
Board Policy Manual

Divine Redeemer
Lutheran Church

Amended by the
Board of Directors on
22 June 2015

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Explanatory Notes:

The office of the Executive Director at Divine Redeemer Lutheran Church *may* consist of two positions; the Executive Pastor and the Administrator. The Executive Pastor is a called and ordained servant who is responsible for conceiving and managing ministry activities in response to the ends statements which the board establishes on a yearly basis, based upon input from the Stewards of the congregation in a way that is compliant with the policies contained in this manual. The administrator is an employee at will and is responsible for managing the infrastructure which is necessary to enable the ministry staff to function and succeed also in compliance with the following policies. Under most circumstances, policies will refer either to the Office of the Executive Director or to the Executive Pastor/Administrator. This is done for simplicity sake and is not intended to imply that both individuals are responsible for a specific action. The respective job descriptions for each enumerate their respective responsibilities. If a policy is intended by the board only to apply to one of the members of the Executive Director office, it will be then be explicitly stated in the policy. The office of the Executive Director can be represented by the Executive pastor solely.

Also note that some of the policies (*as denoted by italic lettering*) may have been approved pending congregational action (in case the policy requires a change in the constitution or bylaws) or administrative action (including the creation of administrative policy or procedure manuals, for example). These policies will only go into effect if/when that congregation approves the necessary constitutional or bylaw changes, or the associated administrative policies or guidelines are in place. If the congregation does not approve the necessary changes, the applicable policies will be referred to the policy committee of the board for reconsideration.



Section 1: STRATEGIC PLAN

1.1 MISSION

- 1.1.1 In grateful response to God's grace and empowered by the Holy Spirit through Word and Sacraments, we will vigorously make known the love of Jesus by word and deed within our churches, community and the world.

1.2 VISION

1.2.1 One Mission

The members of Divine Redeemer are urgently seeking opportunities to be joyfully engaged in the proclamation of the Gospel in both word and deed in our church, community and our world. (2 Corinthians 5:18-19)

1.2.2 One Message

The message of Law and Gospel is proclaimed powerfully in our church, community, and the world with evangelical urgency; cultural sensitivity; Lutheran fidelity; and Biblical clarity to transform lives in time for eternity. (2 Corinthians 5:21)

1.2.3 One People

The members of Divine Redeemer are one people, in Christ, intentionally working together in faithfulness with mutual love and respect. (1 Peter 2:9)

1.3 CORE VALUES

1.3.1 Strong in the Word

We hold the Bible as the inerrant Word of God. Life-long Bible study thoroughly equips us for every good work and is useful for teaching, rebuking, correcting and training in righteousness. (1 Timothy 1:6-11)

1.3.2 Faithful in Worship

Recognizing that the purpose of worship is to glorify and praise God, we commit to living our faith in both regular corporate worship and in our daily lives.

1.3.2 Sacrificial in Stewardship

In recognizing that all things come through God, we value faithful management and sacrificial giving of time talent and treasure.

1.3.3 Engaged in Mission

We value the great command to go and make disciples, and we will spread the good news of Jesus in our church, community and the world.

1.3.4 Passionate for People

As Jesus directed us to love others, we will strive to meet the needs of others. Caring for others starts with us.

1.3.5 Commitment to Christian Education

We are committed to providing high quality Christian education to people of all ages.

1.3.6 Excellence in Ministry

Since we recognize that God has given his best, we aspire to excellence in all our ministry efforts.

1.3.7 Unified in Jesus

Together we are one people committed to following Jesus and sharing his Gospel message with our church family, community and the world.

Section 2: BOARD SELF-GOVERNANCE

2.1 BOARD RESPONSIBILITIES

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

2.1.1.1 Ensure that the Strategic Plan (Mission, Vision, Values, and Strategic Goals) of the organization is the driving force for all activities and related services.

2.1.1.2 Periodically review and update the Strategic Plan.

2.1.1.3 Establish Governing Policies for the Board.

2.1.1.4 Provide oversight of all organizational activities by establishing and monitoring appropriateness of and adherence to policies (sections 3 and 4 of this manual) that guide the efforts of the Executive Pastor/Administrator.

