

POLICY TYPE: Ends

POLICY TITLE: 1.0 Mission and Purpose

APPROVED:

MONITORING DATE AND METHOD:

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POLICY TYPE: Board Governance Process

POLICY TITLE: 2.0 Responsibilities

APPROVED:

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In Policy Based Governance (accountable leadership) there are four positions to be “played.”

- The first position is ministry; it is played by the members as they care for one another and reach out to the community.
- The second position is management; it is played by the staff as they equip, resource and coordinate the ministry of the members.
- The third position is leadership; it is played by the Pastor as he provides vision, direction and teaching to achieve the mission of the church.
- The fourth position is governance; it is played by the Board.

Accordingly,

1. The Board is committed to the mission of Christ - producing new, committed followers - and ready to hold both the pastor and the congregation accountable for carrying out His mission. The Governance Board will be people of peace, willing and able to challenge and encourage both members and pastor, speaking the truth in love.
2. The main product of the Board, working collaboratively with the pastor, is to plan the congregation's public ministry. That is, the Board, using its wisdom and knowledge, will need to discern how the congregation, given its resources and its context, will carry out the mission of Christ in its community.
3. Just as Christ gave the mission to His church, the Holy Spirit will reveal to the congregation its vision for ministry and its identity and purpose in its community. Consequently the Board will regularly pray, always seeking the guidance of the Holy Spirit, before, during and after each Board meeting.
4. While realizing that the mission of the church is Christ's, the Board also recognizes that the members of the congregation have invested their time, talent and treasure in the congregation's ministry. Consequently the Board will use the congregation's resources in a trustworthy and responsible manner. This is the Board's fiduciary responsibility.
5. As a congregation moves forward in its ministry, change will happen. Change demands leadership. Therefore the Board will have the courage, commitment and willingness to take a leadership role in promoting and implementing the changes necessary for the congregation's ministry to be relevant. Governance Board will also be there to encourage and support the pastor as new ministries and/or new ways of ministry are implemented.

POLICY TYPE: Board Governance Process

POLICY TITLE: 2.1 Governing Products and Style

APPROVED:

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The Board will govern lawfully, observing the principles of the Accountability model, with an emphasis on:

- Outward vision (seeing the big picture) rather than an internal preoccupation;
- Encouragement of diversity in viewpoints;
- Clear distinction of Board member and Pastor roles;
- Collective rather than individual decisions; and
- Future rather than past or present.

Accordingly,

1. Board members will be role models of what it means to be a member of the congregation. They will publicly support - by donating their wisdom, time, talent and treasure - the ministry plan of the congregation.
2. The Board will cultivate a sense of group responsibility. The Board will not use the expertise of individual members to substitute for the judgment of the whole Board, although the expertise of individual members may be used to enhance the understanding of the Board as a body.
3. The Board will govern the congregation through the careful establishment of policies. The major policy focus of the Board will be on the congregation's mission, not on the staff's means of attaining those effects.
  - a. Vision: affirmative statements that set forth the effects or benefits to be realized by those the congregation serves.
  - b. Pastor Limitations: constraints on Pastor authority, decisions and actions.
  - c. Governance Process: specifications on how the Board carries out its responsibilities.
  - d. Board-Pastor Relationship: statements about delegating authority and responsibility to the Pastor and monitoring his compliance to policies.
4. The Board policies are to be active and dynamic. They are to be reviewed and refined on a regular basis. Any Board member or the Pastor may ask for a review of specific policies at any time.
5. The Board will regularly assess the progress of the ministry plan and hold the Pastor accountable for his role in implementing the plan.
6. Board skills, methods, and support will be sufficient to ensure governing with excellence.
  - a. Training and retraining will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing member skills and knowledge especially in understanding governance and determining the relevance of the ministry plan.

- b. Outside monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance. This includes, but is not limited to, financial oversight.

POLICY TYPE: Board Governance Process

POLICY TITLE: 2.2 Code of Conduct

APPROVED:

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The Board members commit themselves to Christian, ethical and orderly conduct, including proper use of authority and appropriate decorum, understanding they have a responsibility to the congregation, its employees, those served by the congregation and to each other. As Board members, their loyalty is to Christ and his church, not conflicted by loyalties to members, staff, other people (including family members), other organizations or any personal interest as a member.

