows:

- 1) Humankind was specially created, but is now tragically lost apart from God's redeeming grace.
- 2) Each person can be made new in Christ by the Holy Spirit and thereafter continuously grow in the knowledge of God.
- 3) Salvation is wholly a work of God's free grace, received by repentance and faith.

The Christian Life

The essential accompaniment of a genuine saving relationship with Jesus Christ is a life of holiness and obedience, attained by believers as they yield to the Holy Spirit. As the believer submits more fully to the Lordship of Christ, the Holy Spirit releases the power that enables the believer to be pure in heart and totally dedicated to God. The work of the Holy Spirit in the life of the believer is both instantaneous and progressive, guiding in understanding and empowering for fruitful service.

The Church

We believe that all believers become members with one another in the church universal with Christ as the head. God's people who acknowledge Jesus as Savior and Lord should meet regularly to devote themselves to Prayer, Fellowship, Worship, Study, Observations of Baptism and Communion, Edification of the Body, discovery, and development of spiritual gifts and active ministry to the world.

Human Destiny

We believe the Scriptures clearly teach that there is a conscious personal existence after death described as follows:

- 1) All who die without faith in Christ will suffer eternally, while those who believe in Christ as Savior will enjoy eternal life.
- 2) Christ will return to judge the world, receive the saved, and rule the world in righteousness.

Faith and Practice

Scripture is the final authority in all matters of faith and practice. This church seeks to impact the community by accurately interpreting doctrinal truth for the benefit and growth of both the seeker and the believer. This church recognizes that it cannot bind the conscience of individual members in areas where Scripture is silent. Rather, each believer is to be led in those areas by the Lord, to whom we are all ultimately responsible.

Goals & Expectations

It is our policy to implement fair and effective personnel policies and to require all employees to serve the Church's best interests.

12Stone® Church expects all employees:

- A. To deal with church members , regular attenders, and suppliers in a professional, timely and courteous manner;
- B. To perform assigned tasks in an efficient manner;
- C. To be punctual;
- D. To demonstrate a considerate, friendly, and constructive attitude toward fellow employees; and
- E. To adhere to the policies adopted by 12Stone® Church (see <http://home.12stone.com>)

12Stone® Church retains the sole right to exercise all managerial functions including, but not limited to, the rights:

- A. To dismiss, assign, supervise, and discipline employees;
- B. To determine and change starting times, quitting times, and shifts;
- C. To transfer employees within departments or into other departments and other classifications;
- D. To determine and change the size and qualifications of the work force;
- E. To determine and change methods by which its operations are to be carried out;
- F. To determine and change the nature, location, services rendered, quantity, and continued operation of the Church; and

- G. To assign duties to employees in accordance with the Church's needs and requirements and to carry out all ordinary administrative and management functions.

Employment-at-Will Relationship

All employees are employed at the will of 12Stone for an indefinite period and are subject to termination at any time, for any reason, with or without cause or notice. At the same time, such employees may terminate their employment at any time and for any reason.

This policy will not be modified by any statements contained in this handbook or any other employee handbooks, employment applications, recruiting materials, memoranda, or other materials provided to applicants and employees in connection with their employment. None of these documents, whether singly or combined, are to create an express or implied contract concerning any terms or conditions of employment. Similarly, our policies and practices, with respect to any matter, are not to be considered as creating any contractual obligation on our part or as stating in any way that termination will occur only for "just cause." Statements of specific grounds for termination set forth in this handbook or in any other documents are examples only, not all-inclusive lists, and are not intended to restrict the Church's right to terminate at will.

Completion of an introductory period or conferral of regular status does not change an employee's status as an employee-at-will or in any way restrict the Church's right to terminate such an employee or change the terms or conditions of employment.

Employment

Employment Categories

It is the intent of the Church to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and the Church.

Each employee is designated as either NONEXEMPT or EXEMPT from federal and state wage and hour laws. NONEXEMPT employees are entitled to overtime pay under the specific provisions of federal and state laws. EXEMPT employees are excluded from specific provisions of federal and state wage and hour laws. An employee's EXEMPT or NONEXEMPT classification may be changed only upon written notification by the Church's management. In addition to the above categories, each employee will belong to one other employment category:

FULL-TIME MINISTERIAL employees are those who are not in a temporary status and who are regularly scheduled to work at least 30 hours in a ministerial position. These employees are employed for an indefinite period of time with no special arrangements about the termination date. They are generally eligible for the following benefits, subject to the terms, conditions, and limitations of each benefit program:

- Health Insurance
- Pension
- Flex Plan
- Short & Long Term Disability

FULL-TIME NON-MINISTERIAL employees are those who are not in a temporary status and who are regularly scheduled to work at least 30 hours in a non-ministerial position. These employees are employed for an indefinite period of time with no special arrangements about the termination date. They are generally eligible for the following benefits, subject to the terms, conditions, and limitations of each benefit program:

- Health Insurance
- Pension
- Flex Plan
- Short & Long Term Disability

PART-TIME employees are those who are not assigned to a temporary status and who are regularly scheduled to work less than 30 hours per week. While they do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they are ineligible for some of the Church's other benefit programs. These employees are employed for an indefinite period of time with no special arrangements about the termination date. Part-time employees are generally eligible to participate in the Pension plan, subject to the terms, conditions, and limitations of this benefit program.

TEMPORARY employees are those who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified of a change. While temporary employees receive all legally mandated benefits (such as workers' compensation insurance and Social Security), they are ineligible for all of 12Stone's other benefit programs.

Equal Employment Opportunity

It is the intention of 12Stone® Church to practice equal employment opportunity without regard to an individual's race, color, national origin, marital status, sex, disability, or age in application of any policy, practice, rule, or regulation. Functioning as a church, we can and do discriminate on the basis of religion.

Employee Harassment

12Stone® Church is committed to maintaining a work environment in which all individuals treat each other with dignity and respect and is free from all forms of intimidation, exploitation and harassment, including but not limited to sexual harassment. The Church is prepared to take action to prevent and correct any violations of this policy. Anyone who violates this policy will be subject to discipline, up to and including termination.

"Harassment," including "sexual harassment," means unwelcome sexual advances, requests for sexual favors, and other verbal, visual, or physical conduct that denigrates or shows hostility or aversion toward an individual because of race, color, national origin, gender, disability, or age made by someone from or in the work setting under any of the following conditions:

- A. Submission to the conduct is explicitly or implicitly made a term or condition of an individual's employment;
- B. Submission to, or rejection of, the conduct by the individual is used as the basis of employment decisions affecting the individual;
- C. The conduct has the purpose or effect of having a negative impact upon the individual's work performance, or of creating an intimidating, hostile, or offensive work environment;
- D. The conduct has the purpose or effect of unreasonably interfering with an individual's work performance, or otherwise adversely affects an individual's employment opportunities; or
- E. Submission to, or rejection of, the conduct by the individual is used as the basis for any decision affecting the individual regarding benefits and services, honors, programs, or activities available at or through 12Stone® Church.

