

# Return of Organization Exempt From Income Tax

OMB No 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

**2004**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

**A For the 2004 calendar year, or tax year beginning** , and ending

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Final return  
 Amended return  
 Application pending

Please use IRS label or print or type See Specific Instructions

**C Name of organization**  
Bethany Christian Services, Inc.

**D Employer identification number**  
38-1405282

**E Telephone number**  
616-224-7610

**F Accounting method:**  Cash  Accrual  
 Other (specify) ▶

**G Website:** ▶ www.bethany.org

**J Organization type** (check only one) ▶  501(c) ( 3 ) ◀ (insert no)  4947(a)(1) or  527

**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

**L Gross receipts** Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 57,780,473

**M** Check  if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

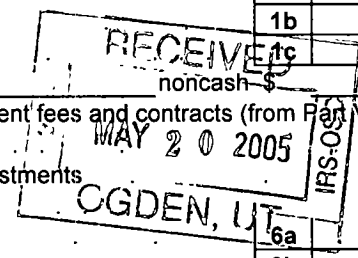
**H and I are not applicable to section 527 organizations**  
**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** If "Yes," enter number of affiliates ▶ 32  
**H(c)** Are all affiliates included?  Yes  No (If "No," attach a list. See instructions.)  
**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
**I** Group Exemption Number ▶ 5103

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See page 18 of the instructions)

	<b>1</b> Contributions, gifts, grants, and similar amounts received:				
	<b>a</b> Direct public support	1a	8,905,200		
	<b>b</b> Indirect public support	1b			
	<b>c</b> Government contributions (grants)	1c			
	<b>d Total</b> (add lines 1a through 1c) (cash \$ noncash \$ )	1d	8,905,200		
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	2	42,461,927		
	<b>3</b> Membership dues and assessments	3	0		
	<b>4</b> Interest on savings and temporary cash investments	4	860,124		
	<b>5</b> Dividends and interest from securities	5	0		
	<b>6 a</b> Gross rents	6a	56,590		
	<b>b</b> Less rental expenses	6b			
	<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)	6c	56,590		
<b>7</b> Other investment income (describe )	7	0			
<b>8 a</b> Gross amount from sales of assets other than inventory	(A) Securities	8a	97,250		
	4,345,733	8a	97,250		
	<b>b</b> Less cost or other basis and sales expenses	8b	91,095		
	4,080,124	8b	91,095		
<b>c</b> Gain or (loss) (attach schedule)	8c	6,155			
265,609	8c	6,155			
<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	271,764			
<b>9</b> Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>	<b>a</b> Gross revenue (not including \$ 1,218,321 of contributions reported on line 1a)	9a	634,863		
	<b>b</b> Less direct expenses other than fundraising expenses	9b	595,123		
	<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)	9c	39,740		
<b>10 a</b> Gross sales of inventory, less returns and allowances	10a				
	<b>b</b> Less cost of goods sold	10b			
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	0		
<b>11</b> Other revenue (from Part VII, line 103)	11	418,786			
<b>12 Total revenue</b> (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	53,014,131			
<b>Expenses</b>	<b>13</b> Program services (from line 44, column (B))	13	45,924,906		
	<b>14</b> Management and general (from line 44, column (C))	14	3,843,510		
	<b>15</b> Fundraising (from line 44, column (D))	15	1,083,671		
	<b>16</b> Payments to affiliates (attach schedule)	16	0		
	<b>17 Total expenses</b> (add lines 16 and 44, column (A))	17	50,852,087		
<b>Net Assets</b>	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)	18	2,162,044		
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	19	30,240,026		
	<b>20</b> Other changes in net assets or fund balances (attach explanation)	20	338,125		
	<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	32,740,195		

43 5

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**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See page 22 of the instructions)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0)	22	0	0	
23	Specific assistance to individuals (attach schedule)	23	9,140,724	9,140,724	
24	Benefits paid to or for members (attach schedule)	24	0		
25	Compensation of officers, directors, etc	25	0		
26	Other salaries and wages	26	21,835,852	19,604,738	1,690,495
27	Pension plan contributions	27	2,243,508	1,949,459	205,624
28	Other employee benefits	28	3,666,594	3,375,894	254,525
29	Payroll taxes	29	1,627,948	1,468,081	119,827
30	Professional fundraising fees	30	0		
31	Accounting fees	31	66,940	25,727	41,213
32	Legal fees	32	580,794	453,093	126,905
33	Supplies	33	470,242	428,820	27,251
34	Telephone	34	784,874	653,146	118,337
35	Postage and shipping	35	578,229	441,855	95,808
36	Occupancy	36	2,467,132	2,295,844	127,980
37	Equipment rental and maintenance	37	0		
38	Printing and publications	38	664,043	518,325	61,952
39	Travel	39	1,432,722	1,318,999	71,977
40	Conferences, conventions, and meetings	40	254,171	214,394	24,297
41	Interest	41	60,123	22,385	37,738
42	Depreciation, depletion, etc (attach schedule)	42	544,626	301,312	236,286
43	Other expenses not covered above (itemize): a Miscellaneous	43a	1,642,100	1,355,924	210,208
	b Memberships, Dues & Subscriptions	43b	157,551	71,644	82,920
	c Advertising	43c	1,318,270	1,249,365	59,254
	d Equipment Costs	43d	721,579	441,112	250,913
	e Program Development	43e	594,065	594,065	
	f	43f	0		
44	<b>Total functional expenses</b> (add lines 22 through 43). <i>Organizations completing columns (B)-(D), carry these totals to lines 13-15</i>	44	50,852,087	45,924,906	3,843,510