2.1.1.5 Ensure that the policy and financial decisions are executed in accordance with the Constitution and By-laws of the congregation.

2.1.1.6 Communicate regularly to the Stewards the pertinent activities of the Board and foster open communication with the congregation.

2.1.1.7 Exercise particular concern for the spiritual and physical welfare of the Executive Pastor/Administrator and other called workers, supporting them with prayer and appropriate counsel.

2.2 ACCEPTING RESPONSIBILITIES

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

2.2.1 Board Members shall:

- 2.2.1.1 Regularly participate in the worship and educational life of the congregation.
- 2.2.1.2 Undertake personal spiritual disciplines for the development of their own faith lives and strive to live a life consistent with 1st Timothy 3.
- 2.2.1.3 Support the major ministry programs of the congregation (i.e. school).
- 2.2.1.4 Be prepared for the Board meetings.
- 2.2.1.5 Attend Board meetings regularly, not missing more than one meeting in any given quarter.
 - 2.2.1.5.1 Should it be necessary to miss a meeting, Board Members shall make contact with the Board President for dialog both before and after said meeting.
 - 2.2.1.5.2 In the case of a Conflict of Interest (See Conflict of Interest Policy, Appendix A), a Board member may recuse her/himself from the Board session or may be excused from the session by the Board with a simple majority vote of the Board members present, not including the Member in question.
- 2.2.1.6 Work to expand their leadership abilities and increase their understanding of the mission and ministry of the congregation.
- 2.2.1.7 Gain a working knowledge of the Board's policy manual.
- 2.2.1.8 Actively participate in Board meetings, special briefings and policy decision-making.
- 2.2.1.9 Make informed decisions by insisting on complete and accurate information.
- 2.2.1.10 Support all decisions once they have been fully discussed and resolved by the Board.

- 2.2.1.11 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 member of the Board.
 - 2.2.2.11.1 Board Members shall not serve on Advisory Councils.
- 2.2.1.12 Relate to other individuals with integrity, honesty and straightforwardness and in keeping with organizational values.
- 2.2.1.13 Actively discipline themselves and other members of the Board by identifying Board actions and conditions that run counter to these policies.
- 2.2.1.14 Bring to the Board President's immediate attention any condition or action that they believe exceeds an Executive Pastor/Administrator Limitation policy. (See 4.5)
- 2.2.1.15 Keep Board documents and discussions confidential, unless given permission by the Board acting as a whole. However, the Board Policy Manual, Board approved minutes (excepting those of executive sessions) and audited financial statements do not require permission as long as any Board discussion or information related to these documents remains confidential. (See Boundary Management Policy, Appendix B)
- 2.2.1.16 Be familiar with and put into practice any specific policies developed to guide the behavior of members of the Board.
 - 2.2.2.16.1 Conflict of Interest Policy (Appendix A)
 - 2.2.2.16.2 Boundary Management Policy (Appendix B)
- 2.2.1.17 Not hinder the Board process due to individual proclivities or disruptive behavior.
- 2.2.1.18 Exercise their powers in the interests of the congregation and not in the Board Members' own interests or in the interests of another person (including a family member) or organization. (See Conflict of Interest Policy, Appendix A)
- 2.2.2 A member of the Board who violates any policy shall be counseled by the President. Should violations continue, the member shall be counseled by the Executive Committee and then the Board as a whole. Decisions concerning continued service to the Board by any member who continues to violate policy after such counseling shall normally be made by the Board and shall require a 2/3 majority vote of the Board. If the individual Board member under discipline so desires, the decision may be made by the congregation.

- 2.2.2.1 Should the President of the Board violate policy, it shall be the responsibility of the Immediate Past President to initiate such counsel.

2.3 ENUNCIATING GOVERNING POLICIES AND VALUES

The Board shall maintain written policies of four types.