Unwelcome conduct of this type can include a wide range of verbal, visual, or physical conduct of a sexual or otherwise harassing nature. Among the types of conduct which would violate this policy are the following:

- A. Unwanted sexual advances or propositions;
- B. Offering employment benefits in exchange for sexual favors;
- C. Making or threatening reprisals after a negative response to sexual advances;
- D. Visual conduct such as leering, making sexual gestures, or other gestures which denigrate a person's race, color, national origin, gender, disability, or age;
- E. Written or graphic material that denigrates, or shows hostility or aversion toward an individual or group because of race, color, gender, national origin, age, or disability and that is placed on walls, bulletin boards, or elsewhere on 12Stone® Church's premises, or circulated in the workplace; including electronic transmission;
- F. Epithets, slurs, off-color jokes, negative stereotyping, threatening, intimidating, or hostile acts that relate to race, color, gender, national origin, age, or disability, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes or invitations; and
- G. Physical conduct such as touching, assaulting, impeding, or blocking movements.

Employees who feel that they have been subjected to conduct of a harassing nature are encouraged to promptly report the matter to one of the following:

- Chief Financial Officer

- Executive Pastor
- Executive Assistant to the Senior Pastor
- Human Resources

All complaints will be promptly investigated. Every effort will be made to protect the privacy of the parties involved in any complaint. However, 12Stone reserves the right to fully investigate every complaint and to notify appropriate government officials as the circumstances warrant.

If the investigation confirms the allegations, prompt corrective actions will be taken, and the individual who suffered the harassing conduct will be informed of the corrective action taken. In addition, any employee found to be responsible for harassment, in violation of this policy, will be subject to appropriate disciplinary action up to and including termination. The severity of the disciplinary action will be based upon the circumstances of the infraction.

Employees who observe conduct of a harassing nature are required to report the matter to one of the above individuals. Employees who knowingly fail to report harassment may be subject to discipline.

It is against the Church's policy to discriminate or retaliate against any person who has filed a complaint concerning harassment or has testified, assisted, or participated in any investigation or hearing concerning harassment.

Disability (Reasonable Accommodation)

12Stone® Church does not discriminate against any applicant or employee in hiring or on the terms, conditions and privileges of employment, due to physical or mental disability. Once the employee makes the Church aware of the disability which prevents an otherwise qualified applicant or employee from performing a job, the Church will assess whether any reasonable accommodation would allow the person to perform the job before refusing employment or making a distinction in terms, condition or privileges of employment because of the disability. The affected employee agrees to allow 12Stone Church access to the employee's treating providers and relevant medical records as may be appropriate for assessing the nature of the disability and whether a reasonable accommodation is available. An accommodation which creates an undue hardship on the Church or which endangers health or safety is not a reasonable accommodation.

An otherwise qualified applicant for employment, or employee with a disability who requires reasonable accommodation, should inform his or her supervisor or management of the nature of the disability and the accommodation required. Employees with access to such information shall maintain the confidentiality of the information to the extent reasonably possible and shall not release the information to anyone who does not have the right or need to know.

Hiring Qualifications

12Stone® Church hires individuals on the basis of their qualifications and ability to do the job to be filled. Unless otherwise provided in writing, employment with the Church is considered to be at-will, so that either party may terminate the relationship at any time and for any reason.

A member of an employee's immediate family will be considered for employment by the Church provided the applicant possesses all the qualifications for employment. An immediate family member may not be hired, however, if such employment would:

- Create either a direct or indirect supervisor/subordinate relationship with a family member; or
- Create either an actual conflict of interest or the appearance of a conflict of interest.

These criteria will also be considered when assigning, transferring, or promoting an employee.

Employment Applications

The Church relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

Immigration Law Compliance

12Stone® Church complies with the Immigration Reform and Control Act of 1986 and is committed to employing only United States citizens and those aliens who are authorized to work in the United States.

Job Descriptions/Ministry Action Plans (MAPs)

Job descriptions, or Ministry Action Plans (MAPs), will be developed for all full-time Ministerial positions. Job descriptions:

- A. Indicate the general nature of duties, responsibilities, and specific goals;
- B. May be changed to meet the needs of the Church at any time; and
- C. Will be reviewed on an annual basis by the Executive Pastor.

Employment Agreements

12Stone® Church may execute, at its sole discretion, written employment agreements with certain of its employees. Such written agreements must have the approval of the Local Board of Administration. Those who do not have a written employment contract containing a specified term of employment are considered at-will employees.

Medical Examinations & Health Procedures

12Stone® Church reserves the right to require acceptable confirmation of the nature and extent of any illness or injury that requires an employee to be absent from scheduled work. Employees returning from a disability leave or an absence caused by health problems may be required to provide a doctor's certification of their ability to perform their regular work satisfactorily without endangering themselves or their fellow employees. In addition, the Church reserves the right to require a second medical opinion regarding an employee's absence because of illness or injury or regarding a doctor's certification of an employee's ability to return to work. Any such second opinion will be paid for by the Church.

Employees who become ill on the job or suffer any work connected injury, no matter how minor, must report the situation to the Chief Financial Officer or Human Resources for determination of appropriate action such as arranging for examination and treatment, and for recording of the incident, as may be required by state or federal law. Not reporting a work related injury or illness can result in disciplinary action.

Transfer

12Stone® Church may, at its discretion, initiate or approve employee job transfers from one job to another or from one location to another. Pay for transferred employees will be handled as follows:

- A. Employees transferred to a job within the same salary range will continue to receive their existing rate of pay;
- B. Employees transferred to a job in a higher salary range will be paid at the higher rate;
- C. Employees transferred at management's request to a job in a lower salary range will continue to be paid at their former rate for four weeks and, thereafter, at the rate of the new job; and
- D. Employees transferred at their own request to a job in a lower salary range will be paid at the lower rate commencing with the start of the new job.

Promotion

12Stone® Church provides training and development for employees when deemed necessary, and offers employees promotions to higher level positions when deemed appropriate.

Hours of Work

Church office hours are 8:30 am to 5:00 pm, Monday through Friday.

The work schedule of full-time staff is generally defined as a 40 hour work week (at a minimum), and does not include the following activities:

- Participation in church worship services as an attendee;
- Participation in activities as a “volunteer” (generally those activities which are understood to be outside the job description for your position. For Non-Exempt Employees, these activities must be separate from the job description for your position);
- Participation in activities in the role of a “parent” or “spouse”.
- Participation in personal activities such as errands, going to the gym, medical appointments, etc.

