

Excerpt from ORLC By-Laws, ARTICLE III – BOARD OF DIRECTORS

F. Responsibilities

The Board of Directors, working with the Sole/Senior Pastor, staff, and standing or special committees responsible for the same, shall ensure that the following:

- the purpose of this congregation (as stated in Constitution Article II),
- its ministry to and on behalf of the members of this congregation, the community, and the Church at large,
- and the maintenance and care of this congregation's property,

will be implemented and continue through the efforts of responsible members and groups of members of this congregation. To that end, The Board of Directors is responsible for the supervision of the Sole/Senior Pastor to ensure compliance with Board of Directors Policies and to provide spiritual and administrative leadership for the following:

- outreach to the community (through both religious and social ministry),
- worship services,
- preaching of God's Word,
- administration of the sacraments,
- spiritual care and nurturing of its members,
- Youth, and Christian Discipleship programs

are conducted in a God-pleasing manner in accordance with the confessional standards set forth in Article III of the Constitution; and to see that proposed annual goals and objectives for this congregation's ministries, together with a proposed annual Budget/Ministry Spending Plan (MSP), are presented to the congregation for approval prior to the commencement of each fiscal year.

Further, the Board of Directors:

- a. Shall be responsible for overseeing the outcomes of the conduct of the business affairs of the congregation.
- b. Shall have the authority to review and maintain a set of By-Laws (requires congregation, District and Synod approval), establish, review, and maintain the Policy Manuals, Charters, and/or Standard Operating Procedures to provide guidelines for conducting the business affairs of the congregation.
- c. Shall act on behalf of the congregation in matters concerning the District and Synod.
- d. Shall meet at least quarterly to consider all matters pertaining to the general welfare of the congregation.
- e. Shall have the authority to spend a maximum of five percent of the annual Budget/Ministry Spending Plan (MSP) on all extra-MSP projects within a fiscal year. Amounts over this limit must be brought before the congregation. Spending from dedicated accounts, bequeaths, memorial funds or dedicated gifts are not considered part of the MSP and do not count against this authorized limit.
- f. Shall appoint ad hoc committees (e.g., Call Committee) as needed.
- g. Shall submit recommendations to the congregational meetings on changes, improvements and actions required for the general welfare of the congregation, in matters where congregational action is required.
- h. Shall have the responsibility and authority to accept non-monetary gifts which are deemed by it to be of significant value.
- i. Shall have the authority to manage and liquidate undesignated real estate and property; real, personal, and monetary gifts such as, but not limited to cash, stocks, bonds, property, and real estate.
- j. Shall have the authority to manage any year-end surplus.
- k. Shall appoint qualified replacement Officers and Board of Director members in the case of extended vacancies.

Excerpts from Board of Director's Policy Manual

2.1 BOARD RESPONSIBILITIES

The overall responsibility of the Board is to provide a strong, powerful, and ethical pursuit of the congregation's mission and ministry. To that end, the Board shall:

- 2.1.1 Ensure that the Strategic Focus (Values, Mission, Vision, and Desired Outcomes) of the congregation is the driving force for all activities and related ministries.
- 2.1.2 Periodically review and update the Strategic Focus.
- 2.1.3 Establish governing policies for the Board.
- 2.1.4 Provide oversight of all congregational activities by establishing and monitoring the appropriateness of and adherence to policies that guide the efforts of the Sole/Senior Pastor.
- 2.1.5 Ensure that the policy and financial decisions are executed in accordance with the Constitution and By-Laws of the congregation.
- 2.1.6 Communicate regularly to the Stewards the pertinent activities of the Board and remain open to communication from the Stewards.
- 2.1.7 Exercise particular concern for the spiritual and physical welfare of the Sole/Senior Pastor.
- 2.1.8 Exercise concern for all staff, supporting them with prayer and, upon the request of the Sole/Senior Pastor, appropriate counsel.
- 2.1.9 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 vision and mission, its finances, or any of its affairs.
- 2.1.10 Invoke By-Law XIII Emergency By-Laws when necessary.
- 2.1.11 Comply with By-Laws Article III-Board of Directors, Section F, Responsibilities.