- 2.3.1 Policies with respect to the Strategic Plan
Affirmative statements setting forth the purposes, effects and acceptable costs of operations.
- 2.3.2 Policies with respect to Board Self-Governance
Statements setting forth the style and rules with respect to the Board's own tasks and processes.
- 2.3.3 Policies with respect to Executive Pastor/Administrator Limitations
Limiting statements that bind and restrict activity of the Executive Pastor/Administrator.
- 2.3.4 Policies with respect to Board and Executive Pastor/Administrator Relationship
Clarifying statements about delegation to and monitoring of ministry implementation.

2.4 GOVERNING PROCESS

2.4.1 Scope of Activities

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

2.4.2 The Board of Directors 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. However, the Board of Directors shall not:

- 2.4.2.1 Call or remove a pastor (minister of religion ordained) or a Called Worker who is a Director of a ministry area;
- 2.4.2.2 Purchase, lease, sell or otherwise dispose of real property, except acquire or dispose of real property with a value of less than 5% of the total operating budget;
- 2.4.2.3 Enter into capital campaigns;
- 2.4.2.4 Elect members to the Board of Directors except to fill vacancies in accordance with Policy 2.5.6;
- 2.4.2.5 Excommunicate a member of the congregation;
- 2.4.2.6 Execute a merger or dissolution of the church;
- 2.4.2.7 Execute a merger or dissolution of the School Ministry;
- 2.4.2.8 Amend the church's Constitution or the Amended By-Laws;
- 2.4.2.9 Alter the basic educational framework of the school.

2.4.3 Group Action

The Board shall exercise its governing authority as a whole. No individual Board member shall exercise such authority except as instructed by the Board. (See Boundary Management Policy, Appendix B)

- 2.4.3.1 All such instructions shall be guided by appropriate limitations.

2.4.4 Policy Development

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, the values of the Board, and the changing context within which the congregation functions.

2.4.4.1 Resolutions

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

- 2.4.4.2 Executive Pastor/Administrator Actions
All board decisions governing actions of the Executive Pastor/Administrator shall be done through policy.

Any actions taken or contemplated by the Executive Pastor/Administrator or any which may be or have been approved through the Executive Pastor/Administrator, 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 whether they are consistent with congregational values, and will not dictate what are appropriate actions except for compliance with policies. The board shall rewrite policies when appropriate.

- 2.4.4.3 Policy Review
Any Board member, the Executive Pastor/Administrator or the Congregational Assembly may ask for a review of specific policies by the Board. However, never does the responsibility for effective and appropriate policies rest with anyone other than the Board.

- 2.4.4.4 Policy Review Schedule
The Board shall establish an annual policy review calendar to coordinate the review of every policy at least once a year. 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.

2.4.5 Fiscal Responsibility

The Board's fiscal responsibility shall be discharged by:

- 2.4.5.1 Establishing policies limiting Executive Pastor/Administrator financial authority, budget development and control of assets.
- 2.4.5.1.1 The Board shall establish the parameters for a line of credit for short term debt to be used by the Executive Pastor/Administrator for operational needs. (See Policy 3.3.5)
- 2.4.5.2 Monitoring the fiscal soundness of the congregation.
- 2.4.5.3 Approving an annual fiscal plan/budget for presentation to the congregation for final approval
- 2.4.5.4 Systematically monitoring compliance with these policies.

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- 2.4.5.4.1 The Board shall appoint a Financial Review Committee who shall review the financial statements monthly, submitted by the Executive Pastor/Administrator and share their findings with the Board.
- 2.4.5.5 Appointing a member of the Board as the Chairperson of the Financial Review Committee.
- 2.4.5.6 Appointing a financial auditor/reviewer when deemed necessary.
- 2.4.5.7 Receiving, reviewing and accepting the report of the financial audit/reviewer and financial review committee.

2.5 ELECTION OF BOARD MEMBERS

2.5.1 Membership

The number of Board Members shall be 9. Board Members shall be elected on a rotation basis with one third of the Board being elected each year. The Executive Pastor/Administrator shall serve as ex officio members without vote on the Board.