1. Board members must avoid conflict of interest concerning their fiduciary responsibility.
  - a. Board members will annually disclose their involvements with other organizations or with vendors and any associations that might be reasonably seen as representing a conflict of interest.
  - b. When the Board is to decide on an issue about which a Board member has an unavoidable conflict of interest, that Board member shall absent herself or himself without comment not only from the vote but also from the deliberation.
  - c. Board members, will not use their Board position to obtain employment in the organization for themselves, family members, or close associates. A Board member who applies for employment must first resign from the Board.
2. Board members may not attempt to exercise individual authority over the congregation.
  - a. Board members must recognize that they have no authority to direct or supervise the Pastor or his staff.
  - b. Board members' interactions with the public, the press, or other entities must recognize the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
  - c. Except for participation in Board deliberation about whether the Pastor has achieved any reasonable interpretation of Board policy, Board members will not express individual judgments of the performance of the Pastor or his staff.
3. Board members will respect the confidentiality appropriate to issues of a sensitive nature, unless given permission by the Board as a whole, to do otherwise. The Board's policy manual, approved minutes, or financial statements are an exception to this code and do not need permission. However, any discussion or information related to these documents is confidential.
4. Board members will relate to each other with grace, honesty and straightforwardness.
5. Board members will attend Board meetings regularly, be fully prepared for Board meetings and will be familiar with this policy manual and the congregation's constitution and bylaws.
6. Board members will regularly participate in the worship and educational life of the congregation, practice personal spiritual disciplines for the development of his or her own faith life, give regular financial gifts to support the ministry of the congregation, regularly attend congregational events and

invest personal energy and skills in the ministries of the congregation as long as they do not conflict or interfere with their responsibility as a Board member.

7. Board members will actively discipline themselves and other members by identifying Board discussions and actions that run counter to its policies.
8. Board members will bring to the Chair's immediate attention any condition or action that they believe exceeds a Pastor Limitation Policy.
9. Board members will support the legitimacy and authority of Board decisions on any matter, regardless of the member's personal position on the issue.
10. Board members will attend all Board meetings. Should it be necessary to miss a meeting, members shall contact the Chair to dialog before and after said meeting. Missing two consecutive meetings, without notice, in a 12 month period, may initiate removal from office at the discretion of the Board.
11. The Chair shall counsel a Board member who violates any Board policy. Should violations continue, the Board, as a whole shall counsel the member. Such Board action may lead to the member's removal (see Bylaw, Article 2 C. 5. e.)
12. Incoming Board members will review and sign this Code of Conduct; the secretary will keep these on file.

POLICY TYPE: Board Governance Process

POLICY TITLE: 2.3 Linkage to the Congregation/Community

APPROVED:

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Recognizing that the Spirit of God moves in and through the members and their interactions we will use a variety of methods to discover and listen to their values, concerns, ideas and passions for ministry on a regular basis.

Accordingly,

1. The Board will identify and establish relationships with groups that have a stake in the congregation such as the CNH District or other LCMS organizations.
2. The Board will identify and establish relationships with the community and its leaders, seeking ways that the congregation or its members may be involved in strategic alliances.
3. The Board will listen to concerns and ideas of those we serve who are not members of the congregation.

POLICY TYPE: Board Governance Process

POLICY TITLE: 2.4 Agenda Planning

APPROVED:

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The Board shall establish a structure for its meetings that ensures that the Board members and the Pastor can process information consistent with policy-based governance and this manual.

