



CONSTITUTION
insure domestic Tranquillity, provide for the common defence
and our Posterity, do ordain and establish this Constitution

Section 1 All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.
Section 2 The House of Representatives shall be composed of Members chosen every second Year by the People of the several States, and the Electors in each State shall have the Qualifications requisite for Electors in that State.
Section 3 The Senate of the United States shall be composed of two Senators from each State, chosen by the Legislature of the State for which they are appointed, who shall, when assembled, with the Chief Justice of the United States, constitute the Supreme Court (under the Constitution of 1787).
Section 4 The Times, Places and Manner of holding the Elections of Senators and Representatives, shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by Law alter or change in whole or in part the same.

THE LEGAL ALERT

A MONTHLY PUBLICATION OF THE CHRISTIAN LAW ASSOCIATION

MARCH 2025

The top of the page features a dark blue background. On the left, a portion of the American flag is visible, showing the stars and stripes. On the right, a person in a dark suit is shown from the chest down, holding an open book and pointing at a page with their right index finger. The text 'ACKNOWLEDGING GOD'S GOODNESS' is centered in a large, white, serif font.

ACKNOWLEDGING GOD'S GOODNESS

In the many decades that have passed since the founding of the Christian Law Association, we have been singularly blessed by the Lord. Some would say that we have an astonishing record as we have labored to defend religious liberty in the United States.

Though we have been blessed with talented attorneys and a strong leadership team, we know that every legal success is a gift from God. “Every good gift and every perfect gift is from above, and cometh down from the Father of lights, with whom is no variableness, neither shadow of turning” (James 1:17).

When we have won legal battles, we know it is by the grace of God. We know it is because of the faithful prayers of people who carry our ministry and our cases in their heart. As an attorney in the nineteenth-century said, “Little prayer, little power; much prayer, much power.”

While we encourage Christian people to fulfill their civic duty, we understand that government is not the guarantor of

our religious liberty. If you think that Washington, D. C. is the answer, you should know that they don't even know the questions! It is God, and only God, who enables us to win legal victories.

The Psalmist was wise to write, “O thou that hearest prayer, unto thee shall all flesh come” (Psalm 65:2). As we make our way through the new cases of this calendar year and as we continue working to finish legal cases from the past, we humbly ask you to keep us in your prayers. We can see firsthand how God steps in to help His children in ways that we could never have imagined, and we need His help, strength, and guidance.

We thank the Lord and honor Him for His undeserved blessings. We ask you to keep praying for God's will to be done as we continue battling for the religious rights of God's people here in these United States.

CAN VOLUNTEERS BE COMPENSATED?

A small Christian school educates students in Western Kentucky. In order to make the school work, several of the mothers volunteer at the school, generously offering their services for free. The principal of the school, being grateful for their work and knowing the school could not operate without these volunteers, thought it would be appropriate to pay them a token sum of money each month and to reduce their children's tuition by 50%. His primary goal was not to compensate the volunteers, but to do something that would express his gratitude for their work.

Unfortunately, when volunteers are paid—even if the pay is only free or reduced tuition—their classification changes. Instead of being volunteers, they must be reclassified as paid staff.

Suppose Sally volunteered at the Christian school 20 hours per week, and the principal gave her a token payment of \$100 per month.

In the eyes of the law, she was working 80 hours per month and being paid at the rate of \$1.25 per hour. This fact would mean that the school is now in violation of the minimum wage law.

In addition, the “volunteer” who was receiving \$100 per month would need to be signed up as a regular employee, and withholding tax would need to be deducted from the “salary.”

Complex legal issues arise when paying staff and providing expressions of gratitude to volunteers. Understanding this information is extremely important for the legal protection of your ministry.





WHO'S KEEPING TRACK OF THE MONEY?

As Christians, we are called upon to be faithful stewards. In churches, we should certainly use the talents of our staff members prayerfully, take care of the physical church plant, and faithfully preach the Word. But we must be careful not to overlook solid financial stewardship. In most churches, receiving the offering is the starting point of the church's finances, and proper procedures should be in place from the very beginning.

The handling of offerings may be likened to links in a chain. Each link is important to the trustworthiness of the chain. The basic "links" of the offering chain are the contributors, the collectors, the counters, the recorder, the depositors, and the recordkeeper. This "chain of custody" of money given to God as an act of worship must be regained in churches. Increasingly, churches are being held to the same standards of financial accountability as businesses. The pastor should not handle the finances of the church personally (1 Corinthians 16:3). Instead, the pastor should ensure that procedures for handling the church finances are adopted and followed.