2.3 BOARD MEMBERSHIP RESPONSIBILITIES

Board members have a responsibility to each other, to the employees, and to the constituents. Directors shall:

- 2.3.1 Regularly participate in the worship and educational life of the congregation.
- 2.3.2 Prepare for Board of Directors meetings.
- 2.3.3 Undertake personal spiritual disciplines for the development of their own faith lives.
- 2.3.4 Attend Board meetings at least quarterly. Board members shall attend meetings regularly, not missing more than one meeting in any quarter.

- 2.3.4.1 Should it be necessary to miss a meeting, members shall contact the Board Chair, both before and after the meeting, for the purposes of informing the Board Chair, ensuring a quorum of the Board will be in attendance, and getting a summary of the meeting from the Board Chair.
- 2.3.5 Work to expand their leadership abilities and increase their understanding of the mission and ministry of the congregation.
- 2.3.6 Become familiar with this policy manual.
- 2.3.7 Actively participate in Board meetings, special briefings, and policy decision-making.
- 2.3.8 Make informed decisions by insisting on complete and accurate information.
- 2.3.9 Support all decisions by speaking with one voice once they have been fully discussed and resolved by the Board.
- 2.3.10 Invest personal energy and skills in the mission and ministries of the congregation, seeking opportunities where individual skills and abilities can be applied other than the role of Director. Board members should not serve as ministry team leaders or on advisory or review committees outside the Board of Directors.
- 2.3.11 Relate to other individuals with integrity, honesty, and straightforwardness. In the case of a conflict-of-interest (See Conflict-of-Interest Policy, [Addendum I]), a Board member may recuse themselves from the Board session or may be excused from the session by the Board, with a two-thirds majority vote of the Board, not including the member in question.
- 2.3.12 Actively discipline themselves and other members of the Board by identifying Board actions and conditions that run counter to these policies.
- 2.3.13 Bring to the Board Chair's immediate attention any condition or action that exceeds a Sole/Senior Pastor Limitation policy. The Board Chair shall immediately present the concern to the Sole/Senior Pastor and give a written report to the Board.
- 2.3.14 Keep Board documents and discussions confidential unless given permission by the Board, acting as a whole. However, the Board of Directors Policy Manual; Board-approved meeting minutes, excepting those of the Executive Sessions; and audited financial statements do not require permission as long as any Board discussion or information related to these documents remains confidential.
- 2.3.15 Gain a working knowledge of the Board's policy decision-making. Be familiar with and put into practice any specific policies developed to guide the behavior of members of the Board. Specific policies are the Conflict-of-Interest Policy (Addendum I) and Boundary Management Policy (Addendum II).
- 2.3.16 Avoid hindering Board processes due to individual proclivities or disruptive behavior. Genuine disagreement and dissenting opinions are welcome and supported for discussion. (See Section 2.3.9 for supporting outcomes of meetings.)

- 2.3.17 Exercise their powers in the interests of the congregation and not in the Directors' own interests or those of another person (including a family member) or organization.
- 2.3.18 A member of the Board who violates any policy shall be counseled by the Chair. Should violations continue, the member shall be counseled via an executive session of the Board Officers; and then by the Board as a whole. Decisions concerning continued service to the Board by any member who continues to violate policy after such counseling shall require a two-thirds majority vote of the Board.
- 2.3.19 Should the Board Chair violate policy; it shall be the responsibility of the Vice-Chair to initiate such counsel.

2.5 GOVERNING PROCESS

2.5.1 Governing Philosophy:

The Board shall govern with an emphasis on:

- Spiritual vision rather than internal preoccupation;
- Encouraging diversity of viewpoints;
- Strive for consensus decision-making rather than voting (where feasible);
- Collective rather than individual decisions;
- Strategic leadership more than operational detail;
- Clear distinction of Board and Sole/Senior Pastor roles;
- Future rather than past or present; and
- Being proactive rather than reactive.

2.5.1.1 The Board, in conjunction with the Sole/Senior Pastor shall be responsible for excellence in governing. The Board will not merely react to staff initiatives but shall be the initiator of policies that direct, control and inspire the congregation. The Board of Directors is responsible for the supervision of the Sole/Senior Pastor to ensure compliance with Board Policies and to provide spiritual and administrative leadership.

2.5.1.2 The Board will not use the expertise of individual members to substitute for the judgment of the Board, although the expertise of the individual members may be used to enhance the understanding of the Board as a body.

2.5.2 Scope of Activities

All activities of the Board, its officers, committee(s), and members shall relate to the specific responsibilities of the Board as formally adopted at Board meetings. Board members are disciplined by this principle.

- 2.5.2.1 The Board shall act on behalf of the congregation in all matters delegated to it by the Constitution and By-Laws or by action of the congregation. (See also By-Laws Article III.F., Responsibilities.) Without express authority of the Congregation to carry out a specific task, the Board shall not:

- 2.5.2.1.1 Call or remove called workers.
- 2.5.2.1.2 Undertake capital campaigns, comprising any amount greater than 10% of the current year's Budget/Ministry Spending Plan (MSP).
- 2.5.2.1.3 Incur debt for a period greater than one year.
- 2.5.2.1.4 Enter into contracts valued above \$50,000 including mortgages, loans, or real estate property transactions (per By-Laws Article XI)
- 2.5.2.1.5 Buy, sell, mortgage, or transfer designated real estate.
- 2.5.2.1.6 Remove members of the Board of Directors.
- 2.5.2.1.7 Excommunicate a member of the congregation.
- 2.5.2.1.8 Execute a merger or dissolution of the congregation.
- 2.5.2.1.9 Execute a start-up, merger, or dissolution of a School Ministry.
- 2.5.2.1.10 Amend the church's Constitution or By-Laws.
- 2.5.2.1.11 Affirm, on behalf of the congregation, the Annual Ministry Budget/Ministry Spending Plan (MSP).

2.5.3 Group Action

The Board shall exercise its governing authority as a whole using a democratic process following parliamentary procedures and the general principles of *Robert's Rules of Order*. No individual Board Member shall exercise such authority except as instructed by the Board. (See Boundary Management Policy, Addendum II.)

2.5.3.1 All such instructions shall be guided by appropriate limitations.

2.5.3.2 *Robert's Rules of Order* shall be the guiding rules for all boards and committees of Our Redeemer Lutheran Church in all cases, except those instances where such rules are inconsistent with the Constitution and By-Laws of the church or this document.

2.5.4 Governance Policy Development

The Board of Director's policies are to be active and dynamic. They are meant to be changed and refined regularly based on the intent of each section, the values of the Board, and the changing context within which the congregation functions.

2.5.5 Resolutions

The Board will pass resolutions for specific actions only when those actions are required by law, these policies, the Constitution, the By-Laws, or when they will affect only the Board.

2.5.6 Sole/Senior Pastor Actions

All Board decisions governing the actions of the Sole/Senior Pastor shall be done through policy.

Any actions taken or contemplated by the Sole/Senior Pastor, or any which may be or have been approved through the Sole/Senior Pastor, will only be considered in light of the appropriate governing policies. The Board will only review the policies for their soundness as a test of ethical and prudent behavior and will not dictate actions except for compliance with policies. The Board shall rewrite policies when appropriate.

2.5.7 Governance Policy Review

Any Board of Directors member, the Sole/Senior Pastor, or the Voters' (Congregational) Assembly may request a review of specific policies. However, never does the responsibility for effective and appropriate policies rest with anyone other than the Board of Directors.

2.5.8 Governance Policy Review Schedule

The Board shall establish an annual policy review calendar to coordinate the review of every policy at least once a year. (See Addendum III). They will make every effort to coordinate the calendar with the business cycles of the congregation, reviewing appropriate policies just prior to management actions for decisions.

2.5.9 Fiscal Responsibility

The Board of Directors shall discharge its fiscal responsibility by:

- 2.5.9.1 Establishing policies limiting Sole/Senior Pastor financial authority for Budget/Ministry Spending Plan (MSP) development and control of assets.
- 2.5.9.2 Establishing a line of credit for short-term debt to be used by the Sole/Senior Pastor for operational needs.
- 2.5.9.3 Monitoring the fiscal soundness of the congregation.
- 2.5.9.4 Recommending to the Congregation an annual fiscal Budget/Ministry Spending Plan (MSP).
- 2.5.9.5 Systematically monitoring compliance with these policies.
 - 2.5.9.5.1 The Board may appoint a financial review committee from within the Board who shall assist all Board members in enhancing their abilities to read and understand the financial statements submitted by the Sole/Senior Pastor and share their reactions with the Board.
- 2.5.9.6 Authorizing an internal financial review to evaluate adherence to internal control annually. It shall also be performed by a Board of Directors-approved congregational committee within six months to one year of a new Parish Administrator, Treasurer, Bookkeeper, or Financial Secretary taking office.