Accordingly,

1. The agenda will be shaped by a review of policy. A policy review calendar will be set at the first meeting of each year. Additional items will be added, if needed, by the Chair, through consultation with the Pastor.
2. Monitoring of the current ministry plan will be set at least 60 days before the adopting of a budget so that administrative planning and budgeting can be based on accomplishing the new ministry plan.
3. The Board will discuss new policies recommended or requested by Board members or the Pastor; these are to be submitted in writing to the Chair in time to be included in Board materials sent before a Board meeting.
4. The agenda and other Board materials shall be received by each Board member at least 7 days before the meeting.
5. The Board will have discussions, as needed, to determine whose responsibility it is to address issues raised at their meetings - Board (to be defined by limitations) or the Pastor.
6. The Board will regularly schedule time for education to increase their knowledge and ability to carry out their responsibilities.
7. Members of the congregation may address the Board, at the Board's discretion, if the Chair has received a written request describing the issue at least 5 days before the meeting; the Chair will determine the amount of time allotted to such a presentation and will inform the congregational member of that time-allotment before the meeting.
8. The agenda will address the following sections:
  - a. Welcome and introductory comments of the Chair
  - b. Bible study and prayer
  - c. Agenda approval
  - d. Minutes approval
  - e. Pastor Report
  - f. Board member education or presentations to the Board
  - g. Board Business
    - 1) Committee Reports
    - 2) Other Board actions
    - 3) Communication to others
    - 4) Self evaluation/calendar review

f. Prayer and adjournment

POLICY TYPE: Board Governance Process

POLICY TITLE: 2.5 Committees

APPROVED:

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Committees and Task Forces may be appointed by and will report to the Board to assist them in the execution of their responsibilities.

Committees, when used, will be assigned to reinforce the wholeness of the Board's job but never to interfere with the work of the Pastor. This policy applies to any group that is formed by Board action, whether it is called a committee and regardless of whether the group includes Board members. This policy does not apply to committees formed under the authority of the Pastor.

Committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Pastor.

The Congregation's By-laws require the Board to form the following committees when needed:

- 1) **Financial Review:** Several methods are available using internal or external resources, the frequency and method being determined by the Board.
  - a) **Annual Examination:** This method comprises verifying the year-end cash balance on the financial report to the bank statement and verifying any investments on the financial report with their corresponding statements from the companies holding the investments. Random transactions can be pulled and traced through the general ledger for correctness of recording. Checks can be pulled to verify that each has been properly issued and endorsed. Invoices can be pulled to verify approval and payment. Upon completion a Statement of Examination should be signed by the conducting parties.
  - b) **Financial Review:** LCMS has published guidelines for this method. It can be accomplished incrementally and should be prepared by persons with business or bookkeeping experience.
  - c) **Audit:** The audit is the most thorough method of examining financial records and procedures. It must be done by a business or person that has been properly certified to perform audits.
- 2) **Constitution and Bylaw Review:** This committee will be convened as necessary to report to the Board the currency and appropriateness of the congregation's Constitution and Bylaws and offer options and suggested changes as deemed important.
- 3) **Nominating:** This committee will be convened every March to provide a roster of potential candidates for election to the Board for the coming year. The committee shall consist of one member of the current Board and two additional members of the congregation at large. The Pastor is an advisory member.
- 4) **Call Committee:** A Call Committee will be appointed by the Board as outlined in the Bylaws.

POLICY TYPE: Board - Pastor Relationship

POLICY TITLE: 3.0 Connection between the Board and the Operation of the Church

APPROVED:

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The Board's sole official connection to the operational organization of the church - staff and lay ministry teams - will be through the Pastor; the Board shall delegate authority only to him. Any other subordinate employee or entity operating with the authority of the congregation shall receive that authority from the Pastor or a person assigned such authority by the Pastor.

Accordingly,

1. Only officially passed motions of the Board are binding on the Pastor. Decisions or instructions of individual Board members are not binding on the Pastor.
2. Board members will never give instructions to the Pastor's staff or publicly evaluate them.
3. Board members shall be prudent in their contact with ministerial staff and shall keep the Pastor informed about significant contacts they have with any staff member.
4. As long as the Pastor uses a reasonable interpretation of the congregation's Vision statements, ministry plan, and Pastor Limitation Policies, the Pastor is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities. Such decisions of the Pastor shall have the full force, authority and support as if decided by the Board.
5. The Board may change their policies at any time. But, as long as any policy is in place, the Board will respect and support the choices of the Pastor.
6. The Board will view Pastor performance as identical to organizational performance, so that the achievement of the congregation's ministry plan and compliance with the limitation policies will be viewed as successful Pastor performance.
7. The following require the approval of the Board and may not be delegated:
  - a. Election of Board officers
  - b. Selection of the financial auditor/reviewer
  - c. Receipt and review of financial audits, reviews or annual examination reports
  - d. Appointment of legal counsel
  - e. Affirmation of the annual budget (ministry plan)
  - f. The discharge of any Board committee
  - g. Change in the membership of any Board committee
  - h. Employing called staff
  - i. Rescinding the call of called staff