1. Those involved in handling the church finances should be approved as persons of integrity by the church body and then by the leaders.
2. The handling of the church finances should never be left to one person. Always have two or more involved in the "chain of custody." This provides a twofold protection: shared strength against the temptation to dishonesty, and a witness in case of unfounded accusation.
3. The pastor should not treat the communication of the financial activities and status of the church as unimportant.
4. He should communicate with the people on the matter of church finances.
5. He should use both verbal and written means to keep the congregation informed.

If you ever face legal action related to your church's finances, it will be very helpful to have a list of the people who collected the offering each Sunday, as well as a list of

the people who counted the offering each Sunday. Keep in mind that you cannot verify who actually did the work by looking at something like the schedule for ushers because the day-to-day reality of church work often involves people swapping dates, not showing up at the last minute, etc. It is also important to bear in mind that the people who collect the offering should not be the same as the people who count it.

The people who count the offering should be carefully screened. The strongest links in the offering chain must be the counters. CLA strongly recommends that the following policies be adopted:

1. Always have at least two people involved in the counting of the offering.
2. Basic written counting guidelines should be made known by the pastor or the deacon board.
3. The counting room should be secured from the inside during the count.
4. There should not be any traffic in or out of the room during the count.
5. For security reasons and for best practices, have all the materials needed (such as bank bags and adding machines) for accurate counts.

Following procedures like these offers many benefits to you ministry. First, when these procedures are followed, the church is less likely to have some of its funds surreptitiously stolen. Second, and perhaps more importantly, if these procedures are not followed, it makes it easier for people to sue the church and perhaps impeach the character of church leadership, even if they have been completely honest and upright.

At the Christian Law Association, we have dealt with the issues that arise from financial situations for decades. We have several other steps and procedural recommendations in our resource, *From Offering Plate to Disbursement*. Please contact us today to get your copy so that you can be certain your ministry is taking the proper precautions with the finances. If you need any assistance, our dedicated legal missionaries will be more than happy to help you.

IS THAT “DISCOUNT” TAXABLE?



It is certainly the case that what the Internal Revenue Service considers income is often different from what ordinary people consider income. The situation of a discounted sale is an excellent example.

A well-established church in Northern Virginia had accrued a number of houses during its long and storied history. In addition to its facilities at the main church campus, the church owned several houses in neighborhoods around town.

The church wanted to be a blessing to its pastor, so they explored the idea of selling the pastor one of the church-owned houses. Because of booming real estate prices in Northern Virginia, a house that the church purchased for about \$200,000 was currently valued at about \$650,000. The church floated the idea of selling this house to their pastor for the price they paid.

To be clear, the church has every right to sell this house to their pastor, and he has every right to buy it. But because the sale would be \$450,000 below fair market value, the church would have to include \$450,000 on the pastor’s W-2 Form for the year, and he would be responsible to pay taxes on that money as though it were income. Keep in mind that the church did not give the pastor a check for \$450,000, but the IRS certainly counts the discounted price as part of the pastor’s annual income.

In many cases, sales like these would create such a heavy tax burden for the pastor that the discounted rate would bankrupt him. Unless the church also had the ability to greatly increase his annual salary to cover these taxes, their generous gesture would actually turn out to be harmful.

If you have questions about how taxes work when church property is bought and sold, please contact the legal team at the Christian Law Association.



Churches are busy places! Because the main business of the church is spreading the message of the Gospel and helping people, it is sometimes easy to let certain matters slide. Please remember that—regardless of how the church actually operates day by day—if you are ever in a lawsuit, you are held accountable for the way the church should be run according to its constitution and bylaws!

In some cases, churches do not even know where their organizational documents are. While most churches have their documents extremely well organized, you are not in a good position if you “think that one of the deacon’s wives has all that stuff.”

If you haven’t seen your organizational documents for a while, find them! Then browse through them to see if they need to be updated. If you need any assistance, our dedicated legal missionaries will be more than happy to help.





TAX RELIEF FOR HELENE VICTIMS

The Internal Revenue Service is making it a little easier for people who have been affected by Hurricane Helene.