Joint Costs. Check  if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ 0, (ii) the amount allocated to Program services \$ , (iii) the amount allocated to Management and general \$ , and (iv) the amount allocated to Fundraising \$

**Part III Statement of Program Service Accomplishments** (See page 25 of the instructions)

What is the organization's primary exempt purpose? <input checked="" type="checkbox"/> Child and Family Social Services	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others)
a Domestic and International Adoptions, and Pregnancy Counseling - counseling birth mothers and placing children with adoptive families 1,840 adoptions; 2,100 individuals counseled (Grants and allocations \$ )	24,716,212
b Residential Treatment - intense treatment for male youths 52 youth served (Grants and allocations \$ )	2,658,898
c Foster Care - care for children provided by a nation-wide network of foster families 1,911 children served (Grants and allocations \$ )	12,464,069
d Various programs to assist troubled families and children with programs such as counseling, refugee resettlement services, runaway and life skills programs. (Grants and allocations \$ )	6,085,727
e Other program services (attach schedule) (Grants and allocations \$ )	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)	45,924,906

**Part IV Balance Sheets** (See page 25 of the instructions.)

				(A)		(B)
				Beginning of year		End of year
<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only						
<b>Assets</b>	45	Cash—non-interest-bearing		4,358,499	45	4,226,745
	46	Savings and temporary cash investments		18,718,885	46	23,136,036
	47 a	Accounts receivable	47a 5,686,063			
	b	Less: allowance for doubtful accounts	47b 63,320	4,574,328	47c	5,622,743
	48 a	Pledges receivable	48a 2,583,713			
	b	Less: allowance for doubtful accounts	48b 0	2,864,760	48c	2,583,713
	49	Grants receivable			49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		0	50	0
	51 a	Other notes and loans receivable (attach schedule)	51a 0			
	b	Less: allowance for doubtful accounts	51b 0	0	51c	0
	52	Inventories for sale or use			52	
	53	Prepaid expenses and deferred charges		1,425,238	53	2,451,259
	54	Investments—securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		0	54	0
	55 a	Investments—land, buildings, and equipment: basis	55a 0			
	b	Less: accumulated depreciation (attach schedule)	55b 0	0	55c	0
56	Investments—other (attach schedule)		0	56	0	
57 a	Land, buildings, and equipment: basis	57a 12,939,305				
b	Less: accumulated depreciation (attach schedule)	57b 6,108,263	6,653,631	57c	6,831,042	
58	Other assets (describe <input type="checkbox"/> Prepaid Pension Asset & Other Deposit )		528,458	58	445,473	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)		39,123,799	59	45,297,011	
<b>Liabilities</b>	60	Accounts payable and accrued expenses		3,330,803	60	4,310,879
	61	Grants payable			61	
	62	Deferred revenue		2,054,843	62	2,544,345
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		0	63	0
	64 a	Tax-exempt bond liabilities (attach schedule)		0	64a	0
	b	Mortgages and other notes payable (attach schedule)		1,497,285	64b	2,487,120
	65	Other liabilities (describe <input type="checkbox"/> See attached worksheet )		2,000,842	65	3,214,472
66	<b>Total liabilities</b> (add lines 60 through 65)		8,883,773	66	12,556,816	
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted		26,811,503	67	27,746,630
	68	Temporarily restricted		3,367,485	68	4,912,854
	69	Permanently restricted		61,038	69	80,711
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74					
	70	Capital stock, trust principal, or current funds			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund			71	
	72	Retained earnings, endowment, accumulated income, or other funds			72	
73	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)		30,240,026	73	32,740,195	
74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)		39,123,799	74	45,297,011	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See page 27 of the instructions.)

**Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return**

<b>a</b>	Total revenue, gains, and other support per audited financial statements	<b>a</b>	
<b>b</b>	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify): \$		
	----- \$		
	Add amounts on lines (1) through (4)	<b>b</b>	0
<b>c</b>	Line a minus line b	<b>c</b>	0
<b>d</b>	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify): \$		
	----- \$		
	Add amounts on lines (1) and (2)	<b>d</b>	0
<b>e</b>	Total revenue per line 12, Form 990 (line c plus line d)	<b>e</b>	0

<b>a</b>	Total expenses and losses per audited financial statements	<b>a</b>	
<b>b</b>	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify): \$		
	----- \$		
	Add amounts on lines (1) through (4)	<b>b</b>	0
<b>c</b>	Line a minus line b	<b>c</b>	0
<b>d</b>	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify): \$		
	----- \$		
	Add amounts on lines (1) and (2)	<b>d</b>	0
<b>e</b>	Total expenses per line 17, Form 990 (line c plus line d)	<b>e</b>	0

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated; see page 27 of the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
Name ----- Str ----- City ST ZIP	Title Hr/WK			
Name ----- Str ----- City ST ZIP	Title Hr/WK			
Name ----- Str ----- City ST ZIP	Title Hr/WK			
Name ----- Str ----- City ST ZIP	Title Hr/WK			
Name ----- Str ----- City ST ZIP	Title Hr/WK			
Name ----- Str ----- City ST ZIP	Title Hr/WK			
Name ----- Str ----- City ST ZIP	Title Hr/WK			
Name ----- Str ----- City ST ZIP	Title Hr/WK			
Name ----- Str ----- City ST ZIP	Title Hr/WK			
Name ----- Str ----- City ST ZIP	Title Hr/WK			

