
Governing Board

Policy Manual

**St. Peter Lutheran
Church & School
Arlington Heights, IL**

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1. STRATEGIC DIRECTION

Desired outcomes describe the ends or purposes of our ministry. Desired outcomes policies, or ends policies, describe what results we are here to achieve, who the recipients will be, and the cost of those results. These policies do not address means, methods, activities, or specific programs. Every policy in this section must address either results, recipients, or cost. Desired outcomes reflect the never-ending work of the Governing Board in determining what the church will attempt to accomplish in the future.

1.1. Global Desired Outcomes Policy

St. Peter Lutheran Church & School exists to Lead People to a Full Life in Christ, including both those far from Jesus and those already following Jesus throughout Arlington Heights and the surrounding areas.

1.2. Results

Our vision is to see lives and communities transformed as we become more like Jesus. To accomplish this, we will help lead every person to a full life in Christ with strong relationships in the areas of “UP”, “IN” and “OUT”:

UP Relationships: We want every person to have a strong and growing relationship with Jesus, built upon daily Bible reading, prayer, serving and sacrificial generosity.

IN Relationships: We want every person to experience Biblical community with fellow followers of Jesus, experienced primarily through Huddles, Community Groups, and weekly Worship.

OUT Relationships: We want every person to join Jesus on His Mission where they live, work, and play by intentionally pursuing relationships with people close to them but far from Jesus.

1.3. Recipients

Our primary ministry area includes people who live within a 10-mile radius of the Arlington Heights campus.

1.4. Critical Targets

To further focus our efforts, we have identified key groups of people or areas of work to target our efforts, including:

Critical Target #1: Families with young, school age children

Critical Target #2: Public school families

1.5. Cost

Our ministry’s funding model is built on the following principles:

- the ministries and operations of the church are funded primarily through the tithes & offerings of its members
- the direct expenses of the school are primarily funded through tuition & fees
- third source funding (e.g., Foundation Grants, Fundraising) may help fund both regular operations and special ministry needs

2. GOVERNING BOARD

These policies describe the standards of behavior for individual Board Members and the Board as a group. These policies describe the way the Board operates. They clarify the governing style of the Board, the Chair's role, Board Member conduct, Board Member responsibilities and the use of committees. The Board represents and serves the members of the Congregation.

2.1. Global Board Self-Governance Policy

No Board Member shall act in a manner that is unethical, imprudent, illegal or inconsistent with the Constitution and By-Laws of the Congregation.

2.2. Accepting Responsibilities

Board Members shall:

- 2.2.1. Regularly participate in the worship and educational life of the Congregation
- 2.2.2. Undertake personal spiritual disciplines for the development of their own faith lives
- 2.2.3. Be prepared for the Board meetings
- 2.2.4. Attend Board meetings regularly
 - 2.2.4.1. Attendance at Board meetings will be in person, if at all possible, otherwise a conference call or video conference call is acceptable
 - 2.2.4.2. A Board Member shall not miss two consecutive meetings
 - 2.2.4.3. A Board Member shall not miss three meetings in 12 consecutive months
 - 2.2.4.4. Should it be necessary to miss a meeting, Members shall make contact with the Board Chair for dialog both before and after said meeting
 - 2.2.4.5. Should a Board Member anticipate late arrival for said meeting, the Board Chair must be notified.
- 2.2.5. Ensure that the Strategic Direction of the Congregation is the driving force for all activities and related ministries
- 2.2.6. Work to expand their leadership abilities and increase their understanding of the mission and ministry of the Congregation
- 2.2.7. Become familiar with this Policy Manual, the Constitution and By-Laws
- 2.2.8. Annually review and update the Strategic Direction
- 2.2.9. Fully participate in Board meetings
- 2.2.10. Make informed decisions by insisting on complete and accurate information
- 2.2.11. Support all decisions once they have been fully discussed and resolved by the Board
- 2.2.12. The Governing Board shall strive to make decisions by consensus deferring to a voting process only when the Chair believes consensus cannot be reached
- 2.2.13. Invest personal energy and skills in the mission and ministries of the Congregation, seeking opportunities where individual skills and abilities can be applied in addition to the role of Board Member
- 2.2.14. Relate to other individuals with integrity, honesty and straightforwardness
- 2.2.15. Actively discipline themselves and other Members of the Board by identifying Board actions and conditions that run counter to any of these policies