- Taxes due in March or April of 2025 are now due on May 1, 2025, for the entire states of Alabama, Georgia, North Carolina, and South Carolina.
- Taxes due in March or April of 2025 are now due on May 1, 2025, for 41 counties in Florida, 8 counties in Tennessee, and 6 counties and 1 city in Virginia.
- These extended deadlines apply to both individuals and to businesses.
- These extended deadlines apply to quarterly payroll and excise taxes.
- Individuals and businesses who were not covered by insurance or who did not get reimbursed for disaster-related losses can claim these on their taxes during the year the loss occurred or on the previous year's taxes.
- Additional information is available on the IRS website. A link to that information can be found on our website in this same article when this issue of *The Legal Alert* is available online March 1.

If you have questions about this or need assistance, please contact our offices.

**DO YOU HAVE A
LEGAL QUESTION OR
A PRAYER REQUEST?**

CONTACT US AT 888-252-1969 OR



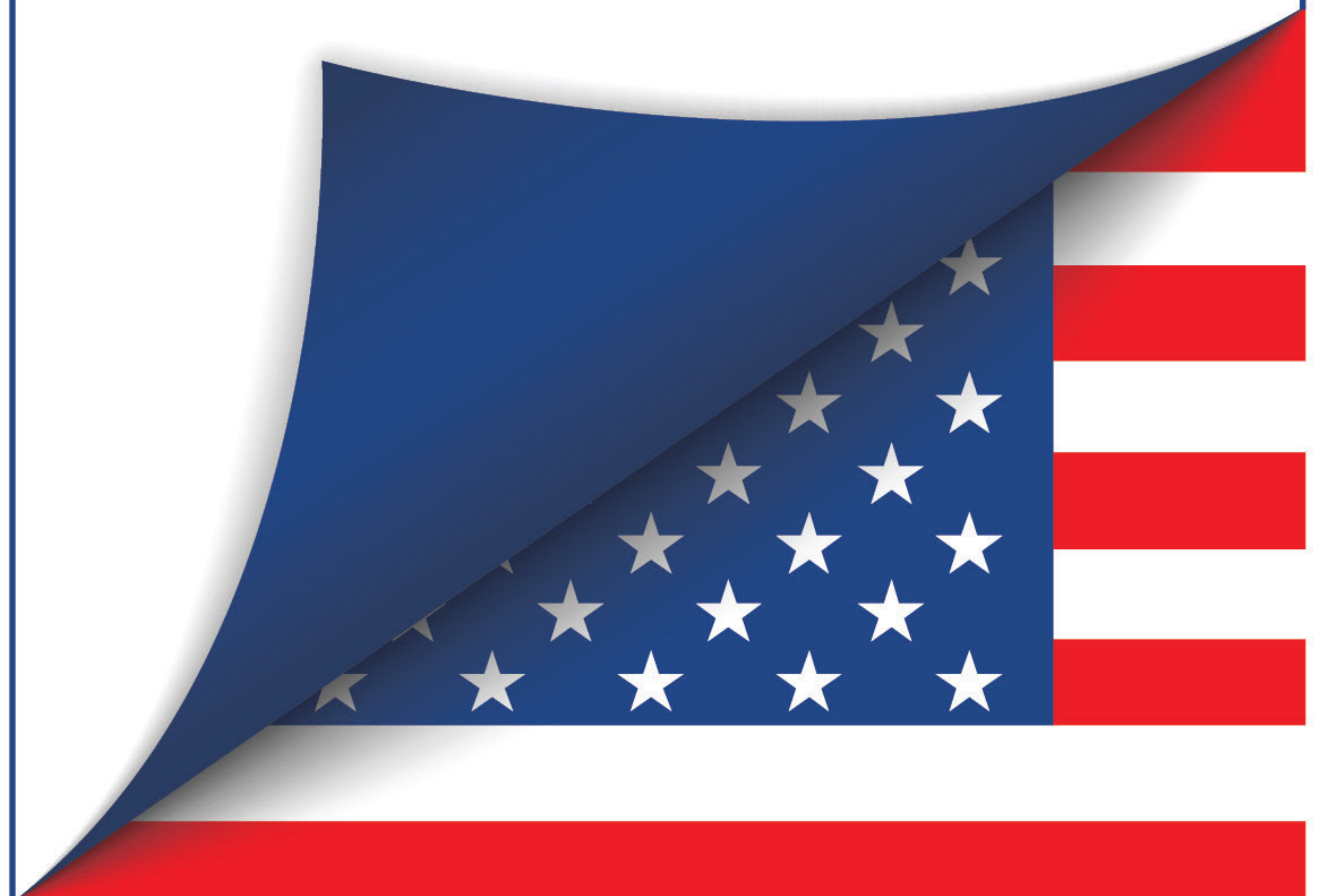
CLA

**CHRISTIAN LAW ASSOCIATION
PO BOX 669 • WEST CHESTER, OH 45071-0669**

A MINISTRY OF LEGAL HELPS

Since 1969, CLA has been providing free legal assistance to Bible-believing churches and Christians who are experiencing difficulty in practicing their religious faith because of governmental regulation, intrusion, or prohibition in one form or another. The Christian Law Association serves in the following ways...

- Free legal defense of those facing difficulties for the Biblical faith
- Free legal counsel to churches and Christians for their ministries
- Free legal help to homeschooling families
- Publication of *The Legal Alert*, a monthly newsletter
- Legal books and other resources to inform Christians of their rights
- Intercessory prayer ministry for requests sent to the ministry offices
- Free legal consulting to local, state, and federal officials and legislators to provide maximum religious liberty
- Prayer initiative for our national leadership and government
- Legal seminars for ministries to help prevent lawsuits
- Weekday radio program broadcast, *The Legal Alert*, on 1,600 outlets around the world
- Preaching in churches across the country





PRAYER CHECKLIST

We covet your prayers for these requests and hundreds of others we receive regularly.