Work schedules may vary for certain departments or positions. Supervisors will advise employees of their individual work schedules. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week.

Work schedules for part-time staff will be determined by their supervisor.

Full-time and part-time staff, paid on an hourly basis, should record their work hours in our timekeeping system. Recorded work hours should not include meal breaks.

Overtime will be paid to all non-exempt employees (those employees subject to the minimum wage and overtime provisions of the Fair Labor Standards Act), for time worked beyond forty hours in any week. All overtime must be pre-approved by the employee's supervisor.

Employee attendance at lectures, meetings, and training programs will be considered hours of work if it was requested by management.

Exempt employees are not required to fill out hourly time records and will not normally receive overtime compensation.

Volunteer Service

12Stone® Church is a ministry dependent on the volunteer efforts of those who feel led to give of themselves to help accomplish its mission. The Church appreciates the volunteer time that many of its employees give. Because of legal requirements, however, any time volunteered by an employee must first be approved by the employee's supervisor to help ensure that it does not parallel the employee's normal job description.

Outside Employment

All employees will be judged by the same performance standards and will be subject to the Church's scheduling expectations, regardless of any existing outside work requirements. If the Church determines that an employee's outside work interferes with performance or the ability to meet the requirements of the Church as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with the Church.

Outside employment will present a conflict of interest if it has an adverse impact on the Church or violates the Church's Conflict of Interest policy as defined on the intranet at home.12stone.com.

In addition, where 12Stone staff are sought out by other churches and organizations for work engagements in various professional activities from teaching to consulting; 12Stone desires to be helpful and takes a generous position. The following guidelines are in place for such invitations:

- You must be excelling in your current work responsibilities at 12Stone® Church.
- 12Stone must always remain your first priority and commitment.
- The work must be related to your current work or be ministry related.
- You must obtain your supervisor's approval at least two weeks in advance.
- You may receive an honorarium for your services.
- All financial transactions are between you and the organization that hires you.
- You may use up to 5 days (paid) a year for these kinds of outside engagements.

Termination

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated:

- Resignation – voluntary employment termination initiated by an employee;
- Discharge – involuntary employment termination initiated by the organization;
- Layoff – involuntary employment termination initiated by the organization for non-disciplinary reasons;
- Retirement – voluntary employment termination initiated by the employee meeting age, length of service, and any other criteria for retirement from the organization.

Employees are responsible for all the Church's property, materials, or written information issued to them or in their possession or control. Employees must return all the Church's property immediately upon request or upon termination of employment. Where permitted by applicable laws, the Church may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. The Church may also take all action deemed appropriate to recover or protect its property.

Please note that a variety of resources have been purchased for your use during your employment using the Church's money (including items that you personally purchased and later received reimbursement), these items are the property of the Church.

Salary & Benefit Administration

Disclosure of Benefits

12Stone® Church provides its employees with various welfare and pension benefits. The Church reserves the right to modify, amend, or terminate its welfare and pension benefits as they apply to all current, former, and retired employees at any time.

All benefits provided by the Church are described in official documents which are kept on file by Human Resources. These documents are available for examination by any plan participant or beneficiary. In addition, they are the only official and binding documents concerning the Church's welfare and pension benefits.

Health Insurance

12Stone® Church's health insurance plan provides eligible employees and their dependents access to medical insurance benefits. Only employees who are Full Time Staff (30+ hours) are eligible to participate in the health insurance plan.

Eligible employees may participate in the health insurance plan subject to all terms and conditions of the agreement between the Church and the insurance carrier. This is a participatory plan, with employees being required to share a portion of the monthly premium expense. Employees may voluntarily withdraw from participation, but may not re-enroll until the next open enrollment period or unless employee has a qualifying event (birth, death, marriage, loss of spouse benefits.) Employees may only enroll for dental insurance at time of hire or loss of coverage. There is not an open enrollment period for our dental insurance. The Church reserves the right to modify, amend, or terminate its health insurance at any time.

Coverage of additional family members is to be documented with the insurance company within thirty (30) days of a qualifying event. Attempted additions past the thirty (30) days require a proof of insurability, which the insurance carrier may decline. It is the employee's responsibility to notify Human Resources when an addition to their coverage is necessary.

Details of the health insurance plan are described in the Summary Plan Description (SPD). An SPD and information on cost of coverage will be provided in advance of enrollment to eligible employees. Contact Human Resources for more information about health insurance benefits. This handbook gives a general summary of your benefits. Official documents are on file in the Human Resources files. If there is ever any inconsistency between this summary and the official documents, the official documents will prevail.

Short and Long Term Disability Insurance

Short-term and long-term disability benefits are provided to all eligible employees in accordance with the short-term disability plan and the long-term disability plan.

Short-Term Disability

Eligibility and Waiting Period – Full-time employees become eligible for short-term disability benefits the first day of the month following the employee's start date, subject to the conditions of the short-term disability plan. All eligible employees, regardless of available sick and vacation time, will receive short-term benefits on the 15th business day of disability. However, available paid time must be used to satisfy the waiting period. The waiting period shall be used in the following order: sick time, vacation time, floating holidays, unpaid time.

Benefit Description – Benefits will be paid as described in the schedule of benefits for an eligible employee who becomes wholly and continuously disabled so as to be prevented from performing any duty pertaining to his or her employment. If you believe that you may be eligible for short-term disability benefits, consult the *HR Coordinator* for more detailed information regarding the short-term disability plan.

Long-Term Disability

Eligibility and Waiting Period – Long-term disability benefits become effective after *180 days* have elapsed. On the *180th day*, FMLA and/or short-term disability leave expires.

Benefit Description – Income protection insurance is provided for eligible employees who are permanently and totally disabled and unable to work. Specific terms and conditions for long-term disability benefits are governed by the long-term disability summary plan description. If you believe that you may be eligible for long-term disability benefits, consult the *business administrator* for more detailed information. While 12Stone® Church offers short-term and long term disability, nothing in this policy obligates the agency to continue employment.

Workers' Compensation Insurance

12Stone® Church provides a comprehensive workers' compensation insurance program. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Employees who sustain work-related injuries or illnesses must inform the Chief Financial Officer immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported as soon as possible. This will enable an eligible employee to qualify for coverage as quickly as possible.

State & Federal Unemployment Insurance Exemption

Because churches are exempt from participation in state and federal unemployment insurance programs, the Church does not provide unemployment insurance as an employee benefit. Thus, employees who are terminated are not eligible for state or federal unemployment benefits.

COBRA

The Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under the Church's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of employee; a reduction in an employee's hours or a leave of absence; and employee's divorce or legal separation; and an employee's dependent child no longer meeting eligibility requirements. COBRA information will be provided within 14 days of being notified of the qualifying event.