8. The board shall, at the first meeting following installation of newly elected board members each year, designate three board members to serve as signatories for the purpose of countersigning business checks and legal documents as necessary. Assigned members will coordinate with the church secretary as soon as feasible following designation as signators to complete all necessary paperwork. All checks written in the amount of \$300.00 or less, and all payroll checks, may be issued with a single signature of the church secretary or other person designated by the pastor. All checks written for \$300.01 and above will require two signatures to include the pastor's designee and one of the board signatories.

*Policy 3.0, Addendum #A, January 13<sup>th</sup>, 2011*

*Policy 3.08, Addendum adding payroll checks one signature, adopted February 24, 2014*

POLICY TYPE: Board - Pastor Relationship

POLICY TITLE: 3.1 Monitoring of the Pastor

APPROVED:

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Systematic monitoring of the Pastor will be solely against the accomplishment of the ministry plan and compliance with Pastor Limitations.

Accordingly:

1. Monitoring is simply to determine the degree to which Board policies are being met. Information that does not do this will not be considered to be monitoring information.
2. In every case, the Board as a whole will judge the reasonableness of the Pastor's interpretation of policies and whether data demonstrate accomplishment of the interpretation.
3. All policies that instruct the Pastor will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method but will ordinarily depend on a routine schedule.
4. The Board may acquire monitoring information through Pastor reports, surveys, interviews, external reports, and direct monitoring.
  - a. Pastor Report: at each Board meeting the Pastor shall report on the following:
    - 1) Progress on the ministry plan and changes to the ministry plan with an explanation and rationale for the changes, including summaries of new ministries, programs, activities or services.
    - 2) The trends of baptisms, adult confirmations, worship attendance, membership gains and losses (semi-annual).
    - 3) The trends in the small group numbers, leaders, and Bible class/Sunday School attendance
    - 4) The congregation's financial position in a method and format as determined by the Board.
    - 5) Changes to the congregation's budget.
    - 6) Limitation policy.
5. The Board shall consistently advise the Pastor of his performance and, at least annually, conduct a formal performance appraisal.

POLICY TYPE: Board - Pastor Relationship

POLICY TITLE: 3.2 Exceeding Pastor Limitations

APPROVED:

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From time-to-time, Pastor Limitation Policies will be exceeded. When this happens, the Board shall ensure that action is taken to rectify the violation of policy. The Board shall strive to take no authority for the correction of exceeded Pastor limitations, but rather shall work through the Pastor. The Pastor is to take the initiative and responsibility to monitor for, and inform of, and correct exceeded limitations, as well as to develop preventative systems.

Accordingly,

1. The Pastor shall give notice to the Board once a limitation has been recognized to have been exceeded. If the limitation has been exceeded for an excessive period of time and has gone unnoticed, the Pastor shall develop a better monitoring system.
2. Corrective action.
  - a. If the exceeded limitation is recognized and correctable, the Pastor shall take the necessary action within policies and report the results to the Board. If the exceeded limitation is not immediately correctable, the Pastor shall establish a schedule for corrective actions, reporting such scheduled action and gaining from the Board, approval of a deadline for completion of the correction. The Pastor shall continue to report in a timely fashion on the action taken and the results until the exceeded limitation is corrected. The Pastor shall give notice when it is recognized that a deadline will be missed and a new plan of action if the delay is deemed excessive.
  - b. The Pastor is not to be limited in the resources, whether internal or external to the organization, that he may employ to correct the exceeded limitation except through the Limitation Policies. However, the Pastor is accountable for the results of the use of the resources at all times.
  - c. The Pastor shall develop or improve processes to avoid recurrence of any exceeded limitations.
  - d. The Board shall review any limitation policy that has been exceeded, for its soundness. They shall not dictate what appropriate Pastor actions might be, to comply with the limitation. The Board shall rewrite policies when appropriate. The Board shall not approve one-time exceptions to policies. If an action is acceptable under certain conditions, then those conditions shall be stated in the policies.
  - e. The Board shall not enact any punitive actions.
  - f. After a number of occurrences of an exceeded limitation, whether through missed deadlines, or as a result of exceeding a number of different limitations, the full Board will conduct a performance evaluation of the Pastor. If the Pastor is found to be out of compliance with Bylaw Article II, A.3. it shall be reported to the CNH District President for his counsel and direction.