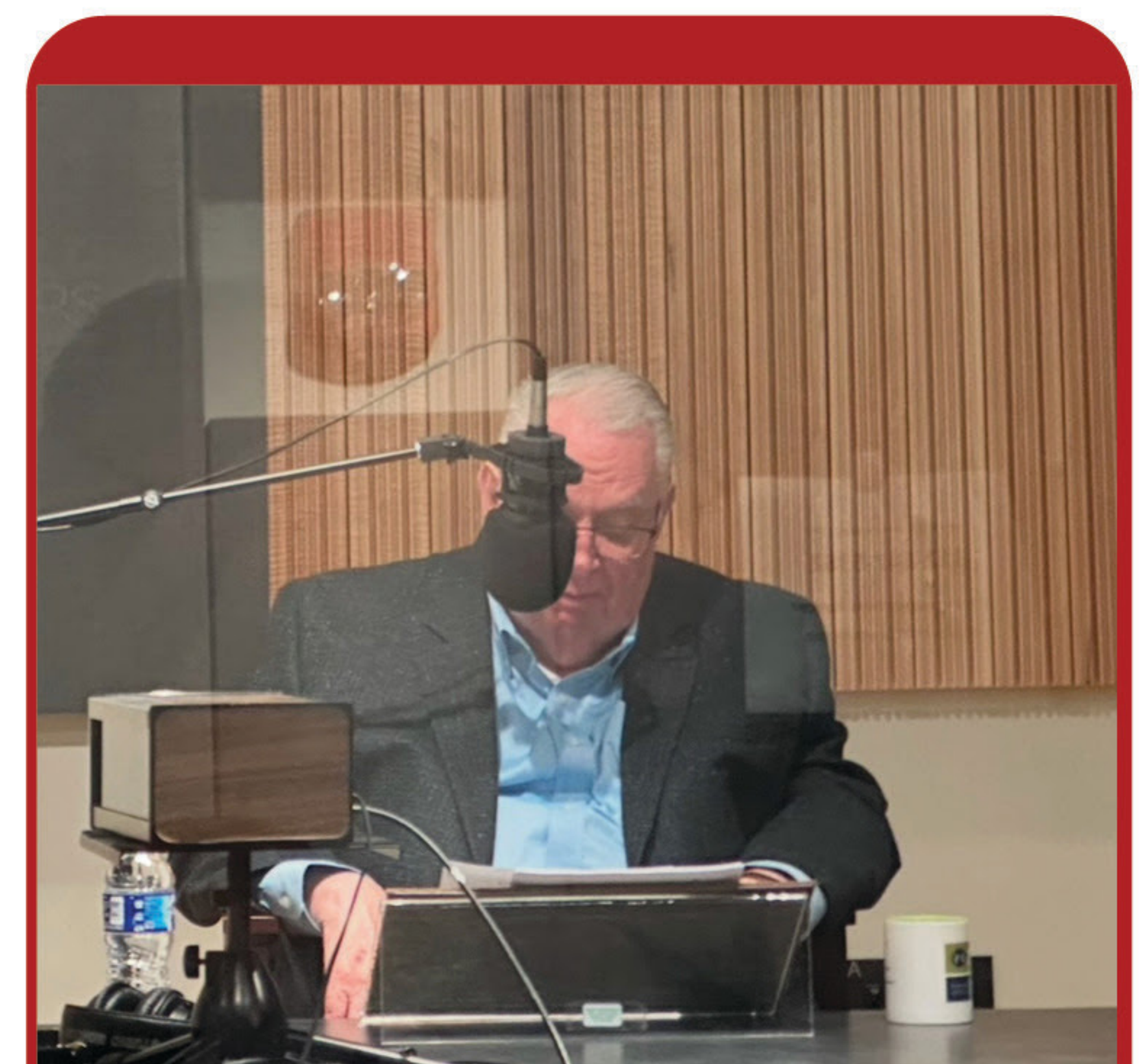
EPHESIANS 6:18

Praying always with all prayer and supplication in the Spirit, and watching thereunto with all perseverance and supplication for all saints.

- ❑ **MAINE:** Pray for a pastor and church seeking help from our attorneys as they navigate the paperwork to complete a church merger.
- ❑ **FLORIDA:** Pray for a church that contacted our office for guidance as they determine the best path for moving forward following the death of their pastor.
- ❑ **NORTH CAROLINA:** Pray for a pastor who called CLA with questions about the best way to properly appoint and set up trustees for the church.
- ❑ **KENTUCKY:** Pray for a church asking for direction from our attorneys as they help an assistant pastor acquire a religious workers visa.
- ❑ **MINNESOTA:** Pray for a church that reached out to us for help in understanding how new laws might affect their employee benefits and taxes.
- ❑ **INDIANA:** Pray for a pastor who contacted CLA for assistance due to the church's local sewage company charging excessive fees.
- ❑ **VIRGINIA:** Pray for a pastor seeking guidance from our attorneys regarding the proper hiring process for new staff.
- ❑ **CALIFORNIA:** Pray for a pastor who sought direction from our attorneys as he mediates a conflict among church board members.

- ❑ **VIRGINIA:** Pray for a church secretary who called our office for advice as she deals with the mishandling of church money by a volunteer.
- ❑ **TEXAS:** Pray for a church that contacted our office about the best way to approach tenants in a neighboring apartment complex who are trespassing and causing damage to church property.
- ❑ **NEW JERSEY:** Pray for a ministry that reached out to CLA about how to handle a situation involving a local prison returning religious materials.
- ❑ **MICHIGAN:** Pray for a pastor and church that asked for help from our attorneys after being slandered on a local Facebook page.