- 2.2.16. Bring to the Board Chair’s immediate attention any condition or action they believe exceeds a Lead Pastor Limitation Policy (see Section 4)
- 2.2.17. Have the opportunity to serve on a Ministry Team (NOTE: They must not represent that constituency or the staff member sponsoring that Ministry Team within the Board meetings)
- 2.2.18. Bring to the attention of the entire Board spoken or written concerns of Members of the Congregation including but not limited to:
 - 2.2.18.1. Concerns related to Lead Pastor’s performance or action
 - 2.2.18.2. Concerns related to other members of staff, worship style or content, facilities, or other matters, but only after proper communication avenues have been exhausted:
 - 2.2.18.2.1. Issues related to Church staff should be referred to Lead Pastor
 - 2.2.18.2.2. Issues related to School staff should be referred to the Principal
 - 2.2.18.2.3. Issues related to Worship & Discipleship should be referred to the Teaching Pastor
 - 2.2.18.2.4. Issues related to facilities should be referred to the Facilities Manager
- 2.2.19. Keep Board documents and discussions confidential, unless given permission by the Board acting as a whole. However, the Board Policy Manual, approved minutes and approved financial statements do not require permission.
- 2.2.20. Not hinder the Board process
- 2.2.21. Exercise their powers in the interests of the Congregation and not in the Board member’s own interests or in the interests of another person (including a family member) or organization

2.3. Board Member Admonishment

- 2.3.1. The Chair of the Governing Board shall admonish any Board Member who violates any policy.
- 2.3.2. Should the Chair of the Board violate policy, it shall be the responsibility of the Vice-Chair to initiate such admonishment.
- 2.3.3. Should violations continue, the Board as a whole shall admonish the Member both verbally and in written form.
- 2.3.4. All written admonishments shall be kept in a confidential file of the Board.
- 2.3.5. Any Member who continues to violate policy after such admonishment shall be removed from the Board with a 2/3 majority vote. The said Member shall not be counted in determining such majority.

2.4. Enunciating Board Policies

The Governing Board shall maintain a Policy Manual that shall consist of written policies of the following four types:

- 2.4.1. Policies with respect to the Strategic Direction.
- 2.4.2. Policies with respect to Board Self-Governance.

- 2.4.3. Policies with respect to Lead Pastor Parameters.
- 2.4.4. Policies with respect to Board — Staff Relations.

2.5. Governing Process

- 2.5.1. All activities of the Board, its officers, or committee(s) shall relate to the specific responsibilities of the Board as formally adopted at Board Meetings.
- 2.5.2. The Board shall exercise its governing authority as a whole. No individual Board Member shall exercise such authority except as instructed by the Board.
- 2.5.3. The Board Policies are to be active and dynamic. They are meant to be changed and refined regularly, based on the intent of each section and the changing context within which the Congregation functions.
- 2.5.4. Board Activities:
 - 2.5.4.1. *Resolutions.* The Board will pass resolutions for specific actions only when those actions are required by these policies, the law, or the by-laws or will affect only the Board.
 - 2.5.4.2. *Lead Pastor Actions.* All Board decisions governing actions of Lead Pastor shall be done through Policy. Any actions taken or contemplated by Lead Pastor or any which may be or may have been approved by the Lead Pastor, will only be considered in light of the appropriate governing policies in effect at the time of the decision or action taken.
 - 2.5.4.3. *Policy Review.* Any Board Member, the Lead Pastor, or the written request of any member of the Congregation may ask for a review of a specific Policy; however, never does the responsibility for effective and appropriate policies rest with anyone other than the Board.
 - 2.5.4.4. *Policy Review Schedule.* The Board shall establish an annual policy review calendar to coordinate the review of adherence to every policy at least once a year. Every effort will be made to coordinate the calendar with the ministry planning cycles of the Congregation, reviewing appropriate policies just prior to staff actions and/or decisions.

2.6. Supervision of the Lead Pastor

- 2.6.1. The Board shall consistently advise Lead Pastor on performance.
- 2.6.2. The Board shall meet with the Lead Pastor before the end of the first quarter of the fiscal year to offer counsel and affirm the Lead Pastor’s intended Annual Operating Plan.
- 2.6.3. The Board shall establish and regularly review the Lead Pastor’s job description.
- 2.6.4. The Annual Operating Plan and job description shall form the basis for the Lead Pastor’s annual performance review.

2.7. Fiscal Responsibility

- 2.7.1. The Board’s fiscal responsibility shall be discharged by establishing policies limiting Lead Pastor’s financial authority, budget development, and control of assets, including:
 - 2.7.1.1. Annually, by the end of the January, establishing Lead Pastor’s compensation based on performance review and salary guidelines.