POLICY TYPE: Pastor Limitations

POLICY TITLE: 4.0 General Pastor Constraint

APPROVED:

MONITORING DATE AND METHOD: June - Pastor Report

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While these policies are written in a manner consistent with the Carver model of Policy-Based Governance, it must be noted that a Pastor, in the tradition and polity of the Lutheran Church-Missouri Synod (LCMS), is not a “Chief Executive Officer.” He is, instead, the spiritual leader of his staff, the congregation and its ministry. While he can decisively influence what happens in that ministry, he cannot be said to control it, or even, in some circumstances, manage it given the nuances of congregational life; he certainly cannot get immediate results nor make demands of members.

As spiritual leader, his role is more attune to that of a servant leader.<sup>1</sup> While he has the responsibility and authority to supervise his staff,<sup>2</sup> he also leads as he inspires, models, coaches, mentors, motivates and collaborates with his staff, lay leaders and congregational members. However, in the end, he is responsible for implementing the ministry plan.

With that primary understanding, the Pastor shall not:

1. Fail to heed the Great Commission (Matthew 28:18-20) or the Great Commandment (Matthew 22:37-40).
2. Be unfaithful to his ordination vows.
3. Act in a manner that is either unlawful, imprudent, unethical or inconsistent with the constitution, bylaws and policies of Emmanuel Lutheran Church (ELC).

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<sup>1</sup> “The leader-first and the servant-first are two extreme types. Between them there are shadings and blends that are part of the infinite variety of human nature. The difference manifests itself in the care taken by the servant-first to make sure that other people’s highest priority needs are being served. The best test, and difficult to administer, is: do those served grow as persons; do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants?”

Taken from the *Servant As Leader* published by Robert Greenleaf in 1970.

<sup>2</sup> In the LCMS, the Pastor holds the office of the public ministry. This is a divinely appointed office. The church has established other offices. Those who serve in them are authorized to perform certain of the function(s) of the office of the public ministry. The offices are ‘ministry’ and they are ‘public,’ yet they are not the office of the public ministry. Rather, they are auxiliary to that unique pastoral office, and those who hold these offices perform their assigned duties under the supervision of the pastoral office. Such offices are established by the church as the need arises, and their specific functions are determined by the church.

*The Ministry: Offices, Procedures and Nomenclature; A Report of the Commission of Theology and Church Relations of the LCMS.* September, 1981.

POLICY TYPE: Pastor Limitations

POLICY TITLE: 4.1 Staff Issues

APPROVED:

MONITORING DATE AND METHOD: May - Pastor Report

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The Pastor is responsible for executing the office of the public ministry. In doing so, he may need staff to assist him in carrying out his responsibilities. Thus, he may delegate appropriate responsibilities and duties to both rostered<sup>3</sup> and non-rostered staff and expect those duties and responsibilities to be carried out to the standards and expectations he sets forth in their position description.

While the Pastor is not wholly responsible for the behavior and actions of his staff, he shall not (a) contribute to their ineffectiveness; (b) interfere in the responsibilities as outlined in the Call documents or position description; or (c) recommend to call or hire new staff without assuring the Board that the new staff member will be compatible with the personality and philosophy of ministry of the present staff.

Further, without limiting the scope of the foregoing by this enumeration, the Pastor shall not:

1. Fail to pray for staff and with them.
2. Fail to provide staff with a position description.
3. Fail to provide staff with adequate resources needed to fulfill their position description.
4. Fail to assist the staff with the development of their ministry plan.
5. Assume authority that is clearly delegated to some other staff member.
6. Fail to evaluate staff performance at least once each year. In addition, he shall not:
  - a. Fail to ensure that all staff that have employees under their supervision conduct evaluations in their respective areas of responsibility.
  - b. Fail to recommend to the Board that the call of rostered staff who are teaching false doctrine, living a scandalous life, are unable to perform the duties of their position, are uncooperative, or insubordinate be rescinded.
  - c. Fail to remove non-rostered staff from their position if they are teaching false doctrine, living a scandalous life, are unable to perform the duties of their position, are uncooperative, or insubordinate.
7. Fail to operate with personnel policies and procedures (Personnel Manual). In addition, he shall not:
  - a. Fail to ensure that every staff member has access to the Personnel Manual and is fully informed as to its contents.
  - b. Fail to provide for the effective handling of staff grievances or ignore, limit or violate the Synodical Reconciliation process for rostered staff.