Educational Assistance

Full time employees who have completed one year of service with 12Stone® Church may be eligible for financial assistance for satisfactory completion of required coursework leading to ordination in The Wesleyan Church.

Criteria for Reimbursement –

Eligible employees will need to:

- Obtain approval from Executive Pastor and CFO prior to course enrollment.
- Enroll with Department of Education and Clergy Development – Ministerial Study Course Agency (MSCA) - Wesleyan Headquarters prior to course enrollment.
- Enroll and meet annually with the District Board of Ministerial Development (DBMD) of the South Coastal District of the Wesleyan Church until ordination.
- Provide copy of official MSCA transcript documentation as requested.

Eligible Expenses

Reimbursement will be considered only for such courses approved by The Department of Education and Clergy Development, which are deemed to fulfill Wesleyan Church ordination academic requirements. Reimbursement will be applied to registration/tuition only, and excludes textbooks, supplies, library fees, meals, travel, or other ancillary expenses.

Reimbursement Amounts :

- Accredited Post-Graduate Programs via Wesleyan College, University or Seminary, \$100 per Credit Hour, not to exceed \$6000
- Non-Accredited Ministerial Preparation through The Wesleyan Ministerial Study Course Agency (MSCA) including FLAME, District, or Correspondence Classes. \$175 per Class

In some circumstances, the IRS requires reimbursed amounts to be included in the employee's gross wages. This determination will be made at the time of reimbursement at the discretion of the Chief Financial Officer upon consideration of each employee's individual circumstance and the applicable IRS guidelines.

Reimbursement will not be made for courses completed after an employee's termination date, regardless of course enrollment date. Employees must agree to repay 12Stone® Church for all tuition reimbursements made during the 12-month period preceding their employment termination date, whether they leave the Church voluntarily or are terminated.

Reimbursement Request Process

Eligible employees should submit paid receipt for coursework enrollment, along with a copy of transcript reflecting passing grade. Requests are to be submitted immediately following transcript credit, not to exceed 60 days following course completion.

This policy is subject to annual review and revision.

Performance Appraisal

The job performance of each employee should be evaluated periodically by the employee's supervisor upon the following occasions:

1. By the end of the first three months of employment;
2. At the time of the annual salary review;
3. When the employee is transferred or promoted to a new job.

Between scheduled appraisals, supervisors should discuss with employees on an informal basis any performance issues that warrant attention and should keep records of any significant incidents.

The employee will have the opportunity to examine the written evaluation and make written comments about any aspect of it. Employees who feel that they want more than the chance to add written comments to their appraisal may request a review by the Chief Financial Officer.

Pay Procedures

The Church pays employees by check or direct deposit on a regular basis and in a manner so that the amount, method, and timing of such payments comply with any applicable laws or regulations.

Employees are normally paid on the fifteenth day and the last day of the month. If the regular payday occurs on a Saturday, Sunday, or holiday, employees will be paid on the last working day prior to the regular payday.

The law requires that the Church make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. The Church also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base".

If you have questions concerning why deductions were made from your paycheck or how they were calculated, your supervisor can assist in having your questions answered.

Non-exempt employees (those not exempt from the provisions of the Fair Labor Standards Act) will be paid overtime compensation at the rate of one and one-half times their regular hourly rate for work in excess of forty hours during their normal workweek.

The Church takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday. In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the Payroll Administrator so that corrections can be made as quickly as possible.

Authorized Absence from Work

Attendance & Punctuality

Employees are to report for work punctually as scheduled and to work all scheduled hours and any required overtime. Excessive tardiness and poor attendance disrupt work flow and service to members and attenders, and will not be tolerated.

All time away from work is to be approved by the individual's immediate supervisor and documented. When employees find it necessary to be absent, they are to contact their immediate supervisor at the earliest time possible, or prearrange with the supervisor for an anticipated absence(s). Employees who are delayed in reporting for work more than thirty minutes should call their supervisor before the beginning of their work schedule. Employees, who report for work in a condition deemed not fit for work, whether for illness or any other reason, will not be allowed to work.

If employees exceed the allotted vacation or sick leave time, they are subject to having the amount deducted from their paycheck. Excessive, prolonged, or unexcused absenteeism may result in probation, leave of absence without pay, or termination.

Employees who are absent from work for three consecutive days without giving proper notice to 12Stone will be considered as having voluntarily terminated their employment. At that time the Chief Financial Officer or Human Resources will formally note the termination and advise the employee of the action.

Vacations

12Stone® Church grants annual vacations with pay to regular full-time employees. We strongly encourage our staff to take available vacation time for rest, relaxation, and personal pursuits. Employees may not receive vacation pay in lieu of time off. The vacation year is the calendar year, January 1 through December 31. Full-time employees will accrue paid vacation according to the following schedule (annual totals are rounded to the nearest whole day):

<u>Length of Service (as of January 1st)</u>	<u>Weeks per Year</u>
Hire date through 4 years	2
5 years through 14 years	3
15 years +	4

After six months of continuous service, the number of hours of paid vacation for the current year will be awarded using the following formula:

“Number of months remaining in the calendar year” multiplied by 6.67.

For example: If you were hired on August 15, your six month of service will be completed on February 15. Your remaining vacation for that calendar year would be “10 months remaining in the calendar year” multiplied by 6.67 which results in 66.7 hours of vacation.

Vacations are taken in day increments (i.e., 8 hours) and not by the hour. Partial days are rounded up to a full day. Therefore, in the previous example, you would have 9 days of vacation for the remainder of the year.

Although it may be changed with the supervisor's approval, each eligible employee's vacation schedule must be submitted to his or her supervisor by the last day of February each year. Your vacation balance will be provided to you each January and employees will be required to document vacation time and deduct it from their balance.

Vacation weeks earned but not used by the end of the calendar year will be forfeited.

From time to time, the Church hosts special events (holiday services, special services, etc.). It is requested you not schedule your vacation during these major events. If you are unsure of the timing of these events, please check with your supervisor. Each year we place a major "all hands on deck" emphasis for our fall series launch starting the first weekend in August, therefore there are no vacations in August. Please plan your vacations from September through July.

If a paid holiday falls within an employee's vacation period, the holiday will not be charged as a vacation day. No allowance will be made for sickness or other compensable type of absence occurring during a scheduled vacation.

Holidays

12Stone® Church observes certain designated days each year as holidays. Eligible employees will be given a day off with pay for each holiday observed. The following schedule of holidays is observed during each calendar year; however, 12Stone does reserve the right to change the actual days.

