

Endorsed Agency Covenant Agreement Between the General Assembly Of The Church Of God And Mid-America Christian University

I. Endorsed Agency Covenant Agreement

The Implementation Task Force, acting on behalf of the General Assembly of the Church of God, Anderson, Indiana (hereinafter referred to as the "Church"), designed a new polity and structure for the Church. Under this new polity and structure, delineated in *Movement for the 21st Century* (adopted June, 1997 by the General Assembly), existing agencies would enter into a new relationship with the General Assembly, through the Ministries Council of Church of God Ministries, Inc. (hereinafter referred to as "Church of God Ministries"). The General Assembly's term for this relationship is "Covenant Agreement." Each of these agencies, upon entering into this relationship, is hereinafter referred to as an "Endorsed Agency."

The designation of "covenant" is a two-sided relationship between the General Assembly, acting through the Ministries Council, and the different agencies of the Church. This understanding of covenant is best exemplified by the covenant agreement between David and Jonathan found in 1 Samuel 18:1-4. Mutual respect, shared goals for the greater good, and cooperative efforts are hallmarks of this type of covenant. This covenant is designed to enhance and coordinate the overall ministries of the Church and is not intended to transfer, nor does it transfer, any legal and/or financial liability from one party to the other. (See Article III.)

The Ministries Council's relational ties to each Endorsed Agency are key components to reaching the goals of the General Assembly that are common to all members of the Church. These common goals include a desire to:

- a. Foster harmony and unity of ministry.
- b. Provide, on behalf of the General Assembly, ongoing monitoring (but not legal control) of each Endorsed Agency's accomplishment of its ministry.
- c. Provide opportunity for collaborative ministry efforts.
- d. Facilitate positive dialogue for joint effort and understanding.
- e. Lessen the risk of isolation in agency ministry and to enhance effective and interdependent work on behalf of the Church.

II. The Covenant Participants

The General Assembly is the unincorporated, representative governing body of the Church.

Church of God Ministries is an Indiana nonprofit corporation that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Church of God Ministries serves as the designated legal representative of the General Assembly and acts on behalf of the General Assembly when it is not in session.

The Ministries Council serves as the Board of Directors of Church of God Ministries and, consistent with Indiana law, is solely responsible for the governance of Church of God Ministries as an Indiana corporation. The Ministries Council hires a General Director to serve as the chief staff officer of Church of God Ministries. The members of the Ministry Council and the General Director are ratified by the General Assembly. (See Article V, Section 8 of Constitution and Bylaws of the General Assembly of the Church of God (revised June, 1998) for definition of "ratification"). With the General Director, the Ministries Council coordinates relationships between the Church and its Endorsed Agencies as they covenant to operate in a manner consistent with the spiritual mission, purposes, and ministry of the Church and within the provisions of this Agreement. The Ministries Council acts on behalf of the General Assembly in monitoring all Covenant Agreements and in reviewing such Agreements every three years.

Mid-America Christian University is a Texas nonprofit corporation that operates as a Section 501(c) 3 Corporation and is regionally accredited by The Higher Learning Commission: Member of the North Central Association of Colleges and Schools. Mid-America Christian University's mission is to "equip students to impact their world for Christ through achieving Bible-based academic excellence in a Christian environment so that students professionally serve in their chosen vocation/ministry." Mid-America Christian University's Chief Executive Officer and its twenty-five (25) member Board of Trustees are ratified by the General Assembly. (See Article V, Section 8 of Constitution and Bylaws of the General Assembly of the Church of God (revised June, 1998) for definition of "ratification"). As specified by Texas law, the Board of Trustees is solely responsible for the governance of Mid-America Christian University including its leadership, programs, and finances as an accredited institution of higher education.

III. Legal and Financial Relationship

According to *Movement for the 21st Century*, Endorsed Agencies are to be accountable to the General Assembly through the Ministries Council. All the parties to this Covenant Agreement understand that "accountable" as used in this context is limited as outlined below:

As noted in Article II, Church of God Ministries and Mid-America Christian University are separately incorporated Indiana and Texas nonprofit corporations respectively. Each corporation has its own governing body (a Board of Directors (Ministries Council) in the

case of Church of God Ministries and a Board of Trustees in the case of Mid-America Christian University) that is empowered under applicable law to oversee, govern, and manage its respective corporation. Nothing in this Endorsed Agency Covenant Agreement is intended to suggest, imply, or evidence that Church of God Ministries, the Ministries Council, or any other Endorsed Agency of the Church, possesses or has any right to exercise any power or authority over Mid-America Christian University that would replace or supplement the power or authority of its own governing board. Likewise, nothing in this Endorsed Agency Covenant Agreement is intended to suggest, imply, or evidence that Mid-America Christian University possesses or has any right to exercise any power or authority over Church of God Ministries, the Ministries Council, or any other Endorsed Agency of the Church that would replace or supplement the power or authority of that entity's respective governing body.

Notwithstanding anything in this Endorsed Agency Covenant Agreement to the contrary, express or implied, Church of God Ministries, the Ministries Council, and any other Endorsed Agency of the Church, each individually, has no fiduciary duty or other legal right or obligation (financial or otherwise) with respect to Mid-America Christian University or its operations. Similarly, Mid-America Christian University has no fiduciary duty or other legal right or obligation (financial or otherwise) with respect to Church of God Ministries, the Ministries Council, or any other Endorsed Agency of the Church.

