



# ECFA Formal Compliance Reviews

## Guiding Values and Review Procedures

ECFA enhances trust in Christ-centered churches and ministries through its annual accreditation of organizations based on [Seven Standards of Responsible Stewardship™](#), drawn from Scripture.

To ensure strong member compliance with the standards, ECFA's member accountability process utilizes various means, including the accreditation application, annual accreditation renewal, Standards Check-In program, compliance concern submission form, and formal compliance reviews.

The guiding values and procedures described in this document relate to formal **Compliance Reviews**.

When there is a serious concern of noncompliance with an ECFA standard, ECFA may place a member under a formal compliance review. ECFA staff will investigate the necessary details to help determine whether the member is in compliance with the standards. A formal compliance review may lead to the ECFA Board suspending or terminating an organization's membership for unresolved compliance issues.

### **Formal Compliance Review Guiding Values**

- The strength of ECFA and its value to its members is directly related to the public's recognition of the ECFA Standards and their respect for members' compliance with these standards.
- ECFA membership is a privilege, not a right. Each member is responsible to consistently demonstrate ongoing good faith compliance with the Standards.
- ECFA is committed to a biblical, redemptive approach with its members when there is a concern regarding compliance and engages the formal compliance review process in a spirit of community, care, and gentleness.
- ECFA membership includes members' commitment to cooperate fully with ECFA as defined by the ECFA Membership Agreement affirmed annually by the member.
- ECFA will consider every noncompliance issue raised with appropriate urgency based on the issue and circumstances and will complete its formal compliance review process in a timely manner.
- ECFA will conduct itself with integrity and honesty in communication with the public regarding compliance matters and will attempt to balance its obligations to protect the confidentiality of proprietary and privileged member information, to protect members' reputation from unwarranted harm, and to provide accurate information to the public.
- As a demonstration of ECFA's commitment to transparency and accountability, all resignations, suspensions, or terminations of membership while under a

formal compliance review will be posted on ECFA's website for 12 months after the change in membership status, in keeping with ECFA's Publication of Membership Status Policy.

### **Formal Compliance Review Procedures**

With these guiding values in mind, formal compliance reviews will generally be conducted as follows:

1. Preliminary Procedures:
  - a. A formal compliance review may be initiated by ECFA based on information obtained during its routine member accountability process which includes annual accreditation renewals, Standards Check-In program, member compliance concern-reporting, or information found in the public domain.
  - b. ECFA professional staff will conduct a preliminary inquiry, which will include an analysis of the information discovered or received to determine if there is sufficient concern of a possible serious violation of any ECFA Standard. This preliminary inquiry will include contacting the member to discuss the concern and requesting additional information, clarification, or documentation (as appropriate, in the public domain, from the concerned party, member, etc.) that will aid ECFA staff in determining if there is sufficient evidence of a possible serious Standards violation(s).
  - c. Preliminary procedures will conclude with the determination that either no standards concern exists, a non-serious standards concern exists that can be resolved without a formal compliance review, or a possible serious violation of a standard(s) exists that requires the initiation of a formal compliance review.
  
2. Formal Compliance Review Initiation Procedures:
  - a. Initiation of formal compliance review: After preliminary procedures are complete, the ECFA President may authorize the initiation of a formal compliance review of an accredited member when there is a possible serious standards violation(s) by the member.
  - b. Notice of review: If sufficient concern of possible serious Standards violation(s) exists, ECFA staff will notify the member in writing that a formal compliance review process is being initiated, which includes notice of the ECFA Publication of Membership Status Policy.
  - c. Request for information and/or documents: The notice of formal compliance review will include a request to provide specific information and/or documents relevant to the concerns raised in the formal compliance review.
  - d. Request for interviews: ECFA may request interviews with the top leader, board chair, and other members of the staff as necessary.

- e. On-Site review: ECFA may request that the formal compliance review be conducted on-site at the member's location, if appropriate under the circumstances.