- New Year's Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- The Day After Thanksgiving
- Christmas Eve
- Christmas Day
- The Day After Christmas

12Stone will grant paid holiday time off to all regular full-time and part-time employees. Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day.

A recognized holiday that falls on a Saturday will be observed on the preceding Friday. A recognized holiday that falls on a Sunday will be observed on the following Monday.

If a recognized holiday falls during an eligible employee's paid absence (such as vacation or sick leave), holiday pay will be provided instead of the paid time off benefit that would otherwise have applied.

Paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.

To receive holiday pay, an eligible employee must be at work, or on an authorized absence, on the work days immediately preceding and immediately following the day on which the holiday is observed.

Family Medical Leave Act

It is the policy of the Church to provide family and medical leaves in accordance with the Family and Medical Leave Act of 1993 (FMLA).

Eligibility

The FMLA entitles eligible employees to take up to 12 weeks of unpaid, job-protected leave in a 12-month period for reasons specified in the FMLA. Under certain circumstances, families caring for military service members recovering from a serious injury or illness may take up to 26 weeks of unpaid, job-protected leave.

You are eligible for FMLA leave if you have, before the first day of your FMLA leave, met the following conditions:

1. Worked for at least 12 months, **and**
2. Worked for at least 1,250 hours of service within the previous 12-month period. We calculate the 12-month period backward from the date the employee's FMLA leave begins. If you and your spouse are both employed by the Church, your combined FMLA leave entitlement is 12 weeks for the birth, adoption, or placement of a child.

Reasons for FMLA Leave

- FMLA leave will be granted to eligible employees for any of the following reasons:
- The birth, adoption, or placement of a child (12 weeks).
- The care of a spouse, child, or parent who has a serious health condition (12 weeks).
- The employee's own serious health condition (12 weeks).
- A "qualifying exigency" arising out of a covered family member's active duty or call to active duty in the Armed Forces in support of a contingency plan. (12 weeks)
- The care of a covered family member who has become seriously ill or seriously injured in the line of duty in the Armed Forces. (26 weeks)
- A serious health condition means an illness, injury, impairment, or physical or mental condition that involves:
 - Any period of incapacity or treatment in connection with or after inpatient care in a medical facility;
 - Any period of incapacity requiring absence from work, school, or other regular daily activities of more than three calendar days and involving continuing treatment by a health care provider;
 - Any period of incapacity due to pregnancy or for prenatal care; or continuing treatment by a health care provider for a chronic or long-term condition that would likely result in a period of incapacity of more than three calendar days. Unless complications arise or if left untreated, the common cold, the flu, upset stomachs, headaches, or orthodontic problems will not generally be considered serious health conditions. Routine physical, eye, or dental examinations are not considered treatments indicative of a serious health condition.

Guidelines of FMLA Leave

Leave may be taken, if medically necessary, on an intermittent or reduced schedule basis for the serious health condition of the employee or an immediate family member. Intermittent or reduced leave may be taken for birth or adoption of a child only if approved by the executive pastor.

12Stone® Church requires the employee to first use his or her paid sick leave, floating holidays, or vacation time for any part of the 12-week (26-week) period. Therefore, all available paid sick leave, floating holidays, and vacation time must be used and will be designated as FMLA leave time before any remaining FMLA leave can be taken on an unpaid basis.

Notice and Medical Certification

If you become eligible for leave under the FMLA, you must follow these guidelines:

- You must provide 30 days advance notice when the leave is foreseeable. When the need for leave is not foreseeable, you must provide notice to the HR Coordinator (within two business days of when you become aware of the need for leave). Notice may be provided by your spouse, family member, or other representative if you are unable to do so personally. Failure to provide notice could jeopardize your FMLA status.

- FMLA requires that you attempt to schedule planned medical treatment or intermittent leave so as to avoid undue work-related disruption. This means that in cases where your treating physician is available, you may be required to schedule planned medical treatment outside of general business hours.
- If you take leave to care for a spouse, child, or parent, you must provide a medical certification within 15 calendar days of the request for leave. Contact the HR Coordinator to obtain a copy of the “Certification of Health Care Provider” form. A second and/or third medical certification at the Church’s expense may be required.
- If you take leave for your own serious health condition, you are required to provide a fitness-for-duty report, along with the “Certification of Health Care Provider” form, before returning to work.
- While on FMLA, you are required to report to the HR Coordinator periodically on your status and your plans to return to work. This organization will take steps to maintain all medical information confidentially in accordance with the Americans with Disabilities Act.

Benefits during FMLA Leave

You may choose to continue your participation in our health care program while on leave. However, it’s your responsibility to arrange for payment of necessary premiums during your leave. Failure to make the appropriate premium payments may result in the cancellation of your insurance coverage. Additionally, if you fail to return to work at the end of the leave, the Church has the right to recoup the premiums paid for maintaining health coverage.

Returning to Work

When you return to work after your FMLA leave, you will be restored to your original position or to an equivalent position with equivalent pay, benefits, and other terms and conditions of employment.

Plans and FMLA

Situations may arise in which both this organization’s short-term and/or long-term disability plan and the Family and Medical Leave Act apply. While the purpose of FMLA is to provide 12 weeks (26 weeks) of unpaid, job-protected leave, the purpose of short-term and long-term disability benefits is to help supplement lost income during long periods of incapacity.

Any leave granted under the disability policies shall run concurrently with the 12 weeks (26 weeks) granted under the FMLA. When an employee is eligible for FMLA only, all available paid sick leave, floating holidays, and vacation time must be used and will be designated as FMLA leave time before any remaining FMLA leave can be taken on an unpaid basis.

If you have any questions regarding how FMLA leave is applied, please contact the HR Coordinator.

Guidelines

When FMLA leave has been exhausted, employment may be terminated. If employment is not immediately terminated, this organization may designate any and all future absences as unexcused absences. Additionally, when FMLA has begun, and all sick and vacation time has been used, any non-qualifying FMLA absences may be considered unexcused absences.

Short-Term Leaves of Absence

12Stone® Church permits employees to be absent from work on a short-term basis under certain circumstances, including sickness or injury.

A short-term absence may last a few hours, or up to one week in duration.

An authorized short-term absence may include any of the following:

1. Sickness or injury, not covered by FMLA; resulting in temporary disability of the employee or a member of his immediate family;
2. Death, funeral, or estate settlement in the employee's immediate family;
3. Marriage of the employee or a member of his immediate family;
4. Approved educational leave of absence;
5. Birth of a child to or adoption by the employee and/or the employee's spouse;
6. Jury duty;
7. Testifying as a subpoenaed witness;
8. Voting.

Full-time employees are eligible to be compensated for regular base wages lost during periods of authorized absence to the extent approved by the Executive Pastor. However, no compensation will be paid for absences covered by Workers' Compensation.