- 2.7.1.2. Annually, prior to the May Voters’ Meeting, approving the annual budget
- 2.7.2. The Board shall monitor the fiscal soundness of the Congregation, using such means as:
 - 2.7.2.1. Receiving and approving quarterly financial reports
 - 2.7.2.2. Receiving and approving a year-end financial report
- 2.7.3. The Board shall act as the sole agent and representative of St. Peter Lutheran Church vested with all rights and powers set forth in the Bylaws of the St. Peter Lutheran Foundation as its sole Member to provide encouragement and to develop gifts that strengthen the mission of the Church and help it accomplish its mission over time.

2.8. Governing Board Election Process

- 2.8.1. The election of the board members shall take place each year at the regular board meeting of the congregation in May.
- 2.8.2. The Nominating Process shall be overseen by the Vice-Chair of the Board.
- 2.8.3. The Governing Board shall solicit and receive the names of prospective candidates from the Board or any member of the Congregation.
- 2.8.4. In preparing a slate of candidates, the Board must seek candidates who meet the following qualifications:
 - 2.8.4.1. Meet the requirements of Board membership, as stipulated in the Constitution and By-laws
 - 2.8.4.2. Are good communicators
 - 2.8.4.3. Are visionary
 - 2.8.4.4. Can effectively represent the concerns of the members of the Congregation
 - 2.8.4.5. Have sufficient understanding of the ministry of St. Peter
 - 2.8.4.6. Understand and support the basic concepts of Policy Based Governance
 - 2.8.4.7. Are willing and able to support the Mission, Vision, and Values of the Congregation, as defined in the Strategic Direction (Section 1)
 - 2.8.4.8. Are willing and able to accept the responsibilities of Board membership as delineated in Policy Sections 2.1 and 2.2
 - 2.8.4.9. Are not employees of St. Peter currently or anytime within the immediately preceding three years
 - 2.8.4.10. Are not spouses, children, parents, in-laws or siblings of current staff members or any staff member from the immediately preceding (1) year
 - 2.8.4.11. Are not spouses, children, parents, in-laws or siblings of current Board members or any Board member from the immediately preceding (1) year
 - 2.8.4.12. Reflect the diverse make-up of the Congregation (age, race, ethnicity, gender). However, each candidate elected to the Board has the responsibility to represent the interest of the Congregation as a whole, not of a particular constituency.
 - 2.8.4.13. When presenting the slate to the Congregation, the Board shall include the list of criteria used to qualify nominees and information regarding each of nominee which addresses the qualifying criteria.
 - 2.8.4.14. The Board shall present a slate that includes at least one qualified candidate for each position to be filled.

- 2.8.4.15. The Congregation shall elect only individuals who have been deemed qualified by the Board
- 2.8.4.16. Terms of Service for Board Members shall be limited to three years.
- 2.8.4.17. Board Members may not serve more than two consecutive terms, and, if appointed to fill a vacancy, may not stand for re-election if another term would extend their service more than seven years.
- 2.8.5. In the event of a vacancy on the board, the Board shall be responsible for filling the vacancy.
 - 2.8.5.1. Appointments to fill a vacant position shall always be used to complete an unexpired term and in no case shall such an appointment work in contradiction to the election of approximately one-third of the Board each year.
 - 2.8.5.2. Every effort shall be made to fill vacant positions within three months of their occurrence. However, if there is less than one year of service left in the term the position may remain vacant until it is filled through the regular election process.

2.9. Board Self-Review

- 2.9.1. The Board shall annually create its own self-review process.
- 2.9.2. The Chair and Vice Chair shall administer a Self-Review process prior to the end of the fiscal year. The review process shall review the following items:
 - 2.9.2.1. The Board’s openness and communication among its members
 - 2.9.2.2. The Board’s openness and communication with Lead Pastor
 - 2.9.2.3. The Board’s ability and skill in developing and monitoring policy
 - 2.9.2.4. The Board’s adherence to policy

2.10. Committees of the Board

The Board may from time-to-time use committees, but always consistent with the following principles:

- 2.10.1. Committees report directly to the Board whereas Ministry Teams report to individual staff members.
- 2.10.2. Committee responsibilities shall flow directly from the Board’s description of its job, shall be set forth in a formal written charge with an appropriate period for existence, and shall not impinge upon responsibilities delegated to Lead Pastor.
- 2.10.3. Committees shall not manage any part of the Congregation, nor do staff work, except when working on a topic that is fully within the province of the Board and has not been delegated in any way to Lead Pastor.
- 2.10.4. Except when empowered by the Board, committees shall have no executive or decision-making authority.