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<sup>3</sup> Professional staff who are ordained or commissioned members of Synod.

8. Fail to ensure that compensation and benefits for ministry staff are fair, equitable and take into consideration CNH District guidelines. In addition, he shall not:
  - a. Fail to ensure that all eligible employees are enrolled in the synod's retirement and disability plan.
9. Offer any staff member a tenured call<sup>4</sup> or agree to any contract that is not time-limited without the consent of the Board.
10. Use his position or influence to obtain employment in the church for family members or close friends.

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<sup>4</sup> A tenured call is a call that can only be removed for the same reasons and in the same manner as removing the call of the Pastor.

POLICY TYPE: Pastor Limitations

POLICY TITLE: 4.2 Interaction with Members/Privacy Issues

APPROVED:

MONITORING DATE AND METHOD: April - Pastor Report

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With respect to interactions with members and others that the Pastor serves, he shall not cause or allow conditions, procedures or decisions that are unsafe, undignified or unnecessarily intrusive.

Further, without limiting the scope of the foregoing by this enumeration, the Pastor shall not:

1. Release the name, home address, email address, photos, or telephone number of any staff, congregational member or anyone else served by congregational ministries against their wishes.
2. Allow himself or staff to share personal or spiritual issues regarding members or others served without their permission.
3. Reveal the financial contributions of members.
4. Store financial records in an unsecured file or computer.

POLICY TYPE: Pastor Limitations

POLICY TITLE: 4.3 Financial Conditions and Activities

APPROVED:

MONITORING DATE AND METHOD: Every meeting - Pastor Report

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With respect to the actual, ongoing financial condition and activities, the Pastor shall not cause or allow the development of financial jeopardy or significant deviation of actual expenditures in the budget approved by the congregation.

Further, without limiting the scope of the foregoing by this enumeration, the Pastor shall not:

1. Develop a budget without staff involvement.
2. Develop a budget that contains too little information (revenues and expenses, separation of capital and operation items, transfers from investment income, and disclosure of planning assumptions) or has too much information to enable credible review by the Board.
3. Fail to include a percentage of projected congregational offerings for the CNH District, LCMS.
4. Fail to follow the Planned Giving Policy.
5. Allow tax payments or other government required filings to be overdue or inaccurately filed.
6. Fail to settle payroll and debts in a timely manner.
7. Allow expenditures to exceed by more than 5% the amount budgeted in the annual budget for any ministry area defined in the budget, unless the expenses are beyond his control (i.e. increases in the health plan).
8. Fail to have an annual stewardship campaign that invites participation of every church member and others served.
9. Allow any fundraising event that is inconsistent with the values of the congregation or does not contribute to the achievement of the ministry plan or damage the image of the congregation.
10. Restrict members from accessing summary of financial statements reported to the Board.

POLICY TYPE: Pastor Limitations

POLICY TITLE: 4.4 Pastor/Staff Succession

APPROVED:

MONITORING DATE AND METHOD: March - Pastor Report

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To protect the congregation from the sudden loss of Pastor or other staff services, the Pastor shall not operate without a written plan for his and other staff functions to continue in his or their extended absence.

Further, without limiting the scope of the foregoing by this enumeration, the Pastor shall not:

1. Fail to have a plan for an emergency, with the assistance and approval of the circuit counselor and the District President's office if needed, to ensure the continuation of word and sacrament ministry.
2. Fail to have a plan, with the assistance and approval of the circuit counselor and the District President's office if needed, for either interim or vacancy ministry, in the event the Pastor vacates his office.

POLICY TYPE: Pastor Limitations

POLICY TITLE: 4.5 Asset Protection

APPROVED:

MONITORING DATE AND METHOD: February - Pastor Report

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The Pastor shall not allow church assets to be unprotected, inadequately maintained or unnecessarily risked.