- ❑ **COLORADO:** A pastor's wife with a television program ministry encountered issues with the station threatening to not air the program due to a contract conflict. After speaking with our attorneys, the pastor's wife was able to reach out to the television station with better understanding of the contract, and we praise the Lord that the program was aired! Pray that no further issues will arise.
- ❑ **NORTH CAROLINA:** Pray for a ministry that called CLA for guidance as they consider opening a thrift store for their rescue mission.
- ❑ **WISCONSIN:** Pray for a Christian business owner who contacted our attorneys about the best way to continue her business, which is a ministry to local homeschooling families.
- ❑ **PENNSYLVANIA:** Pray for a Christian who sought help from our legal team after being told he was not allowed to put religious material on a community bulletin board.

- ❑ **CALIFORNIA:** Pray for a pastor and one of his church families who have reached out to CLA for help after the family was told by Child Protective Services that they have to enroll their student in a public school instead of the Christian school where the student is currently enrolled.
- ❑ **GEORGIA:** Pray for a pastor who is a former missionary to Russia who contacted us for direction after being asked to translate for a Russian couple that was arrested. Pray that he will be able to assist this couple spiritually as well as practically.
- ❑ **NORTH CAROLINA:** Pray for a man who called the CLA office for advice because of having issues with a supervisor being hostile towards him because he is a Christian.
- ❑ **SOUTH DAKOTA:** Pray for a Christian school employee seeking guidance from our legal team as they consider the legalities of accepting online payments.
- ❑ **SOUTH CAROLINA:** Pray for a pastor's wife who reached out to our attorneys for counsel as she deals with a disgruntled family who is slandering the church's Christian school on social media.



DR. GIBBS, JR. RECORDING FOR RADIO BROADCASTS