2.11. Responsibilities to Members of the Congregation

- 2.11.1. Be attentive to the needs and desires of the Members.

- 2.11.2. Solicit input from the membership at least twice a year. This could be accomplished through surveys, Town Halls, or other means.
- 2.11.3. Conduct Regular Voters Meetings according to the By-laws.

2.12. Board Meeting Structure and Calendar

- 2.12.1. The Board shall establish a basic structure for its meetings to assist the Board and Lead Pastor in processing information in a way that allows them to maintain a policy-based orientation.
- 2.12.2. The Board’s annual meeting schedule (See Policy 2.12.8.) and agendas shall work in tandem with the Board’s calendar (See Appendix A) and policy review schedule (See Appendix B). Additional items may be added as needed.
- 2.12.3. Only Members of the Board, Lead Pastor, and those invited by the Board shall be seated at the Board table.
- 2.12.4. Non-Members of the Board shall only speak when recognized by the Chair.
- 2.12.5. The Lead Pastor may send a designee to the meeting on his behalf.
- 2.12.6. A quorum of 5 Board Members is required for any official meeting, present either in person or by teleconferencing.
- 2.12.7. The Board may present a Consent Agenda for each Board meeting, developed by the Chair, Lead Pastor, and Secretary at the request of any Board member. Items may be removed from the consent agenda on the request of any one member. Items not removed may be adopted by general consent without debate. Removed items may be taken up either immediately after the consent agenda or placed later on the agenda at the discretion of the Board.
- 2.12.8. The Board shall plan to meet approximately eight (8) times per fiscal year to review and discuss the Strategic Direction of the ministry, as well as:

Meeting #1: Quarterly Financial Statement Review (Q4); Elect Officers (see Policy 2.9.2.); Appoint 2 Governing Board Members to Foundation Board

Meeting #2: Review Strategic Direction and Lead Pastor’s Annual Operating Plan & Long Range Operating Plan (See Policy 3.6.2.)

Meeting #3: Quarterly Financial Statement Review (Q1); Confirm Lead Pastor’s Annual Operating Plan & Long Range Operating Plan (See Policy 3.6.2.)

Meeting #4:

Meeting #5: Quarterly Financial Statement Review (Q2)

Meeting #6: Review First Draft of Lead Pastor’s proposed Annual Budget

Meeting #7: Quarterly Financial Statement Review (Q3); Final Review of Lead Pastor’s Annual Budget (see Policy 3.4.2.) *prior* to Regular Voters’ Meeting in May (see Bylaws Article 3.1.)

Meeting #8: Welcome newly-elected Governing Board Members; Joint Meeting with Foundation Board Members

- 2.12.9. One fourth of the Board’s meetings in a given year shall include time for Board Education to increase the Board’s capacity and competence for carrying out its responsibilities.

2.13. Officers of the Board

- 2.13.1. Officers of the Board shall be a Chair, a Vice-Chair, and a Secretary. These shall also serve as the Officers of the Congregation.
- 2.13.2. The Board shall elect its own officers annually at the first meeting of the fiscal year.
- 2.13.3. An individual shall be eligible to serve as the Chair only after serving one full year term.
- 2.13.4. The Chair shall:
 - 2.13.4.1. Ensure the integrity of the Board’s process
 - 2.13.4.2. Preside at all meetings of the Board
 - 2.13.4.3. Preside at all meetings of the Congregation
 - 2.13.4.4. Work with the Lead Pastor to establish the agenda for all meetings of the Board and the Congregation
 - 2.13.4.5. Serve as Chair of the Lead Pastor Call Committee (See Policy 2.4.)
 - 2.13.4.6. Initiate counsel with any Member of the Board who violates policy (See Policy 2.2.19.)
 - 2.13.4.7. Take appropriate actions which are essential for the thorough management of the Board’s work, so long as those actions do not violate Board policies
 - 2.13.4.8. Determine, in consultation with the Lead Pastor, who should represent the congregation to the public or press, should the need arise
- 2.13.5. The Vice-Chair shall:
 - 2.13.5.1. Preside at all meetings of the Board and The Congregation when the Chair is absent or when requested to do so by the Chair of the Board
 - 2.13.5.2. Initiate counsel with the Chair of the Board should the Chair violate policy (See Policy 2.2.19.)
 - 2.13.5.3. Oversee audit process at least once every 3 years (See Policy 2.3.11.8.)
 - 2.13.5.4. Runs nominating process for new Governing Board members
- 2.13.6. The Secretary shall:
 - 2.13.6.1. Draft the agenda, along with the Chair and Lead Pastor, for each meeting of the Board
 - 2.13.6.2. Maintain the minutes of all meetings of the Board and the Congregation and cause copies of all such minutes to be kept on file
 - 2.13.6.3. Be thoroughly familiar with the Congregation’s Constitution and By-laws and serve as the primary resource to the Board and the Congregation for questions concerning the same
 - 2.13.6.4. Collect Consent Agenda materials from staff to be reviewed by Governing Board