**75** Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?  Yes  No  
If "Yes," attach schedule—see page 28 of the instructions

**Part VI Other Information** (See page 28 of the instructions.)

Yes	No
-----	----

76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	X	
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b		X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X	
b	If "Yes," enter the name of the organization <b>Bethany Christian Services</b> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt			
81 a	Enter direct and indirect political expenditures See line 81 instructions	81a		0
b	Did the organization file Form 1120-POL for this year?	81b		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b	N/A	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		X
85	<b>501(c)(4), (5), or (6) organizations</b>			
a	Were substantially all dues nondeductible by members?	85a		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b		
c	Dues, assessments, and similar amounts from members	85c		
d	Section 162(e) lobbying and political expenditures	85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		0
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		
86	<b>501(c)(7) orgs.</b> Enter: a Initiation fees and capital contributions included on line 12	86a		
b	Gross receipts, included on line 12, for public use of club facilities	86b		
87	<b>501(c)(12) orgs</b> Enter: a Gross income from members or shareholders	87a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88		X
89 a	<b>501(c)(3) organizations.</b> Enter: Amount of tax imposed on the organization during the year under section 4911 <b>0</b> , section 4912 <b>0</b> ; section 4955 <b>0</b>			
b	<b>501(c)(3) and 501(c)(4) orgs</b> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0
d	Enter Amount of tax on line 89c, above, reimbursed by the organization			0
90 a	List the states with which a copy of this return is filed			
b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions)	90b		872
91	The books are in care of <b>Name Mervin K Auchtung</b> Telephone no <b>616-224-7610</b> Located at <b>901 Eastern Avenue</b> City <b>Grand Rapids</b> ST <b>MI</b> ZIP + 4 <b>49503</b>			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041— Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A	

**Part VII Analysis of Income-Producing Activities** (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Foster Care					23,329,935
b Adoptions					17,439,269
c Counseling					1,011,128
d Other Program Services					670,161
e					
f Medicare/Medicaid payments					11,434
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	860,124	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property			16	56,590	
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	271,764	
101 Net income or (loss) from special events					39,740
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a Misc Revenue					418,786
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		1,188,478	42,920,453
105 Total (add line 104, columns (B), (D), and (E))					44,108,931

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%		0	0
	%		0	0
	%		0	0
	%		0	0

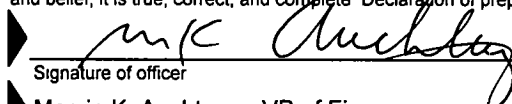
**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 34 of the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

**Please Sign Here**  
  
 Signature of officer  
 Mervin K. Auchtung, VP of Finance  
 Type or print name and title

**Paid Preparer's Use Only**  
 Preparer's signature  
 Firm's name (or yours if self-employed), address, and ZIP + 4

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

**Supplementary Information—(See separate instructions.)**

OMB No 1545-0047

**2004**

Department of the Treasury  
Internal Revenue Service

**MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

Employer identification number

Bethany Christian Services, Inc

38-1405282

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Name DeMots, Glenn Str 901 Eastern Ave. NE City Grand Rapids ST MI Zip 49503 Country	Title President/CEO Avg hr/wk 45	134,233	10,312	
Name Blacquiere, William Str 901 Eastern Ave. NE City Grand Rapids ST MI Zip 49503 Country	Title Chief Operating O Avg hr/wk 45	116,272	11,699	
Name Roeters, Richard Str 901 Eastern Ave. NE City Grand Rapids ST MI Zip 49503 Country	Title VP of Advanceme Avg hr/wk 45	116,445	11,699	
Name Auchtung, Mervin Str 901 Eastern Ave. NE City Grand Rapids ST MI Zip 49503 Country	Title VP of Finance Avg hr/wk 45	99,399	11,699	
Name Zook, Thomas Str 901 Eastern Ave. NE City Grand Rapids ST MI Zip 49503 Country	Title Director of Operati Avg hr/wk 45	81,379	10,312	
Total number of other employees paid over \$50,000	50			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Name None Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
Name Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
Name Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
Name Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
Name Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
Total number of others receiving over \$50,000 for professional services		

**Part III Statements About Activities** (See page 2 of the instructions)

	Yes	No
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ <u>0</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) . . . . . Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		X
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
<b>a</b> Sale, exchange, or leasing of property?		X
<b>b</b> Lending of money or other extension of credit?		X
<b>c</b> Furnishing of goods, services, or facilities?		X
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
<b>e</b> Transfer of any part of its income or assets?		X
<b>3 a</b> Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		X
<b>b</b> Do you have a section 403(b) annuity plan for your employees?	X	
<b>4 a</b> Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
<b>b</b> Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

**Part IV Reason for Non-Private Foundation Status** (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is (Please check only ONE applicable box.)