Further, without limiting the scope of the foregoing by this enumeration, the Pastor shall not:

1. Fail to provide insurance against theft and casualty losses for full replacement value and against liability losses to Board members, staff, and the congregation in an amount equal to or greater than comparable congregations.
2. Allow unauthorized, unbonded personnel access to significant amounts of funds.
3. Fail to maintain the church property, buildings and equipment.
4. Allow himself or permit any staff to endanger the congregation's public image or credibility, particularly in ways that would hinder the accomplishment of its mission.
5. Fail to ensure that accounting practices and principles adhere to those recommended by synod (see the synodical treasurer's manual).
6. Allow any staff to receive, possess or distribute funds under controls that are insufficient to meet the Board-appointed auditor's or reviewer's standards.

POLICY TYPE: Pastor Limitations

POLICY TITLE: 4.6 Communication and Support to the Board

APPROVED:

MONITORING DATE AND METHOD: September - Pastor Report

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The Pastor shall not permit the Board to be uninformed or unsupported in their work.

Further, without limiting the scope of the foregoing by this enumeration, the Pastor shall not:

1. Neglect to submit monitoring data required by the Board in a timely (prior to a Board meeting), accurate, and understandable fashion, directly addressing the provisions of Board policies being monitored.
2. Fail to report, in a timely manner, any actual or anticipated noncompliance, by himself or his staff, with any policy of the Board.
3. Let the Board be unaware of any significant incidental information it requires, including anticipated media coverage and threatened or pending lawsuits.
  - a. Allegations against anyone on the staff.
  - b. Any report of abuse or sexual, financial or professional misconduct alleged against any member of the staff that is about to become public. If possible, the Board should receive notification 24 hours before the report becomes public.
4. Fail to keep the Board aware of relevant trends in the nation, state, community, synod or district (including synod and district convention resolutions) that may have an impact on the congregation.
5. Fail to inform the Board of relevant and appropriate news about staff members, members of the congregation and those served by the congregation. Those should include but not be limited by:
  - a. Demotion or dismissal of staff (within 24 hours before such action).
  - b. Hiring or promotion of staff.
  - c. Death or serious illness of staff or their immediate family.
  - d. Crises affecting the work, health or safety of staff.
6. Fail to advise the Board if, in the Pastor's opinion, the Board is not in compliance with their own policies, especially in the case of Board member behavior that is detrimental to the working relationship between the Board and the Pastor.
7. Fail to deal with the Board as a whole.
8. Fail to inform the Board about changes in the assumptions on which any Board policy has been established.

POLICY TYPE: Pastor Limitations

POLICY TITLE: 4.7 Ministry Plan/Strategic Alliances

APPROVED:

MONITORING DATE AND METHOD: January - Pastor Report

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The Pastor shall not fail to have an operational plan for the ministry of the congregation that addresses the Vision statements.

Further, without limiting the scope of the foregoing by this enumeration, the Pastor shall not:

1. Fail to ensure that all congregational ministries, programs, services, activities and events address the Vision statements.
2. Fail to inform members of the congregation and those served, in more than one medium, of ministry opportunities, congregational activities and events.
3. Fail to develop strategic alliances.<sup>5</sup>

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<sup>5</sup> Strategic alliances are mutually, beneficial relationships with other organizations or individuals built upon a common vision or goal, which allow all parties to honor their core values, enhance the pursuit of their missions and maintain operational autonomy.

# Planned Giving Guidelines

The Pastor shall not accept gifts and bequests that conflict with the congregation's mission, values, or Vision statements or are too restrictive.

## **Ethics and Donor Advice**

When dealing with commitments of major assets, donor will be encouraged to consider critical issues such as their families or personal health needs, before giving assets to the Church.

1. Donors will be encouraged to consult their own attorney and/or accountant before giving major assets to the Church.
2. Any representative of the Church who engages in communications with donors or potential donors regarding deferred gifts to the Church shall directly advise them in writing to consult with their attorney and/or accountant concerning the legal and financial consequences of any such gift.
3. To avoid a conflict of interest, the Church will not be responsible for the cost of services rendered by an attorney, accountant or other consultant who personally advise donors or potential donors in making deferred gifts to the Church.
4. The Church will not pay, directly or indirectly, for any right(s) to receive a deferred gift of any kind.
5. Unless a donor's intent to make a deferred gift to the Church is clearly stated and documented in such a form as to leave no question regarding the donor's intent, the Church shall obtain a written statement from the donor that he/she received or had the opportunity to obtain independent counsel's advice. The statement will be signed and dated by at least one credible witness.