2.14. Calling a Lead Pastor

In the case of a vacancy in the office of Lead Pastor, the Board shall appoint a Call Committee. The Committee shall consist of at least the Chair, two other Board Members, and two

members-at-large. The Call Committee shall not fail to:

- 2.14.1. Establish a set of criteria for the position, including an updated Job description
- 2.14.2. Seek appropriate assistance from the Northern Illinois District, including the District President and/or Circuit Visitor
- 2.14.3. Call for nominations from the Congregation
- 2.14.4. Establish an effective interview and evaluation process
- 2.14.5. Provide a list of recommended, qualified candidates to the Board
- 2.14.6. Establish and facilitate the interview process for the list of candidates approved by the Board
- 2.14.7. Assist the Board in bringing the recommendation(s) of the Board to the Congregation

2.15. Intentional Interim Lead Pastor

In the case of a vacancy in the office of the Lead Pastor, the Board may recommend to the Congregation the appointment of an Intentional Interim Lead Pastor.

2.16. Calling other Church Workers (Tenured & Non-Tenured Calls)

In the case where the Lead Pastor recommends and the Board agrees to extend a Tenured or Non-Tenured Call for any other worker, and where the annual ministry financial plan allows, the Board shall appoint a Call Committee. The Committee shall consist of not fewer than three members, including the Lead Pastor or his designate, who shall serve as Chair of this committee. The Call Committee shall not fail to:

- 2.16.1. Establish a set of criteria for the position, including an updated job description
- 2.16.2. Seek appropriate assistance from the Northern Illinois District, including the District President and/or Staff
- 2.16.3. Call for nominations from the Congregation
- 2.16.4. Establish an effective interview and evaluation process
- 2.16.5. Ensure the Lead Pastor or his designate has the opportunity to conduct a personal interview with the candidates
- 2.16.6. Present the qualified candidate(s) to the Board for their review and approval

3. BOARD – STAFF RELATIONS

Board-Staff Delegation policies address how the Board and Lead Pastor relate to each other. In general, the Board speaks with one voice and all Board authority is delegated by the Congregation through the Lead Pastor. This means the Lead Pastor reports to the Board as a whole, not to individual Board Members, officers of the Congregation, or Board committees. This also means the Board works only with the Lead Pastor and does not direct the work of staff or volunteers.

3.1. Manner of Delegating

- 3.1.1. Except for assignments of its own work to committees, consultants, or officers, the Board shall delegate authority only to Lead Pastor.
- 3.1.2. The authority of Lead Pastor shall begin where the explicit pronouncements of the Board ends. Except as required by governing policies or law, decisions of Lead Pastor do not need approval by the Board.

3.2. Lead Pastor Administrative Functions

The Lead Pastor shall:

- 3.2.1. Be empowered to take all actions and make all administrative decisions he deems necessary to attain the Strategic direction.
- 3.2.2. Develop operational guidelines, rules, or procedures and make decisions he deems appropriate as long as governing policies adopted by the Board are observed.

3.3. Lead Pastor Accountability

The Lead Pastor shall be accountable to the Board for:

- 3.3.1. Advancement and Adherence to the Strategic Direction.
- 3.3.2. Compliance of personnel and staff actions.
- 3.3.3. Provision of counsel to the Board on theological, social, legal, synodical, and other changes relevant to the Board's decisions.
- 3.3.4. Relating with integrity, honesty, and straightforwardness to the Board.

3.4. Exceeding Lead Pastor Limitations

- 3.4.1. Lead Pastor shall give an immediate notice of occurrence to the Chair of the Board once a Lead Pastor Limitation has been recognized to have been exceeded.
- 3.4.2. If the exceeded Lead Pastor Limitation is immediately correctable, the Lead Pastor shall take the necessary action within policies and report the results to the Board.
 - 3.4.2.1. If the exceeded Lead Pastor Limitation is not immediately correctable, the Lead Pastor shall establish and implement corrective actions, reporting them and gaining approval of a deadline for complete correction from the Board.