Immediate family members include brother, sister, son, daughter, father, mother, husband, wife, aunt, uncle, niece, nephew, grandchild, mother-in-law, father-in-law, son-in-law, daughter-in-law and grandparents.

In addition to the aforementioned short-term leaves, employees are authorized up to five (5) days of paid time off to participate in their volunteer ministry. Examples of this would include time taken when the employee wants to participate on a short term mission trip or to assist with a student retreat. The employee's supervisor must approve the time off prior to the employee agreeing to participate.

Expenses associated with volunteer ministry participation will be handled the same as any non-staff volunteer. For example, if a staff member is participating in a student retreat, the staff member is responsible for paying the same fee as the non-staff volunteer.

Employee participation in short-term mission trips is subject to the approval of the responsible DLT leader and the Director of Extension Ministries.

Other Leaves of Absence

Under certain circumstances, the Church may grant employees other unpaid leaves of absence. The following types of leaves will be considered based on seniority, length of request, and impact on ministry:

Sick Leave of Absence:

Employees who are unable to work because of an illness or disability, and whose illness or disability continues beyond the coverage afforded in Short-term Leaves of Absence section, may be granted a sick leave of absence. This type of leave includes disabilities caused by pregnancy, childbirth, or other related medical conditions. The Church may require certification, on a periodic basis, of an employee's continuing illness or disability by the employee's physician and/or a physician selected by 12Stone. The Church adheres to the FMLA law with regard to employee illness or disability. Please refer to the FMLA section in this handbook.

Childcare Leave of Absence:

Employees may be granted a childcare leave of absence for the purpose of caring for newborn or seriously ill children. Employees who adopt a child may also be granted a childcare leave of absence for the purpose of receiving the child into the home and assisting the child in adjustment after placement. The Church adheres to the FMLA law with regard to dependent illness or disability. Please refer to the FMLA section in this handbook.

Personal Leave of Absence:

Employees may be granted a personal leave of absence to attend to personal matters in cases in which the Executive Pastor determines that an extended period of time away from the job will be in the best interests of the employee and 12Stone® Church.

Military Leave of Absence:

A military leave of absence will be granted if an employee enlists, is inducted, or is recalled to active duty in the United States armed forces for a period of not more than four years (plus any involuntary extension for not more than one additional year.) Employees on military leave will be treated in accordance with state and federal laws. Employees are expected to notify their supervisor as soon as possible of any orders which might impact the performance of their job.

Employees failing to return to work at the end of an approved leave are subject to termination as of the last day worked. The church is entitled to recover, from the individual, the premium that was paid for maintaining coverage for the employee under the group health plan.

Employee Expense Reimbursements

Accountable Reimbursement Plan

12Stone® Church has adopted an accountable reimbursement policy pursuant to income tax regulations 1.162-17 and 1.274-5(e). This policy makes it legally possible for the Church to reimburse legitimate expenses without having to show them as taxable income to the employee. Following are the terms of our accountable reimbursement policy:

- A. Any employee will be reimbursed for any ordinary and necessary business and professional expenses incurred on the Church's behalf if the following conditions are satisfied:
 - a. the expenses are reasonable in amount;
 - b. the expenses are contained within the planned annual budget for the employee (else, it requires pre-approval by a supervisor);
 - c. the employee documents the amount, time and place, business purpose, and business relationship of each expense with the same kind of documentary evidence that would be required to support a deduction of the expense on the employee's tax return;
 - d. The employee documents such expenses by providing the accounting department with a reimbursement request of such expenses within 30 days of said expense. Expenses will **NOT** be reimbursed if substantiated more than **sixty (60)** days after the expense is paid or incurred by the employee.
- B. Reimbursable and professional expenses may include local transportation, overnight travel (including lodging and meals), entertainment, books and subscriptions, education, vestments, and professional dues. See the following headings in this Employee Expense Reimbursements section for specific details.
- C. 12Stone® Church will not include as taxable income any business or professional expense reimbursement properly substantiated and reimbursed according to this policy, and the employee should not report the amount as taxable income, nor should the reimbursed expenses be taken as deductions in calculating the employees' personal income tax on the IRS Form 1040.
- D. Under no circumstances will the Church reimburse an employee for business or professional expenses incurred on its behalf that are not properly substantiated according to this policy.

Travel Expense

Employee travel on behalf of 12Stone must be approved in advance and such travel should be engaged in and reimbursed according to the guidelines below.

Employees are to use the most expedient mode of transportation available, to book the least expensive fares, and to stay in and eat at moderately priced establishments. Employee expenses for approved travel will be paid or reimbursed when properly documented by the employee and approved by the supervisor. Employees are expected to exercise prudent discretion in incurring expenses while traveling on behalf of 12Stone. Any travel expenses deemed unreasonable relative to the circumstances will not be paid or reimbursed and are the employee's personal responsibility.

Employees are requested to provide their supervisor with a copy of their itinerary before leaving on 12Stone-related travel.

Automobile Usage

12Stone may allow certain employees to drive on 12Stone's business. Employees who use their personal vehicle for approved business purposes will receive a mileage allowance up to, but not to exceed the Internal Revenue Service optional mileage allowance for such usage. This allowance is to compensate for the cost of gasoline, oil, depreciation, and insurance. In addition, employees driving on 12Stone's business may claim reimbursement for parking fees and tolls incurred. All drivers are subject to a background check and motor vehicle report.

Meal Reimbursement

12Stone may provide, pay for, or reimburse employees for ministry related meals. Meal expenses must be reasonable and should not exceed the guidelines set by the Chief Financial Officer. Expense reimbursement requests must be accompanied by receipts, and should not involve the consumption of alcoholic beverages.

Ministry staff cannot be reimbursed for meals with each other, even when ministry discussion is the purpose. The only exception is when a supervisor provides their employee with a business meal for ministry discussion or as a gift of appreciation. The supervisor **MUST** be the person to pay for the meal and then their supervisor must sign the expense reports. The budget owner **MUST** sign for all expenses charged to them; staff cannot assign expenses to another person's budget without their authorization.

Participation in Trade and Professional Associations

Employees are encouraged to participate in trade and professional associations that promote 12Stone's goals, individual skills development, and/or professional recognition. However, employee participation in such associations must not conflict with the Church's interests.

Church Premises and Work Areas

Safety

Equipment and vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Please notify the supervisor if any equipment, machines, tools, or vehicles appear to be damaged, defective, or need repair. Prompt reporting (in writing) of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. The supervisor can answer any questions about an employee's responsibility for maintenance and care of equipment or vehicles used on the job.