- 5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6  A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ► \_\_\_\_\_ City \_\_\_\_\_ ST \_\_\_\_\_ Country \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11 a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11 b  A community trust. Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14  An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions)



**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.*

**Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28 )	9,406,829	9,270,320	8,651,088	11,388,136	38,716,373
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	36,468,568	32,355,155	29,801,583	24,130,693	122,755,999
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	752,326	919,515	984,943	764,068	3,420,852
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	46,627,723	42,544,990	39,437,614	36,282,897	164,893,224
24 Line 23 minus line 17	10,159,155	10,189,835	9,636,031	12,152,204	42,137,225
25 Enter 1% of line 23	466,277	425,450	394,376	362,829	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					842,745
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts					
c Total support for section 509(a)(1) test Enter line 24, column (e)					42,137,225
d Add Amounts from column (e) for lines 18 3,420,852 19 0					
22 0 26b 0					
e Public support (line 26c minus line 26d total)					3,420,852
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					38,716,373
					91.88%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" Do not file this list with your return. Enter the sum of such amounts for each year					
(2003) ..... (2002) ..... (2001) ..... (2000) .....					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals ) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year					
(2003) ..... (2002) ..... (2001) ..... (2000) .....					
c Add Amounts from column (e) for lines 15 0 16 0					
17 0 20 0 21 0					
d Add Line 27a total 0 and line 27b total 0					
e Public support (line 27c total minus line 27d total)					0
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)					0
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					0.00%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					0.00%
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return. Do not include these grants in line 15					

**Part V Private School Questionnaire** (See page 7 of the instructions )  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement ) ..... ..... .....		
32 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions?  If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement ) ..... .....		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities?  If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement ) ..... .....		
34 a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)  
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a**  if the organization belongs to an affiliated group      Check **b**  if you checked "a" and "limited control" provisions apply

**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred)

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)		
37	Total lobbying expenditures to influence a legislative body (direct lobbying)		
38	Total lobbying expenditures (add lines 36 and 37)	0	0
39	Other exempt purpose expenditures		
40	Total exempt purpose expenditures (add lines 38 and 39)	0	0
41	Lobbying nontaxable amount Enter the amount from the following table—		
	<b>If the amount on line 40 is—</b>		
	Not over \$500,000		
	Over \$500,000 but not over \$1,000,000		
	Over \$1,000,000 but not over \$1,500,000		
	Over \$1,500,000 but not over \$17,000,000		
	Over \$17,000,000		
	<b>The lobbying nontaxable amount is—</b>		
	20% of the amount on line 40		
	\$100,000 plus 15% of the excess over \$500,000		
	\$175,000 plus 10% of the excess over \$1,000,000		
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$1,000,000		
41		0	0
42	Grassroots nontaxable amount (enter 25% of line 41)	0	0
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	0	0
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	0	0

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below  
 See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45	Lobbying nontaxable amount				0
46	Lobbying ceiling amount (150% of line 45(e))				0
47	Total lobbying expenditures				0
48	Grassroots nontaxable amount				0
49	Grassroots ceiling amount (150% of line 48(e))				0
50	Grassroots lobbying expenditures				0

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h.)

Yes	No	Amount
		0

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

**Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 11 of the instructions.)

**51** Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

**a** Transfers from the reporting organization to a noncharitable exempt organization of

- (i) Cash
- (ii) Other assets

**b** Other transactions

- (i) Sales or exchanges of assets with a noncharitable exempt organization
- (ii) Purchases of assets from a noncharitable exempt organization
- (iii) Rental of facilities, equipment, or other assets
- (iv) Reimbursement arrangements
- (v) Loans or loan guarantees
- (vi) Performance of services or membership or fundraising solicitations

**c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees

**d** If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

	Yes	No
<b>51a(i)</b>		X
<b>a(ii)</b>		X
<b>b(i)</b>		X
<b>b(ii)</b>		X
<b>b(iii)</b>		X
<b>b(iv)</b>		X
<b>b(v)</b>		X
<b>b(vi)</b>		X
<b>c</b>		X

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

**52 a** Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?  Yes  No

**b** If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Line 1a (990) - Direct public support**

1	Contributions	1	7,686,879
2	Non Cash Contributions	2	
3	Membership dues and assessments (contributions from the public)	3	
4	Government contributions (grants)	4	
5	Commercial co-venture	5	
6	Special events contributions (Line 9 - Special Events)	6	1,218,321
7	-----	7	
8	-----	8	
9	-----	9	
10	Total	10	8,905,200

**Line 8 (990) - Gain/loss from sale of assets other than inventory**

Totals		Gross sales	Cost, other basis and expenses
Public Securities	4,345,733	4,080,124	
Non-Public Securities	0	0	
Other sales	97,250	91,095	

Index	Description	Check if gain/loss is from sale of public securities	Check if gain/loss is from sale of non public securities	Check if purchaser is a business	Purchaser	Date acquired	Acquisition method	Date sold	Gross sales price	Cost or other basis (Enter one field only)		Expense of sale and cost of improvements	Depreciation
										Cost	Donated value		
1	Commercial Bldg - Burton St				Anna List	10/1/2002	Purchase	2/26/2004	92,000	51,778		5,308	-3,068
2	Fixed Assets - Texas Office				none	various	Purchase	1/31/2004	0	45,930			-13,853
3	Various Investments	X				various	Purchase	various	4,345,733	4,080,124			
4	Timeshare - Virginia Beach				Cyrl Amos	11/9/2001	Gift	10/14/2004	5,250		5,000		
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													

To add more lines to this schedule, press CTRL+Q

**Line 9 (990) - Special events and activities**

	Event A	Event B	Event C	All others	Totals
1 Special event name	various				
1a Number of special events					
2 Gross receipts	1,853,184				2 1,853,184
3 Less contributions	1,218,321				3 1,218,321
4 Gross revenue	634,863	0	0	0	4 634,863
5 Less direct expenses	595,123				5 595,123
6 Net income or (loss)	39,740	0	0	0	6 39,740