- 3.4.2.1.1. The Lead Pastor shall continue to report in an agreed upon timeframe as to the actions taken and their results until the exceeded Lead Pastor Limitation is corrected.
 - 3.4.2.1.2. The Lead Pastor shall give immediate notice when it is recognized that a deadline will be missed and submit a new plan for action.
 - 3.4.2.2. The Lead Pastor may use internal or external resources to correct the exceeded Lead Pastor Limitation so long as those resources do not violate Lead Pastor Limitations Policies.
 - 3.4.2.3. The Board shall review the soundness of any Lead Pastor Limitation that has been exceeded.
 - 3.4.3. The Board shall not allow one-time exceptions to policies. If an action is acceptable under certain conditions, then those conditions must be stated in the policy and the policy amended.
 - 3.4.4. The Lead Pastor shall develop or improve processes to avoid recurrence of any exceeded Lead Pastor Limitations.
 - 3.4.5. After repeated recurrences of exceeding Lead Pastor Limitations, the Board President will conduct:
 - 3.4.5.1. A performance evaluation of Lead Pastor related to the exceeded Limitation.
 - 3.4.5.2. A discussion with the full Board about Lead Pastor’s performance.

3.5. Means of Monitoring

- 3.5.1. Quarterly
 - 3.5.1.1. Budget and Actual Plus Budget
 - 3.5.1.2. Progress on Strategic Direction
- 3.5.2. Annually
 - 3.5.2.1. Proposed budget for the next fiscal year

3.6. Board/Staff Communication

- 3.6.1. Individual Board members shall relate to staff as any other member of the Congregation but Board decisions and policy must be communicated through the Lead Pastor.
- 3.6.2. Individual Board members shall make it a priority to inform the staff that they are speaking as an individual because the Board speaks as one voice through the Lead Pastor.

4. LEAD PASTOR LIMITATIONS

Lead Pastor Limitation policies address what the Pastor and staff may and may not do. They define the out-of-bounds lines. These policies communicate what behaviors, methods, and practices are acceptable and not acceptable. Unless restricted by the policies, all other reasonable actions are considered acceptable. This approach empowers the staff from needing to delay action until the Board can approve each new initiative. It also allows the Board to responsibly minimize involvement in the details of day-to-day operations. These policies are addressed to the Pastor rather than the entire staff. The Lead Pastor is held accountable that all staff actions fall within the boundaries established by these policies.

4.1. Global Lead Pastor Limitation

The Lead Pastor and staff shall have wide latitude and freedom to direct the programs and activities of the ministry in pursuit of the Congregation's *Strategic Direction*. The only limitations to this freedom are violations of the parameters enumerated in this *Governing Board Policy Manual* and any action that is unethical, imprudent, illegal or inconsistent with the Constitution and By-Laws of the Congregation.

4.2. Staff Awareness

- 4.2.1. The Lead Pastor shall not fail to use the Lead Pastor Parameters in the management and oversight of all operational activity, including the delegation of responsibilities to appropriate staff.
- 4.2.2. The Lead Pastor shall not fail to ensure that the staff is familiar with the Lead Pastor Parameters.

4.3. Financial

- 4.3.1. The Lead Pastor shall not cause or allow a budget which:
 - 4.3.1.1. Is built on unsound assumptions about financial conditions. Financial conditions are defined as projected earnings/contributions, operating costs, other income/expense, and transfer from investment income.
 - 4.3.1.2. Continues without review and appropriate adjustments whenever there is a change in any one or more of the assumptions of financial conditions under which it was constructed.
 - 4.3.1.3. Allows an unsound financial condition that jeopardizes the achievement of the Strategic Direction.
 - 4.3.1.4. Enacts a budget prior to approval from the Governing Board and the Congregation.
- 4.3.2. The Lead Pastor, in reporting year end financial activities and position, shall not allow deviation from generally accepted accounting principles as established by the Financial Accounting Standard Board (FASB) and the American Institute of Certified Public Accountants (AICPA).

- 4.3.3. The Lead Pastor shall not allow any individual purchase or annual aggregate expenditure to one vendor to exceed \$15,000 without obtaining comparative prices and quality assessment.
- 4.3.4. The Lead Pastor shall not allow the use of any planned giving receipts that deviates from the written Planned Giving Guidelines, which shall be included in the *Operational Policy Manual*.
- 4.3.5. The Lead Pastor shall not borrow funds for working capital in an amount greater than the approved line of credit.
- 4.3.6. The Lead Pastor shall not fail to follow the Gift Acceptance Policy and Bylaws of the St. Peter Lutheran Foundation for all gifts and bequests.
- 4.3.7. The Lead Pastor shall not fail to develop appropriate Planned Giving Guidelines for current contributions consistent with the Gift Acceptance Policy and Bylaws of the St. Peter Lutheran Foundation.
- 4.3.8. The Lead Pastor shall not allow the Congregation to accept current contributions that run counter to the Congregation’s Biblical & Confessional Values, as set forth set forth in the Constitution, violate the church’s 501(c)(3) tax-exempt status, or are restricted in any way.
- 4.3.9. The Lead Pastor shall not fail to alert the Governing Board of the receipt of any undesignated gift or bequest in excess of \$10,000. The use of such gifts are subject to the approval of the Governing Board. Any undesignated gift or bequest received in excess of \$25,000 must be transferred to the St. Peter Lutheran Foundation for management.