Church of God Ministries, acting through the Ministries Council and on behalf of the General Assembly (i) disclaims any responsibility or liability, legal or otherwise, for the liabilities, claims, debts, and obligations, known or unknown, realized or contingent, of Mid-America Christian University; and (ii) acknowledges and confirms that Mid-America Christian University has no responsibility or liability, legal or otherwise, for any of their liabilities, claims, debts, and obligations, known or unknown, realized or contingent.

Similarly, Mid-America Christian University (i) disclaims any responsibility or liability, legal or otherwise, for the liabilities, claims, debts, and obligations, known or unknown, realized or contingent, of Church of God Ministries, the General Assembly, or the Ministries Council; and (ii) acknowledges and confirms that Church of God Ministries, the General Assembly, and the Ministries Council, each individually, has no responsibility or liability, legal or otherwise, for any of its liabilities, claims, debts, and obligations, known or unknown, realized or contingent.

Moreover, Mid-America Christian University disclaims any responsibility or liability, legal or otherwise, for the liabilities, claims, debts, and obligations, known or unknown, realized or contingent, of any other agencies, entities, or organizations that are related to the Church, the General Assembly, Church of God Ministries, or the Ministries Council.

IV. Points of Covenant Participation

Mid-America Christian University, as an Endorsed Agency of the Church, covenants with the General Assembly, acting through Church of God Ministries and its Ministries Council, to do the following:

- Support the mission and priorities of the General Assembly and its Ministries Council.
- Accept a specific commission from the General Assembly and the Ministries Council to serve the Church by:
 - Being a quality center of learning that will provide opportunities for student challenge and growth;
 - Offering programs of study that are based in the historic mission and vision of the Church of God;
 - Playing an active role in the development of future generations of church leaders;
 - Partnering with the Church of God in the use of their facilities for educational purposes; and
 - Operating prudently in financial and business management.
- Work with the Ministries Council to define specific areas of future ministry so as to serve the Church in harmony with the Ministries Council and in cooperation with all other Agencies of the Church of God.
- Have its president meet at least annually and as might otherwise be needed with the General Director of Church of God Ministries and appropriate Ministry Team Directors for information and strategic planning.
- Participate in Visioning Conferences, North American Conventions, and World Conferences to integrate the work of such conferences into the development of future directions and goals of Mid-America Christian University and the General Assembly.
- Present to the General Director for the Ministries Council's Audit Review Committee an annual, audited financial report with management letter.
- Seek opportunities for synergistic/cooperative efforts with Church of God Ministries to improve and enhance the work of the Church of God.
- Notify the General Director of Church of God Ministries of all meetings of Mid-America Christian University's Board of Trustees and provide the General Director or the Director's designated representative with access to all Board meetings. The General Director or the Director's designated representative will be invited to attend at least one Board meeting each year.
- Work to strengthen the "well-being" of the Church and not make decisions that will adversely affect the Church of God.
- Notify the General Director and the Ministries Council immediately of any event or circumstance that would reasonably be anticipated to have an adverse impact on the Church, its congregations, or its agencies.
- Provide in its Articles of Incorporation that all assets will revert to Church of God Ministries should there be dissolution of Mid-America Christian University.

The Ministries Council, on behalf of the General Assembly, covenants with Mid-America Christian University for the following benefits as an Endorsed Agency:

- Use of the name and goodwill of the Church of God, Anderson, Indiana.
- Listing in the Church of God Yearbook as an Endorsed Agency.
- Recognition as an extended ministry of the Church of God.
- Eligibility for allocated funds from Church of God Ministries.
- Access to the meetings of the Ministries Council and the agenda for such meetings through the General Director as needs should arise.
- Commitment of the Ministries Council to work cooperatively with Mid-America Christian University in their mission of providing Christian higher education.
- Immediately notify the President of Mid-America Christian University of any action taken by the Ministries Council, any other Endorsed Agency, congregation, or circumstance that would reasonably be anticipated to have an adverse impact on the University.
- Notify Mid-America Christian University at least 7 days in advance of any item on the Ministries Council's agenda pertaining to Mid-America Christian University, setting forth information about the agenda item and the proposed action; permitting one or more representatives of Mid-America Christian University to attend the meeting, present information, and respond to any questions; and, if adverse action is taken, will give the university an opportunity to respond.
- Commitment of the Ministries Council to broadly support the programs of Mid-America Christian University by:
 - Interpreting to the Church of God the role and importance of its institutions of higher learning;
 - Assisting to identify and encourage prospective students, particularly those interested in a career in Christian ministry, opening paths of communication between Church of God college-bound young people and Church of God institutions of higher learning; and
 - Lifting up the calling to Christian ministry and elevating the worthiness and importance of careful preparation through undergraduate and seminary education.
- Giving the opportunity for inclusion in the annual budget development process of Church of God Ministries for submission of budget requests for approval by the General Assembly.

V. Covenant Agreement

Church of God Ministries, acting through its Ministries Council and on behalf of the General Assembly, and Mid-America Christian University agree this day to enter into this “Covenant Agreement” by which Mid-America Christian University shall be identified as an Endorsed Agency of the Church of God, Anderson, Indiana.

Adopted by Mid-America Christian University,

Dr. John D. Fozard
President

Date

Dr. Ronald Duncan
General Director
Church of God Ministries, Inc.

Date

Ratified by the General Assembly of the Church of God,

Date