2.5.2 Nominating Committee

2.5.2.1 A Nominating Committee, consisting of the President-Elect, and at least three other members of the congregation eligible to vote, appointed by the Board, shall be chartered each year at the regular meeting in August. The Executive Pastor and Administrator shall serve as ex officio members without vote on this committee.

2.5.2.2 The Nominating Committee shall be chaired by a member of the congregation.

2.5.2.3 The Nominating Committee shall solicit, and receive, the names of prospective candidates from the Board or any member of the Congregational Assembly.

2.5.2.3.1 Anyone who chooses to nominate an individual must acquire that person's permission to be nominated and must submit that person's resume to the Nominating Committee.

2.5.2.4 The Nominating Committee shall develop a recommended slate of "qualified" candidates (see Policy 2.5.3) to fill the upcoming vacancies (one third of the Board). The Nominating Committee will present the final slate to the congregation at least two weeks prior to its regular meeting in November/December.

2.5.3 Qualifications and Other Considerations

2.5.3.1 In preparing its recommended slate of candidates for Board membership, the Nominating Committee must seek candidates who:

- Meet the requirements of Board membership as stipulated in the Constitution and by-laws.
- Regularly participate in the worship and educational life of our congregation.
- Undertake personal spiritual disciplines for the development of their own faith lives and strive to live a life consistent with 1st Timothy 3.
- Are good communicators
- Are visionary
- Can effectively represent the concerns of the "Stewards" of the congregation.
- Understand and support the basic concepts of Policy Based Governance.

- Are willing and able to support the values of the congregation
 - Are willing and able to accept the responsibilities of Board Membership as delineated in Policy Section 2.1.
 - Are not on the payroll of the congregation.
- 2.5.3.2 In preparing the slate, the Nominating Committee shall also guarantee that:
- No more than one spouse of a staff member will be on the Board. That person shall not be eligible to serve on the Executive Committee.
- 2.5.3.3 The Nominating Committee shall be mindful of diversity issues (age, race, ethnicity, gender) in determining its recommended slate, but shall not compromise the principles or qualities of Policy 2.5.3.1 in order to achieve diversity.
- 2.5.3.4 The Nominating Committee shall take into consideration the current composition of the Board in determining its recommended slate insuring that an appropriate number of candidates have the financial background to be able to serve as Chairperson of the Financial Review Committee if so chosen by the board.
- 2.5.4 Election
- 2.5.4.1 Election of Board Members shall take place each year at the regular meeting of the Congregational Assembly in November/December.
- 2.5.4.1.1 When presenting the slate to the Congregational Assembly, the Nominating Committee shall include:
- The list of criteria used to qualify nominees.
 - Information regarding each nominee which addresses the qualifying criteria.
 - Procedures for the election process.
- 2.5.4.1.2 The Nominating committee shall present a slate that includes at least two and not more than four qualified candidates for each position to be filled.
- 2.5.4.2 The Congregational Assembly shall elect only Board Members who have been deemed qualified by the Nominating Committee.
- 2.5.5 Terms of Service
- 2.5.5.1 A term of service for a Board Member shall be three years.
- 2.5.5.2 Board members may not serve more than two consecutive elected terms and if appointed to fill a vacancy, may not stand for re-election if another term would extend their service to more than seven years.

2.5.5.3 One third of the Board shall be elected each year to assure continuity of service and experience on the Board.

2.5.5.3.1 In keeping with Policy 2.5.1 (the number of Board Members shall be 9) no more than three Board Members shall be elected in any given year (unless a vacancy occurs).

2.5.5.3.2 Should the number of Board members or their terms of service fall out of alignment with Policy 2.5.1 and 2.5.6.2, no other process shall be used for realignment except the election process as outlined in these policies.

2.5.6 Vacancies

2.5.6.1 Vacancies that occur on the Board shall be filled in accordance with applicable provisions of the Bylaws. However, only individuals deemed “qualified” by the Nominating Committee may be appointed to fill a vacancy.