Use of Cell Phones While Driving

Because cellular telephones can cause distraction if used while driving, 12Stone® Church has adopted the following safety precautions regarding cellular phone communication when operating a vehicle while on ministry business or operating a 12Stone owned vehicle::

- We recommend that you do not use cell phones to make or receive calls while driving unless using a hands-free device.
- We strongly recommend that you do not use cell phones to make or receive calls when transporting children, while driving in heavy traffic or during hazardous weather conditions.
- Under no circumstances may you send or read text messages while driving.

Privacy

12Stone® Church reserves the right to examine all church provided resources at any time and without warning. Such resources may include desks, desk drawers, locks, computers, computer system databases, communication systems, e-mail, voice mail, lockers, file cabinets, etc. These resources are the property of the Church, and are therefore, not private.

Safeguarding Personal Property

Employees are expected to exercise reasonable care to safeguard personal items of value brought to work. Such items should never be left unattended or in plain view. 12Stone® Church does not assume responsibility for the loss, damage or theft of personal belongings, and employees are advised not to carry unnecessary amounts of cash or other valuables with them when they come to work.

Solicitation & Distribution

12Stone® Church limits solicitation and distribution on its premises because, when left unrestricted, such activities can interfere with the normal operations of the organization, can be detrimental to employee efficiency, can be annoying to employees and members and attenders, and can pose a threat to security.

Persons who are not employed by the Church or otherwise under the direction of ministry staff are prohibited from soliciting funds or signatures, conducting membership drives, distributing literature or gifts, offering to sell merchandise or services, or engaging in any other solicitation or similar activity on Church premises unless granted specific written permission to do so by the Chief Financial Officer.

Employees may be permitted to engage in solicitation or distribution of literature only when pre-approved by the Chief Financial Officer.

Security

12Stone® Church makes reasonable efforts to provide security for its property, its employees, and authorized visitors to its premises. Employees are expected to know and comply with the Church's security procedures

and are expected to report any violations or potential problems to the Chief Financial Officer. Employees violating security procedures will be subject to discipline; and, in addition, illegal acts committed by employees may be reported to law enforcement authorities.

Employees working in sensitive or high security jobs (such as bookkeeping or childcare) must meet any applicable special security clearance requirements specified for such jobs. These requirements may include more extensive background checks, fingerprinting, bonding, or other special security measures. Failure or inability to meet and/or comply with any special security requirements are grounds for termination of employment or rejection of an applicant.

Employees are expected to exercise reasonable care for their own protection and for that of their personal property while on the Church's premises and while away from the premises on 12Stone's business. 12Stone assumes no responsibility for employee losses resulting from robbery or theft while away from the premises on the Church's business.

Additional guidance is provided on the intranet under Section 7 of the Policies and Procedures.

Keys and Key Fobs

Employees receive keys, depending on their assignments and responsibilities, to allow entrance to the facilities where they perform their duties. These keys are requested by the Facility Manager and will need to be returned upon departure from staff. Lost keys are to be reported to the Facility Manager immediately to maintain security.

Employee Conduct

Business Ethics and Conduct

The successful ministry, business operation, and reputation of the Church are built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of 12Stone is dependent upon the trust of people and we are dedicated to preserving that trust. Employees owe a duty to the 12Stone family to act in a way that will merit the continued trust and confidence of the public.

12Stone® Church will comply with all applicable laws and regulations and expects its leadership and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws, and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment, based on high ethical and biblical principles, will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with your supervisor or the Chief Financial Officer for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every Church employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

Please refer to the Policies and Procedures on the intranet at home.12stone.com in particular the Code of Conduct and the Conflict of Interest policies.

Personal Behavior of Employees

Certain rules and regulations regarding employee behavior are necessary for the efficient operation of 12Stone and for the benefit and safety of all employees. As a religious organization, the conduct of employees on and off the job can impact our mission. Conduct that interferes with operations, discredits the Church, or is offensive to members and attenders or fellow employees will not be tolerated.

In keeping with the Church's intent to provide a safe and healthful work environment, smoking is prohibited throughout the workplace.

Employees are expected at all times to conduct themselves in a positive manner so as to promote the best interests of 12Stone. Such conduct includes:

1. Reporting to work punctually as scheduled and being at the proper work station, ready for work, at the assigned starting time;
2. Giving proper advance notice whenever unable to work or report on time;
3. Complying with all of the Church's safety and security regulations;
4. Wearing clothing appropriate for the work being performed;
5. Maintaining work place and work area cleanliness and orderliness;
6. Treating all members and attenders, visitors, and fellow employees in a courteous manner;
7. Refraining from offensive or undesirable behavior or conduct, or conduct which is contrary to the Church's doctrinal stance or official policies; and
8. Performing assigned tasks efficiently and in accordance with established quality standards.

The following conduct is prohibited and will subject the individual involved to disciplinary action, up to and including termination:

1. Reporting to work under the influence of alcoholic beverages and/or illegal drugs and narcotics; or the use, sale, dispensing, possession or usage of tobacco products, alcoholic beverages and/or illegal drugs and narcotics on the Church's premises.
2. The use of profanity, obscene or threatening, or threatening or abusive language;
3. The possession of firearms or other weapons on Church property;
4. Insubordination or the refusal by an employee to follow management's instructions concerning a job related matter;
5. Fighting or assault on fellow employees, members and attenders, vendors, or visitors;
6. Theft, destruction, defacement, or misuse of Church property, another employee's property, or the property of an attender;
7. Falsifying or altering any Church record or report, including, but not limited to, an application for employment, a medical report, a production record, a time record, an expense account, an absentee report, or shipping and receiving records;
8. Threatening or intimidating management, supervisors, volunteers, fellow workers, or attenders;
9. Failure to wear assigned safety equipment or failure to abide by safety rules and policies;
10. Improper attire or inappropriate personal appearance;
11. Engaging in any form of sexual misconduct or sexual harassment (see the following Personal Sexual Purity Statement);
12. Violation of 12Stone's policies on solicitation or distribution;
13. Unauthorized use of or disclosure of confidential information or records;
14. Excessive absenteeism or tardiness;
15. Horseplay, unprofessional conduct or unsafe acts;
16. Unauthorized use of phones, computers, or internet.

The examples above are illustrative of the type of behavior that will not be permitted, but are not intended to be an all-inclusive listing. Any questions in connection with this policy should be directed to the Chief Financial Officer.

Personal Sexual Purity Statement

In an age where secular society is increasingly confused about sexual identity and sexual purity, 12Stone believes it is important that it be clear with its staff, missionaries, and employees about its expectation that they uphold the highest standards of Biblical purity in their interpersonal relationships. Without a clear understanding of sexual identity and consistent practice of sexual purity by 12Stone's staff, missionaries, and employees, 12Stone cannot be an effective agent of the healing power of Jesus Christ to the victims of sexual confusion in our world.