4.4. Asset Protection

- 4.4.1. The Lead Pastor shall not fail to insure against theft and casualty losses to at least 80% replacement value and against liability losses to Board Members, staff, and the Congregation itself in an amount greater than the average for comparable congregations.
- 4.4.2. The Lead Pastor shall not allow unauthorized personnel access to funds.
- 4.4.3. The Lead Pastor shall not subject the plant, grounds and equipment to improper wear and tear or insufficient maintenance.
- 4.4.4. The Lead Pastor shall not fail to protect all property, information, and files from loss or significant damage.
- 4.4.5. The Lead Pastor shall not receive, possess, or distribute funds under controls that do not meet the standards of the Control of Cash Handling Guidelines in the *Operational Policy Manual*
- 4.4.6. The Lead Pastor shall not allow the investment or holding of operating capital, except in investments that are guaranteed by full faith and credit of the U.S. Government, with the exception of money invested in the Lutheran Church Extension Fund (LCEF).
- 4.4.7. The Lead Pastor shall not fail to receive approval from the Governing Board before renting out any part of the campus for more than a twelve month period.

4.5. Ministry and Worship

- 4.5.1. The Lead Pastor shall not allow the staff to carry out their ministry without regularly seeking advice, counsel, or using the gifts of St Peter Lutheran Church members.

4.6. Ministry Planning

- 4.6.1. The Lead Pastor shall not allow programs and other services that do not contribute to the achievement of the *Strategic Direction* established by the Board.
- 4.6.2. The Lead Pastor shall not fail to develop and present to the Board an Annual Operating Plan.
 - 4.6.2.1. The Lead Pastor shall not fail to ensure that this Annual Operating Plan aligns with that *Strategic Direction*.
 - 4.6.2.2. The Lead Pastor shall not develop an Annual Budget without first establishing an Annual Operating Plan.
- 4.6.3. The Lead Pastor shall not fail to develop and present to the Board a Long-Range Operational Plan that aligns with that *Strategic Direction* and is updated at least annually to reflect the Annual Operating Plan.

4.7. Operational Crisis Management Plan

The Lead Pastor shall not allow the Congregation to operate without a detailed Crisis Management Plan as part of an *Operational Policy Manual*

4.8. Communication

- 4.8.1. The Lead Pastor shall not permit the Governing Board to be uninformed or unsupported in its work.
- 4.8.2. The Lead Pastor shall not allow the Governing Board to be unaware of:
 - 4.8.2.1. Relevant trends
 - 4.8.2.2. Anticipated adverse media coverage
 - 4.8.2.3. Hiring, promotion, demotion or firing of Lead Staff
 - 4.8.2.4. Death or serious illness of Lead Staff
 - 4.8.2.5. Crises affecting the work, health, or safety of Lead Staff
 - 4.8.2.6. Lawsuits against the Congregation
 - 4.8.2.7. Changes in the assumptions upon which any board policy has been established

4.9. Personnel

- 4.9.1. The Lead Pastor shall not allow an organizational structure that has a neutral or negative effect on the Strategic Direction.
- 4.9.2. The Lead Pastor shall not allow St Peter Lutheran Church to operate without effective, established Personnel Policies. Personnel Policies shall not:

- 4.9.2.1. Deviate from local, state or federal laws or regulations in the ethical treatment of employees.
- 4.9.2.2. Impair the dignity, safety, and right to ethical job-related dissent of employees.
- 4.9.3. Grievances will be handled in the following manner:
 - 4.9.3.1. The Governing Board will address grievances concerning Lead Pastor
 - 4.9.3.2. Lead Pastor will handle grievances concerning an Associate Pastor(s) or Directors
 - 4.9.3.3. Direct supervisors will handle grievances by all other staff.
- 4.9.4. The Lead Pastor shall not allow positions (or ministries) to be undefined or position descriptions that inaccurately reflect the responsibility and tasks assigned to the position.
- 4.9.5. The Lead Pastor shall not allow positions to exist unless there are adequate resources available for a qualified person in the assigned position to succeed.
- 4.9.6. The Lead Pastor shall not allow Lead Pastor’s position description to assume authority that is clearly delegated to some other entity or person.
- 4.9.7. The Lead Pastor shall not allow any staff member to not receive an annual performance evaluation from their direct supervisor.
- 4.9.8. The Lead Pastor shall not allow pay increases to be based on anything other than performance, as justified in their review and by available resources.
- 4.9.9. The Lead Pastor shall not allow under-performing staff to continue without a written performance improvement plan.
- 4.9.10. The Lead Pastor shall not allow staff in non-compliance with the employee handbook to continue without a written performance improvement plan.

4.10. Marriage Policy

The marriage policy of St. Peter Lutheran Church, a member congregation of The Lutheran Church— Missouri Synod, is and always has been consistent with the Synod’s beliefs on marriage. We believe that marriage is a sacred union of one man and one woman (Gen. 2:24-25), and that God gave marriage as a picture of the relationship between Christ and His bride the Church (Eph. 5:32). The official position of The Lutheran Church—Missouri Synod, as set forth in 1998 Res. 3-21 (“To Affirm the Sanctity of Marriage and to Reject Same-Sex Unions”), is that homosexual unions come under categorical prohibition in the Old and New Testaments (Lev. 18:22, 24; 20:13; 1 Cor. 6:9-10; 1 Tim. 1:9-10) as contrary to the Creator’s design (Rom. 1:26-27). These positions and beliefs can be found on the LCMS website, along with other statements, papers and reports on the subject of homosexuality and same-sex civil unions and “marriage.” Our pastors will not officiate over any marriages inconsistent with these beliefs, and our church property may not be used for any marriage ceremony, reception or other activity that would be inconsistent with our beliefs and this policy. *(NOTE: The language in this policy is provided by the LCMS.)*

APPENDIX A. GOVERNING BOARD CALENDARS

Policy	Governing Board	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2.2, 2.5	Board member orientation and training	■	■										
2.12.6	Regular 8 meetings of the Board		■		■	■		■		■	■	■	■
2.12.6	Appoint 2 Governing Board Members to Foundation Board		■										
2.13.	Elect Officers		■										
2.7.1.2.1	Receive and approve quarterly financial reports		■			■			■			■	
2.7.1.2.2	Receive and approve year-end financial report		■										
2.11.2	Solicit input from the membership at least twice a year				■						■		
2.11.3	Conduct Regular Voters Meetings according to the By-laws						■						■
2.7.1.1.1	Establish Lead Pastor’s compensation based on performance review and salary guidelines								■				
2.7.1.1.2	Approve the annual budget												
2.8	Prepare Slate of Candidates for Governing Board Election Process									■	■	■	■
2.9	Board Self-Review	■											■

Policy	Lead Pastor	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
3.5.1.1	Provide financial reports to the Board		■			■			■			■	
3.5.1.2	Present progress on Strategic Direction to the Board		■			■			■			■	
3.5.2.1	Present budget for the next fiscal year to the Board										■	■	
4.2.2	Ensure that the staff is familiar with the Lead Pastor Parameters		■	■									
4.3.1.4	Seek budget approval from the Governing Board and the Congregation										■	■	■
4.6.2	Present annual Operating Plan to the Board				■	■							
4.6.3	Present Long Range Operational Plan to the Board				■	■							

APPENDIX B. POLICY REVIEW SCHEDULE

Meeting	Section	Title
#1	2.11	Responsibilities to Members of the Congregation
	3.5	Means of Monitoring
	3.6	Board / Staff Communication
	4.2	Staff Awareness
	4.8	Communication
#2	1	Strategic Direction
	4.6	Ministry Planning
#3	2.7	Fiscal Responsibility
	4.3	Financial
#4	2.6	Supervision of the Lead Pastor
	3.4	Exceeding Lead Pastor Limitations
	4.0	Lead Pastor Limitations
#5	4.4	Asset Protection
	4.10	Facilities
#6	4.2	Staff Awareness
	4.9	Personnel
	4.11	Marriage Policy
#7	2.9	Board Self-Review
	2.14	Calling a Lead Pastor
	2.16	Calling other Church Workers
	4.5	Ministry and Worship
	4.6	Ministry Planning
#8	2.2	Accepting Responsibilities
	2.5	Governing Process
	2.8	Governing Board Election Process
	2.12	Board Meeting Structure and Calendar
	2.13	Officers of the Board