### 3. Duties of Parties:

- a. Duties of member: The request for information and documents and interviews is an opportunity for the member to provide full and forthright disclosure of all pertinent facts, demonstrating the spirit of openness and trust that ECFA membership is based upon. The member under formal compliance review shall cooperate fully with ECFA during the review and shall provide in a timely manner all information requested by ECFA staff conducting the review. Failure to do so is a breach of the ECFA Membership Agreement and may result in termination of ECFA membership under the ECFA Bylaws, Section 2.3.
- b. Duties of ECFA: ECFA staff will complete the gathering and review of information and documentation and interviews in a timely manner and ensure individuals involved in the review process are free from material conflicts of interest.

### 4. Results of Review:

- a. ECFA staff will evaluate the information and documentation and interviews provided during the review to determine whether there is no violation or an apparent violation<sup>1</sup> of an ECFA Standard. This process may also involve the ECFA Standards Advisory Committee as well as the ECFA Board of Directors.
- b. No violation: If ECFA professional staff, in coordination with the ECFA President, determine that the facts presented do not appear to represent a violation of any ECFA Standard, the formal compliance review will be closed, and the member organization and concerned party (if applicable) will be informed accordingly.
- c. Apparent Violation: If ECFA staff, in coordination with the ECFA President, make appropriate findings concerning the facts and determine that an apparent violation of any ECFA Standard(s) exists, the ECFA President will determine if corrective action is appropriate to restore members' compliance with ECFA Standards or if a recommendation should be made to the Board of Directors for termination or suspension of membership.

### 5. Decision of the ECFA Board of Directors

- a. Board Action: A decision to suspend the membership of any member of ECFA is conducted in accordance with the ECFA Bylaws, Section 3.4. A

---

<sup>1</sup> A violation exists when the facts alleged are supported by documented, reliable, and compelling evidence and represent organizational structure, conduct, financial management and accountability, or fundraising activities, which are not in compliance with ECFA Standards.

decision to terminate the membership of any member of ECFA is conducted in accordance with the ECFA Bylaws, Section 3.5.

- b. Communication: The board's decision will be communicated to the member and state the basic nature of the concern that prompted the formal compliance review; a summary of the facts as found by ECFA staff; a determination of the Board of Directors concerning whether a violation of ECFA Standard(s) exists; the Board's decision regarding termination, suspension, corrective action to be taken, or continued membership by the member under review. If ECFA was made aware of the initial concern through the compliance concern reporting process, the board's decision will also be communicated to the individual(s) who raised concerns.
- c. Finality of Decision: The ECFA Board's decision is final. In the event of a membership termination, a re-application for membership will only be considered after a requisite waiting period, as defined in the ECFA Membership Agreement.

## 6. Confidentiality of Formal Compliance Review

- a. Confidentiality of documents provided to ECFA by member organization: All information contained in documents collected during the formal compliance review shall be regarded, to the extent allowed by law, as confidential and shall not be disclosed to the public or anyone not directly involved in the formal compliance review. The determination of confidentiality is based on the content of the member's documents, which may reveal internal financial or proprietary information. General factual conclusions drawn from the documents or interviews during the formal compliance review are not regarded as confidential to the extent that they do not specifically disclose internal financial or proprietary information provided by the member under formal compliance review.
- b. Confidentiality of formal compliance review proceedings: The ECFA board and staff shall regard all deliberations concerning a matter under formal compliance review as confidential. Accordingly, disclosure of any information relating to the matter under review to any third party, not a member of the ECFA board or staff shall be prohibited except as set forth below.

## 7. Public Disclosure

- a. Public Disclosure during the formal compliance review: While a formal compliance review is pending, public disclosure shall be limited to a confirmation that ECFA is conducting a formal compliance review of the named member regarding certain identified ECFA Standards.
- b. Public disclosure of ECFA decision: Upon completion of the review and final action by the Board of Directors, a public statement may be issued which will be limited to a statement of the basic, general, or summary facts found by ECFA, a statement as to whether such facts represented violations of certain identified ECFA Standards, and the final disposition of the matter.

- c. Public disclosure of membership status: Upon completion of the review and final action by the Board of Directors, the membership status of the member under review will be publicly disclosed according to ECFA's Publication of Membership Status Policy.
- d. Authorized spokespersons: ECFA's president or his designee (board member or staff) and the Board Chair are the only authorized spokespersons to respond to media or public inquiries related to formal compliance reviews.