We believe that God's design for the gift of sexuality is that it is to be exercised and enjoyed only within the covenant relationship of marriage between one man and one woman. It is God's intention that those who enter marriage shall seek, in mutual love and respect, to live, one man and one woman, in Christian fidelity as long as both shall live.

We believe God has expressly condemned sexual intercourse outside of the marriage covenant. This prohibition applies to:

- married persons committing adultery;
- sexual relationships between unmarried men and women; and
- homosexual practices.

It is God's expectation that the unmarried shall live pure and celibate lives, refraining from sexual intimacy.

Because of the serious consequences confused sexuality and unrepentant sexual sin can have on the ministry; staff, missionaries, and employees who disagree with this policy or who do not conform their conduct to it are expected to resign or they will be terminated. Individuals applying for positions with the Church must acknowledge their agreement with this policy and commitment to abide by it.

Personal Appearance of Employees

Each employee's dress, grooming, and personal hygiene should be appropriate to the work situation. Employees are expected at all times to present a professional, business-like image to members and attenders, prospects, and the public. Favorable personal appearance, like proper maintenance of work areas, is an ongoing requirement of employment with 12Stone. Radical departures from conventional dress or personal grooming and hygiene standards are not permitted.

The personal appearance of employees who do not regularly meet the public is to be governed by the requirements of safety and comfort, but should still be as neat and business-like as working conditions permit.

Any employee who does not meet the standards of this policy will be required to take corrective action, which may include leaving the premises. Any work time missed because of failure to comply with this policy will not be compensated, and repeated violations of this policy will be cause for disciplinary action.

Personal Use of Computer and Phone Systems

12Stone® Church reserves the right to review, monitor, audit, intercept, access, and disclose any messages or other content created, sent, received, downloaded and/or stored on any 12Stone® Church owned system or computer without notice to the employee. This includes the use of personal computers, tablets or smart phones utilizing the church Wi-Fi network.

Accordingly, 12Stone may override individual passwords. By using the Church's computer systems and telephone systems, employees knowingly and voluntarily consent to electronic monitoring and acknowledge the Church's right to conduct such monitoring.

The Church's right to access system information is based on legitimate business needs, including, but not limited to, the need to:

- Retrieve business information;
- Prevent system misuse;
- Ensure compliance with Church's policies;
- Investigate conduct or behavior that may be illegal or adversely affect the Church or its employees;
- Comply with legal and regulatory requests for information (e-mail records may be accessed and reviewed by state and federal government investigators upon legitimate request and may be subject to discovery by private parties in litigation.)

Employees should not use Church communication services and equipment for personal purposes except in emergencies or when extenuating circumstances warrant it. Such usage is restricted because it can impede the normal flow of business, incur unnecessary expense, and reduce productivity. When personal usage is unavoidable, employees must properly log any user charges and reimburse 12Stone® Church for them; however, whenever possible, personal communications that incur user charges should be placed on a collect basis or charged to the user's credit card or personal bill.

Computers, computer files, the e-mail system, printers, copiers, postage machines and software furnished to employees are Church property, intended for business use. Employees should not use a password, access a file, or retrieve any stored communication without authorization.

Printing of personal documents exceeding 10 pages is not permissible.

12Stone® Church strives to maintain a workplace free of harassment and is sensitive to the diversity of its employees. Therefore, 12Stone prohibits the use of computers and the e-mail system in ways that are disruptive, offensive to others, or harmful to morale. For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others.

E-mail may not be used to solicit others for commercial ventures or political causes, outside organizations, or other non-business matters.

12Stone® Church purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, the Church does not have the right to reproduce such software for use on more than one computer.

Employees may only use software on local area networks or on multiple machines according to the software license agreement. The Church prohibits the illegal duplication of software and its related documentation.

Employees should notify their supervisor, the Chief Financial Officer, or any member of management upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

Conflicts of Interest

In addition to the following information please review the Conflict of Interest policy on the intranet at home.12stone.com. Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which 12Stone wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation. Contact the Chief Financial Officer for more information or questions about conflicts of interest.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of 12Stone's business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if employees have any influence on transactions involving purchases, contracts, or leases, it is imperative that they disclose to the Chief Financial Officer as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which 12Stone does business, but also when an employee or relative receives any gift, or special consideration as a result of any transaction or business dealings involving 12Stone.

Confidential Nature of 12Stone® Church's Interests

The interests of 12Stone, particularly confidential information and trade secrets, represent proprietary assets that each employee has a continuing obligation to protect.

Information designated as confidential is to be discussed with no one outside 12Stone, and only discussed within on a "need to know" basis. This responsibility is not intended to impede normal ministry communications and relationships, but is intended to alert employees to their obligation to use discretion to safeguard 12Stone's interests.

Employees authorized to have access to confidential information may be required to sign special nondisclosure agreements and must treat the information as proprietary property for which they are personally responsible. Employees are prohibited from attempting to obtain confidential information for which they have not received access authorization. Employees violating this policy will be subject to discipline, up to and including termination, and may be subject to legal action.

Political Activity

Employees are encouraged to actively participate in the political process. However, it is essential that political activity must not interfere with the conduct of our business. At no time should you present your own political views, whatever they may be, as representative of this church. As a church we maintain the right to address moral and spiritual issues pertaining to the political process.

Solicitation for Outside Causes

While we respect employee participation in causes that you believe in, we cannot allow these outside activities to take away from your work, to interrupt another employee's work, or to make other employees feel pressured to support or participate.

Media & Public Inquiries

All media inquiries and other inquiries of a general nature should be referred to the Director of Communications. Inquiries seeking information concerning current or former employees should be referred to the Chief Financial Officer.

Disciplinary Procedure

All employees are expected to comply with the Church's standards of behavior and performance, and any non-compliance with these standards must be remedied.

Under normal circumstances, the Church endorses a policy of progressive discipline in which it attempts to provide employees with notice of deficiencies and an opportunity to improve. It does, however, retain the right to administer discipline in any manner it sees fit.

Employees have a responsibility to contribute to the efficiency and effectiveness of the church's operation and are expected to fulfill these assignments within prescribed directions and departmental guidelines. Occasions where those directions and departmental guidelines are ignored or abused will be subject to discipline in the form of verbal instruction (reprimand), written instruction (reprimand), short-term probation, or termination of employment. The Church reserves the right to terminate immediately any employee that violates any of its policies.

This does not refer to innocent mistakes or human weaknesses but rather to apparent intentional or grossly negligent, ongoing, consistent disregard for authority and/or diligence to faithful service.

The Executive Pastor, Chief Financial Officer and Human Resources Coordinator, under normal circumstances, should review and approve all recommendations for termination before any final action is taken.