**Line 20 (990) - Other changes in net assets or fund balances**

1 Unrealized Gain on Investments		1 339,864
2 Net Loss - affiliated organization		2 -1,739
3		3
4		4
5		5
6		6
7		7
8		8
9		9
10 Total		10 338,125

**Line 47 (990) - Accounts receivable**

		Accounts receivable		Allowance for doubtful accounts	
		Beginning	End	Beginning	End
1	1	4,611,401	5,686,063	37,073	63,320
2	2				
3	3				
4	4				
5	5				
6	6				
7	7				
8	8				
9	9				
10	10				
11 Total accounts receivable	11	4,611,401	5,686,063	37,073	63,320

**Line 48 (990) - Pledges receivable**

		Pledges receivable		Allowance for doubtful accounts	
		Beginning	End	Beginning	End
1	1	2,868,293	2,583,713	3,533	
2	2				
3	3				
4	4				
5	5				
6	6				
7	7				
8	8				
9	9				
10	10				
11 Total pledges receivable	11	2,868,293	2,583,713	3,533	0

**Line 57 (990) - Land, buildings, and equipment**

Land (net of any amortization)		Land (net of any amortization)	
		Beginning	End
1	1		
2	2		
3	3		
4	4		
5	5		
6	6	0	0

Buildings and equipment		Buildings and equipment		Accumulated depreciation	
		Beginning	End	Beginning	End
7	7	12,270,099	12,939,305	5,616,468	6,108,263
8	8				
9	9				
10	10				
11	11				
12	12				
13	13				
14	14				
15	15				
16	16				
17	17	12,270,099	12,939,305	5,616,468	6,108,263
18	18			6,653,631	6,831,042
19	19			6,653,631	6,831,042

Category or Item		Accumulated Depreciation		
		Cost/Other Basis	Depreciation	Book Value
1	1			
2	2			
3	3			
4	4			
5	5			
6	6			
7	7			
8	8			
9	9			
10	10			
11	11	0	0	0

**Line 58 (990) - Other assets**

		Beginning	End
1	1		
2	2		
3	3		
4	4		
5	5		
6	6		
7	7		
8	8		
9	9		
10	10		
11	11	0	0



**Line 64b (990) - Mortgages and other notes payable**

Lender's name	Check if lender is a business	Original amount	Balance due beginning of year	Balance due end of year
1 Due to Other Funds	<input type="checkbox"/>		1,217,615	2,233,107
2 Current Maturities of Long-Term Note Payable	<input type="checkbox"/>		25,657	27,883
3 Long-Term Note Payable	<input type="checkbox"/>		254,013	226,130
19 Totals	19	0	1,497,285	2,487,120

**Line 65 (990) - Other liabilities**

	Beginning	End
1 Annuities Payable	581,051	582,293
2 Additional Minimum Pension Liability	1,419,791	2,632,179
3		
4		
5		
6		
7		
8		
9		
10		
11 Total other liabilities	2,000,842	3,214,472

Bethany Christian Services FEIN 38-1405282  
December 31, 2004  
List of Board Of Directors

Name	Phone	Address	Exp.	Role	Last Mod.
Bouma, Henry	O 616/261-3200 H 616/878-9512 F 616/261-3223	2749 Beechtree Drive SW Byron center, MI 49315 hankb@lumbermens-inc.com	2006		06/10/2004
Bradley, Anthony B	O 616-454-3080 H 616-635-0433 F 616-454-9454	221 Calkins Ave, SE Grand Rapids, MI 49506 abradley@acton.org	2006		01/04/2005
Cooper, Rev Cortez	O 540-994-9015 H 276-637-3416	404 Fox Drive Draper, VA 24324 Ccooper@Chapelgate.org	2005	Vice Chair	01/25/2005
Daniels, Dr Joseph	H 616-878-3932	1054 Bay Shore Drive SW Byron Center, MI 49315 drdsapd@juno.com	2005		05/08/2003
De Pree, Kns	O (616) 394-4500 H (616) 335-8444 F 616/394-0035	1344 Heather Drive Holland, MI 49423 kdepree@focusproperties.com	2005		03/11/2003
De Vries, Edward	O 616-454-1446 H 616-454-3070 F 616-454-2143	2049 Brunsink NE Grand Rapids, MI 49503 jhoekema@devries.com	2005		06/10/2004
Kok, Evonne	H 616-682-1530	2057 Timber Pointe Drive Ada, MI 49301 kokevonne@yahoo.com	2006	Asst Sec-Treas	12/15/2004
Nydam, Rodney J	O 703-993-4861 H 703-255-5022 F 202-478-5165	3114 Savoy Drive Fairfax, VA 22931 SEND MAIL TO OFFICE rjn@nydamlaw.com	2005		08/16/2004
Olmsted, Linda	O 303-422-2035 H 303-322-9991	11 Monroe St #203 Denver, CO 80206 lindaholmsted@msn.com	2007		12/15/2004
Prins, Merle	O 616-392-6442 H 616-392-4258 F 616-494-0028	988 Kenwood Drive Holland, MI 49423 merleprins@aol.com	2005		11/09/2004
Rynders, Perrin	O (616)336-6734 H (616) 453-2926 F 616/336-7000	966 Parmalee Court Grand Rapids, MI 49504 SEND MAIL TO OFFICE prynders@varnumlaw.com	2006	Past President	06/10/2004
Spoelhof, Scott	O 616-494-7403 H 616-393-6530 F 616-494-7409	41 Bay Meadows Drive Holland, MI 49424 scott@baysidecapital.com	2005		05/01/2003
Sprotte, Bob NON BOARD MEMBER	O 949-2313 H 942-7862 F 949-1448	1083 Balsam Hill, SE Grand Rapids, MI 49546 bob@sprotte.com	2004		01/18/2005
Swets, Sally	H 616-247-5548	757 Plymouth SE E Grand Rapids, MI 49506-2844 sallys@iserv.net	2005		06/23/2003
Van Der Ploeg, Jack	O 262-392-6400 H 262-695-9889 F 262-392-6450	N28 W27683 Peninsula Drive Pewaukee, WI 53072	2007		12/15/2004
Van Kuiken, Norma	H 616-949-3508	3909 Lake Drive, SE Grand Rapids, MI 49546	2005	Chair	11/15/2002
Vander Ploeg, Claude	O (616) 632-8036 H (616)452-3979 F (616) 632-8002	1619 Creekside SE Grand Rapids, MI 49508 SEND MAIL TO OFFICE cvanderploeg@mmbjlaw.com	2006		12/15/2004
Vander Weele, Ray	H (616) 954-1852	4865 N Quail Crest SE Grand Rapids, MI 49546 rweele@comcast.net	2007	Treasurer	12/15/2004