## **Disclosures**

The Church will practice complete financial disclosure and stand accountable to its donors and the members in raising and spending money.

1. This includes publishing an annual financial report, providing financial statements upon request, and honoring any reasonable request to inspect the Church's financial records and expense reports not to include individual donor accounts.
2. All representations of fact, description of financial condition, or narrative about events must be current complete and accurate.
3. There may be no material omissions or exaggerations of fact or use of misleading material that creates or implies a false impression or misunderstanding about the Church, its finances or any of its affairs.

## **Donor Recognition**

The Church may recognize donors in a way that celebrates stewardship as part of discipleship. Any donor recognition should acknowledge the demonstrated obedience of the individual(s) as a steward of the gifts God has provided. The Church shall not use recognition strategies that glorify the donor rather than God.

## **Donor Confidentiality**

The Church will maintain its own donor base unless, by specific approval of the Board, a third party is authorized to do this on the Church's behalf.

1. The Church will not rent, sell or exchange its donor list any any individual or organization.

2. The Church considers all donor records confidential and, therefore, as a general policy will not publicize donor names, unless the donor authorizes it and when there is specific agreement between the Church and the donor on exactly how the name will be publicized.
3. The Pastor may access individual giving and/or pledge accounts.

### **Gifts of Property**

When gifts of property, whether real property or personal property, are received by the Church, the acknowledgment or receipt should describe the property accurately without a statement of the gift's market value in accordance with IRS regulations.

1. A precise description of the property will be provided to the Pastor for the preparation of a formal acknowledgement letter.
2. If the donation consists of property intended to become part of the Church's fixed assets, then a specific description of the property and an approximate valuation should be provided by the donor to the Pastor so that the item may be included in the Church's fixed assets inventory.

### **Gifts of Stocks or Bonds**

Any contribution of stocks or bonds will be accepted in accordance with the Church's Gifts of Property Policy. The stocks or bonds will be sold after receipt, unless the donor specifically requests that the Church defer such a sale. The Pastor shall maintain policies and staff accountability for the efficient disposition of such gifts.

### **Gift Designation**

When the Church is a beneficiary of a will and the gift has been designated to a pre-approved fund or fundraising effort, the gift will be designated for that purpose and may not be used for any other purpose. If the gift has not been designated, then the Pastor will make recommendations to and receive approval from the Board regarding its use.

### **Removal of Gift Designation**

The Board retains the right to remove the restrictions on a gift when it is in the best interests of the church to do so. This reservation of right shall be set forth on all the Church's solicitation materials relating to designated gifts. This reservation of right shall read as follows:

**“By contributing to any designated fund of Emmanuel Lutheran Church, donors acknowledge that the Governance Board has the authority to apply designated contributions to another purpose when it is in the best interest of the church to do so.”**

# Board Meeting Monitoring Form

In a continuing effort to improve its governance process, the Board uses this form to evaluate its progress. The appointed Board member completes this form at conclusion of each meeting by reading each point aloud and making an evaluation of the Board's performance during that meeting.

Meeting Date: \_\_\_\_\_

Evaluator: \_\_\_\_\_

Circle 1 for satisfactory, 2 for improving and 3 for unsatisfactory.

1 2 3 The Board was prepared for the meeting.

1 2 3 The Board's time was appropriately spent on vision as opposed to staff means.

1 2 3 Each Board member was given adequate opportunity to participate in discussion and decision-making.

1 2 3 The Board's treatment of all persons was courteous, dignified and gracious.

1 2 3 The Board adhered to its adopted governance style.

Yes No a. It emphasized outward vision.

Yes No b. It encouraged diversity in viewpoints.

Yes No c. It exercised strategic leadership more than overseeing details.

Yes No d. It maintained a clear distinction between Board and Pastor roles.

Yes No e. It used collective decision-making.

Yes No f. It looked to the future.

Comments: