

**MEMORANDUM OF UNDERSTANDING
BETWEEN
Friendship Assembly and
Inspiration Church
Colorado Springs, Colorado**

I. PURPOSE

This Memorandum of Understanding (MOU) provides a frame of reference within which Friendship Assembly (FA) represented by the Official Board and Inspiration Church(IC) represented by Pastor Scott James, seek to cooperate to enhance and accelerate their respective missions.

II. MISSION

Friendship Assembly

FA is committed to growing together in friendship with Christ by discipling others through its 3 core values:

- Believe in Christ
- Become Like Christ
- Befriend for Christ

Inspiration Church

IC is a Multi-generational community united in Christ, inspired by the Holy Spirit to invest what we have received from God into our community and world.

III. Description of Partnership

The Board of Friendship Assembly has prepared this memorandum describing the terms of their mutual collaboration to begin a new church for the residents in the 80909 community of Colorado Springs, Colorado.

A. Origin of the coordinated effort

1. In 2022, Pastor Scott James and his wife Erin responded to a call of God to become directly involved in a initiating a church plant. They prayerfully accepted the invitation of Bradley Williamson, lead pastor of Friendship Assembly and the Official Board to join with them in establishing this new church. The Official Board made a commitment of one year to Pastor Scott James and Inspiration Church.
2. In October of 2022, the members of Friendship Assembly voted to use the equity of property for the securing of a loan in the amount of \$660,000 for the purchasing of a building and it's upkeep.
3. The Board of Friendship has voted to pay the current annual salary, health benefit, and phone expenses (as provided under employment of Friendship Assembly in the year of 2022) for a 12 month period beginning in December of 2022.

4. In discussions with AG leadership and connection with the AG Church Multiplication Network, it was determined that a structured MOU be established to make clear the assumptions and expectations of both Churches.
 5. This document is the product of that determination.
- B. Primary purpose of the MOU
- FA and IC agree on the following assumptions and expectations.
1. Assumptions and expectations regarding ministry style.
 - a. FA places no restrictions or specific expectations on IC regarding worship style and ministry methodology.
 - b. As long as IC is focused on making disciples, they are free to worship and minister using the styles and methods they deem to be most effective for making disciples in their ministry context.
 2. Assumptions and expectations regarding finances and financial management.
 - a. FA will provide annual salary (according to pay period of 2022) up to \$65,100.00 needed to provide for the living wage of Pastor Scott in order to focus fully on the ministry of IC.
 - b. Monies given from FA toward fulfilling this compensation will be considered a gift and no pay back will be expected. The gift will be up to \$59,675 in the first year (2023) provided that Pastor Scott maintains the lead pastorate, and the board approves his position. *\$5,425.00 will be paid December 2022 which is deducted from total compensation for the next year.*
 - c. \$660,000 borrowed from Ag Financial to purchase the building by FA will be held until IC can refinance the loan in their own name as soon as IC is able. Loan to be reviewed by the Official Board Annually or until loan is refinanced.
 - d. Any additional finances invested by FA into IC for capital expenses will be tracked by FA and may be required to be repaid by IC (if not designated as a gift), should IC desire to discontinue the Parent Affiliated relationship with FA.
 - e. All expenses incurred by IC is indebtedness attributed to IC and will be responsible to IC and not to FA for payment.
 - f. IC may present opportunities for investment to FA (such as purchasing property) etc., for their consideration. Should FA decide to purchase property on behalf of IC it will be wholly owned by FA (if not designated as a gift). In the event that the Parent Affiliated relationship with IC is discontinued, IC may be required to purchase the property owned by FA at a fair market value.
 - g. All income received by IC will flow through the IC accounting system. IC will provide all accounting services for IC, and will present FA with all accounting documents for review.

- h. The IC annual operating budget will be set up in cooperation with FA and must be approved by the FA board. IC will manage the budget in a manner similar to any other ministry of FA.
 - i. The Official Board at FA will track the budget numbers and IC will present a monthly report and be held accountable for proper budget management.
 - j. IC will be responsible for working with the FA Official Board regarding the correct procedures for handling tithes and offerings.
 - k. Personal gifts received directly from individuals by the IC lead pastor or staff will be handled according to policies of FA.
 - l. The budget will be managed according to FA policies.
 - m. All equipment and assets are the property of FA until the remaining loan balance is transferred to IC
3. Assumptions and expectations regarding governance.
- a. The lead pastor of IC will be managed by the Board of FA.
 - b. This relationship will be reviewed annually and the IC leadership will take the initiative to set up the annual review.
 - c. General insurance will be covered under the insurance umbrella of FA but will be invoiced to IC.
 - d. FA Board will determine all salaries and all staffing decisions until IC achieves General Counsel Recognition Status.
 - e. IC will be governed by FA Board of Directors.
 - f. In the event that the IC lead pastor is no longer able to lead, FA will meet with IC and determine whether IC should continue to exist as a PAC of FA.
 - g. IC may exercise its prerogative to discontinue the relationship, provided all financial obligations are settled.
 - h. IC will be governed by FA Board until all financial obligations are fulfilled, and achieve General council status by IC
4. Assumptions and expectations regarding ethics.
- a. IC may not invite people from FA to join IC after January 31st 2023.
 - b. IC will be known to the FA community as a sovereign Church.
 - c. IC will communicate with FA Board when known FA members begin attending IC.
 - d. FA Board will communicate with IC when known IC members begin attending FA.
5. Assumptions and expectations regarding metrics-
- a. IC will provide attendance, finance, and all documents requested by FA Board
 - b. FA does expect IC to demonstrate intentional missional activity resulting in a healthy community of disciples.

IV. SUMMARY

IC will be a Parent Affiliated Church under the legal and organizational umbrella of FA. When either is dissatisfied with the relationship, they will amicably go their separate ways. The relationship between FA and IC will be reviewed annually based on the assumptions and expectations described in this memorandum.

V. EFFECTIVE DATE

This memorandum becomes effective on the date it is signed by Pastor Scott James and Friendship Assembly Board

_____ Date _____
Pastor Scott James

_____ Date _____

_____ Date _____

_____ Date _____

_____ Date _____
Friendship Assembly Official Board