NATIONAL OFFICE

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**Bethany**  
CHRISTIAN SERVICES®

901 Eastern Avenue NE  
PO Box 294  
Grand Rapids, MI 49501-0294

Telephone 616 224 7610  
www.bethany.org

Bethany Christian Services, Inc.  
2004 Form 990

38-1405282

**Page 5, Question 77**

May 12, 2005

I hereby declare that the accompanying Restated Corporate Bylaws of Bethany Christian Services is a complete and accurate copy of the original document.

Certified by:

  
\_\_\_\_\_

Mervin K. Auchtung  
Vice President of Finance

RESTATED CORPORATE BYLAWS

OF

BETHANY CHRISTIAN SERVICES

A Michigan Not for Profit Corporation

**ARTICLE I  
NAME, FOUNDATION, AND PURPOSE**

1.1. Name. The name of the organization is Bethany Christian Services, a Michigan not for profit corporation.

1.2. Foundation. This organization is founded upon the Word of God as stated in the Bethany Statement of Faith approved by the Board of Directors.

1.3. Purpose. Bethany Christian Services manifests the love and compassion of Jesus Christ by protecting and enhancing the lives of children and families through quality social services.

**ARTICLE 2  
FINANCES**

2.1. Fiscal Year. The fiscal year of the Corporation shall commence on the first day of January each year and end on the last day of the following December.

2.2. Financing. The Corporation shall be financed in the following manner:

- (a) by contributions and grants from individuals, churches, foundations, businesses, and other organizations; and
- (b) fees for services rendered; and
- (c) reimbursement for contracted services.

2.3. Annual Audit. The Corporation's books and accounts shall be audited on an annual basis.

**ARTICLE 3  
MANAGEMENT**

3.1. Board of Directors. The business and affairs of the Corporation shall be governed, directed and guided by the Board of Directors. The agency maintains a comprehensive policies and procedures manual that includes governing-approved policy statements. The Board assumes responsibility for directional policy development and maintenance by:

- a. adopting policies;
- b. reviewing policies at specified intervals and whenever legal requirements or regulations change; and
- c. approving any changes to policies resulting from recommendations or negotiation with a recognized collective bargaining unit.

Approval of all directional policies by the Board of Directors must be recorded in the minutes of the Board meeting.

Additionally, the National Board of Directors gives authority to Leadership Team to approve operational policies with input from the Board when needed but do not require additional approval of the Board of Directors. Policies approved by Leadership Team will be recorded in their minutes.

3.2. Membership of Board of Directors. The Board of Directors shall consist of not less than sixteen (16) nor more than twenty (20) directors, as determined by the Board. Members of the Board of Directors shall be appointed by the existing Board of Directors. The Board of Directors shall attempt to provide for representation from geographic regions in which the Corporation's activities are conducted. To maintain continuity, the ideal would be the election of approximately one third of the board members each year. Terms of all directors of each class shall be three (3) years and shall commence on January 1. No director shall be elected to the Board for more than three (3) full successive terms.

3.3. Qualification. All members of the Board of Directors shall be Christians who subscribe to the Corporation's Statement of Faith.

3.4. Duration of Term. A director shall hold office for the term for which the director is elected or until resignation or removal.

3.5. Resignation. A director may resign by written notice to the Corporation. The resignation is effective upon receipt by the Corporation or a subsequent time as set forth in the notice of resignation.

3.6. Removal. Any member of the Board of Directors may be removed, with or without cause, by a majority vote of the Board of Directors then in office. Grounds for removal shall include failure to attend three (3) consecutive Board meetings without valid excuses and the consistent failure to perform the duties of a member of the board.

3.7. Vacancies and Increase in Number. Vacancies on the Board of Directors occurring for any reason, including an increase in the number of directors, may be filled by the affirmative vote of a majority of the directors then in office. A director chosen to fill a vacancy occurring for any reason, including an increase in the number of directors, shall hold office for the term for which the director is elected or until his or her earlier resignation or removal.

3.8. Compensation of Directors. By resolution of the Board of Directors, directors may be paid their expenses, if any, of attendance at meetings of the Board or of any committee of which they are a member. Directors shall be paid no other compensation or fees for their service as directors.

3.9. Board Appointment of President. The Board of Directors shall appoint a President of the Corporation who shall not be a director. The President shall serve at the pleasure of the Board of Directors. The President will be the Chief Executive Officer of the Corporation and shall have general supervision, direction and control of the business of the Corporation as well as the duty and responsibility to implement and accomplish the objectives of the Corporation. The President shall perform such other duties as may be assigned by the Board of Directors.

#### **ARTICLE 4**

#### **LIMITATIONS OF PURPOSE AND DISSOLUTION**

4.1. Limitations of Purpose. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its members, directors, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article I hereof and Article 2 of the Articles of Incorporation. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these Bylaws, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a Corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue code of 1986, as amended, (or the corresponding provisions of any future United States Internal Revenue Law) or (b) by a Corporation, contributions to which are deductible under section 170(c)(2) of the Internal revenue Code of 1986, as amended (or the corresponding provisions of any future United States Internal Revenue Law).

4.2. Dissolution. Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for, the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, education, religious, or scientific purposes as shall be at the time qualify as an exempt organization or organizations under Section 405(c)(3) of the Internal Revenue Code, as amended, (or the corresponding provision of any future United States Internal Revenue Law) as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the Circuit Court of the County in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

## **ARTICLE 5 ELECTIONS**

5.1. Election of the Board of Directors. Election of members of the Board of Directors shall take place in November of each year with members to take office as of the following January. Subject to the three full successive term limitation contained in Article 3, Section 3.2, incumbents may be reelected to the Board by the Board of Directors.

5.2. Nominations. Nominations for members to be elected to the Board of Directors shall be made by the Nominating Committee of the Board of Directors. Nominations shall be submitted to the Board of Directors at the previous board meeting for an election at the November meeting of the Board.

5.3. Election of Officers. Officers of the Corporation shall be members of the Board of Directors and shall be elected for one (1) year terms at the annual corporation meeting in November.

## **ARTICLE 6 MEETINGS**

6.1. Meetings of Board of Directors. Regular meetings of the Board of Directors shall be held at least four (4) times per year at such times as are determined by the Board. Notice of the schedule of

regular meetings shall be mailed annually to the members of the Board of Directors. No other notice of regular meetings is required.

6.2. Special Meetings. Special meetings of the Board of directors may be called at any time by the President, by two (2) officers of the Corporation, or by six (6) members of the Board of Directors, upon at least two (2) days written notice to each director, or twenty-four (24) hours notice given personally or by telephone or telegram. Notice of a special meeting does not need to specify the business to be transacted or the purpose of the special meeting.

6.3. Annual Meeting. The annual meeting of the Corporation shall be held in the month of November each year within the context of the regular monthly meeting of the Board of directors. If such meeting is not so held, the annual meeting shall be called in the same manner as provided for special meetings of the board.

6.4. Director Participation in Meetings by Conference Telephone or Similar Communications Equipment. A member of the Board of Directors may participate in a meeting of the Board of Directors by a conference telephone or similar communications equipment by which all persons participating in the meeting may hear each other. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

6.5. Action Without a Meeting. Any action required or permitted to be taken pursuant to authorization voted at a meeting of the Board of Directors or board committee can be taken without a meeting with the following conditions: The board or committee members are contacted by phone or fax to individually vote on the issue. On the basis of a majority vote the action can be taken. A recording of the issue and each member's vote will be filed with the minutes of the Board of Directors.

6.6. Waiver of Notice. Whenever any notice is required to be given under the provisions of any law, the Articles of Incorporation, or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to having received such notice.

## **ARTICLE 7 OFFICERS**

7.1. Chairperson. The Board of Directors shall elect a Chairperson who shall preside at all meetings of the Board and the Executive Committee, and shall perform the duties customarily performed by a presiding officer.

7.2. Vice-Chairman. The Board of Directors shall elect a Vice-Chairperson who shall discharge the duties of a presiding officer in the absence, inability, or unwillingness of the Chairperson to perform same, and shall have such other powers and duties as may be assigned to the office by the Board.

7.3. Secretary. The Board of directors shall elect a Secretary who shall assure accurate records of the meetings of the Board, and shall perform such other duties as may be assigned by the Board.

7.4. Treasurer. The Board of directors shall elect a Treasurer who shall assure accurate books of account regarding all financial transactions in a manner approved by the Board of Directors. The Treasurer shall perform such other duties as may be assigned by the Board of Directors. The implementation of these duties on a day to day basis will be delegated to a Director of Finance who shall

be an employee of the Corporation. The Treasurer will chair the Finance Committee of the Board of Directors.

7.5. Assistant Secretary-Treasurer. The Assistant Secretary-Treasurer shall serve as the substitute for the Secretary or Treasurer in the absence of the Secretary or Treasurer.

7.6. Compensation of Officers. There shall be no compensation paid to officers for services rendered to the Corporation as officers, other than reimbursement for actual expenses incurred in the performance thereof.

7.7. Removal. The officers of the Corporation may be removed at any time, with or without cause, but only by the affirmative vote of a majority of the whole Board of Directors.

## ARTICLE 8 COMMITTEES

8.1. Permanent Committees. There shall be the following permanent committees: Executive, Advancement, Finance, Pension and Children's Fund Investments, Directions, International Services, and Nominating.

8.2. Executive Committee. The Executive Committee shall be composed of the officers of the Board of Directors and such additional members as are appointed by the Chairperson. The Executive Committee, on behalf of the Board of Directors, has the authority to decide all matters which require action before the next meeting of the Board of Directors. Additionally, the Executive Committee shall provide perspective and recommendations to the Board of Directors concerning issues which are not within the province of other standing committees.

8.3. Advancement Committee. Members of the Advancement Committee shall be appointed for one (1) year terms by the Chairperson, shall publicize the objectives and accomplishments of the Corporation through appropriate measures, and shall oversee fund raising activities.

8.4. Finance Committee. The Finance Committee shall consist of the Treasurer of the Corporation and such other members as are appointed for one (1) year terms by the Chairperson. The Finance Committee shall be chaired by the Board Treasurer. The Finance Committee shall provide perspective and recommendations to the Board of Directors with regard to the Corporation's budget and all other financial matters of the Corporation.

8.5. Nominating Committee. Members of the Nominating Committee shall be appointed for one (1) year terms by the Chairperson. The Nominating Committee shall recruit, develop, and nominate candidates for the Board of Directors.

8.6. Directions Committee. Members of the Directions Committee shall be appointed for one (1) year terms by the Chairperson. The Directions Committee shall make recommendations to the Board concerning revisions of existing policies, development of new policies, proposed changes in mission and vision statements, and long range planning.

8.7. Pension and Children's Fund Investments Committee. Members of the Pension and Children's Fund Investments Committee shall be appointed for one (1) year terms by the Chairperson, and shall be responsible for the administration and investments of the Bethany Children's Fund and the Bethany Christian Services Employee's Retirement Plan Fund. The Committee shall recommend policies to the Board of Directors in conjunction with the administration of the plans and amendments thereto,



shall be in charge of the investment and management of the funds, and may contract with an investment advisor for the management of said funds.

8.8. International Services Committee. Members of the International Services Committee shall be appointed for one (1) year terms by the Chairperson. The International Services Committee shall provide leadership, strategic planning, and program direction for the development of International Services.

8.9. Additional Committees and Duties. The Chairperson, with the consent of the Board of Directors, may establish and appoint members to such additional standing or ad hoc committees as deemed appropriate and may provide for additional duties for the Board's committees.

8.10. Minutes, Reports, Policy Development and Approval. All committees shall keep regular minutes of their proceedings and shall regularly report to the Board of Directors. All directional policies developed by a Board Committee shall be approved by the Committee and recorded in their regular minutes. The committee will inform the Board of this approval at a regular Board meeting or recommend the policy to the National Board of Directors for approval.

## **ARTICLE 9 QUORUM**

9.1. Quorum and Vote. A majority of the members of the Board of directors shall constitute a quorum of the Board for the transaction of business and the vote of a majority of the members present at a meeting at which a quorum is present constitutes the action of the Board, unless a larger number is required by law or these Bylaws. A majority of the members of the committee shall constitute a quorum of any committee meeting, provided the entire committee was notified of the meeting.

## **ARTICLE 10 AMENDMENTS**

10.1. Amendments. The Bylaws of the Corporation may be amended at any regular board meeting or special board meeting called for that purpose by an affirmative vote of not less than a majority of the members of the Board of Directors then in office, provided that notice of the proposed amendments shall have been included in the notice of the meeting.

## **ARTICLE 11 INDEMNIFICATION**

11.1. Occasions for Indemnification. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, by reason of the fact that he is or was a director, employee, officer, committee, or advisory board member of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another business corporation, partnership, joint venture, trust, or other enterprise whether for profit or not for profit.

11.2. Derivative Activities. The indemnification specified in Section 11.1 above, in the case of an action or suit by or in the right of the Corporation, shall extend to expenses (including attorney's fees), judgments, penalties, fines, and amounts paid in settlement incurred by such person in connection with such action or suit if such person acted in good faith and in a manner he reasonably believed to be in or

not opposed to the best interests of the Corporation, provided, however, that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

11.3. Other Actions. The indemnification specified in Section 11.1 above, in the case of any and all actions, suits and proceedings other than those specified in Section 11.2 above, shall extend to expenses (including attorney's fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful.

11.4. Mandatory and Permissive Payments. To the extent that a director, employee, officer, or advisory board member has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 11.1 through 11.3 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith. In respect of other cases and other items subject to indemnification referred to in Section 11.1 through 11.3 above, indemnification shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director, employee, officer, or advisory board member is proper in the circumstances because he has met the applicable standard of conduct set forth in section 11.2 and 11.3 above, as the case may be, and such determination shall be made in any of the following ways.

- (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding;
- (b) if such a quorum is not obtainable, then by a majority vote of a committee of directors who are not parties to the action. The committee shall consist of not less than two (2) disinterested directors; or
- (c) by independent legal counsel in a written opinion.

These Restated Corporate Bylaws were approved by the Corporate Board on February 15, 1994.

These Bylaws revised and approved by the National Board of Directors on September 15, 1998.

These Bylaws revised and approved by the National Board of Directors on April 20, 1999

Sections 3.1 and 8.10 of these Bylaws revised and approved by the National Board on November 2, 2001

Section 3.9 of these Bylaws revised and approved by the National Board on April 15, 2003