2.5.6.2 Appointment to fill a vacancy on the Board shall always be to complete an unexpired term and in no case shall such an appointment work in contradiction to the election of one third of the Board each year.

2.5.6.3 Every effort shall be made to fill vacancies within three months of their occurrence. However, if there is less than six months of service left in the term the position may remain vacant until it is filled through the election process.

2.6 BOARD SELF-REVIEW

In order to discipline itself and its efforts, the Board will conduct an annual self review. The Board will discuss the following and identify areas for improvement.

2.6.1 The annual self review of the Board of Directors shall focus on:

2.6.1.1 The Board’s openness and communication among its members.

2.6.1.2 The Board’s openness and communication with the Executive Pastor/Administrator.

2.6.1.3 The Board’s ability and skill in developing and monitoring policy.

2.6.1.4 The Board’s adherence to policy.

2.6.2 The Board shall create its own self-review process.

2.7 OFFICERS OF THE BOARD

2.7.1 Officers of the Board shall be a President, Immediate Past President, President Elect, and Chairperson of the Financial Review Committee and these shall be the officers of the congregation.

2.7.1.1 PRESIDENT

The President shall:

2.7.1.1.1 Serve on the Executive Committee of the Board.

2.7.1.1.2 Work with the Executive Committee and Executive Pastor/Administrator to establish the agenda for all meetings of the Board and the Congregational Assembly.

2.7.1.1.3 Preside at all meetings of the Board and the Congregational Assembly.

2.7.1.1.4 Initiate counsel with any member of the Board who violates policy insuring that policy 2.2.1 is followed.

2.7.1.1.5 Take appropriate actions, which may not be stipulated, but essential for the thorough management of the Board's work so long as those actions are not in violation of other Board policies.

2.7.1.1.6 Assume responsibility for overseeing the work of the Executive Committee.

2.7.1.1.7 Fulfill other duties as described in the Constitution and Bylaws.

2.7.1.2 IMMEDIATE PAST PRESIDENT

The Immediate Past President shall:

2.7.1.2.1 Serve on the Executive Committee of the Board.

2.7.1.2.2 Preside at all meetings of the Board and the Congregational Assembly when the President is absent or when requested to do so by the President of the Board.

2.7.1.2.3 Serve as a member and board liaison to any Pastoral Call Committees.

2.7.1.2.4 Initiate counsel with the President of the Board should the President violate policy insuring that policy 2.2.1 is followed.

- 2.7.1.2.5 Be thoroughly familiar with the congregation's constitution and by-laws and serve as the primary resource to the Board and the Congregational Assembly for questions concerning the same.
- 2.7.1.2.6 Fulfill other responsibilities as requested by the President as allowed by the Constitution, Bylaws and Policies.
- 2.7.1.2.7 Fulfill other duties as described in the Constitution and Bylaws.
- 2.7.1.2.8 Lead the modification of the annual calendar (Appendix C) and update the BOD/Committees of the Board chart (Appendix F)

- 2.7.1.3 **PRESIDENT ELECT**
The President Elect shall:
 - 2.7.1.3.1 Serve on the Executive Committee of the Board.
 - 2.7.1.3.2 Maintain the Board's Policy Manual and the minutes of all meetings of the Board and the Congregational Assembly.
 - 2.7.1.3.3 Conduct all official correspondence of the Board.
 - 2.7.1.3.4 Serve as a member and board liaison to the Nominating Committee.
 - 2.7.1.3.5 Fulfill other duties as described in the Constitution and Bylaws.

- 2.7.1.4 **CHAIRPERSON OF THE FINANCIAL REVIEW COMMITTEE**
The Chairperson of the Financial Review Committee shall:
 - 2.7.1.4.1 Serve on the Executive Committee of the Board.
 - 2.7.1.4.2 Serve as the Chair of and liaison to the Financial Review Committee of the Board.
 - 2.7.1.4.3 Be responsible for review of, and recommendations regarding board financial policies reflecting the input of the Financial Review Committee, if appropriate.

2.8 EXECUTIVE COMMITTEE OF THE BOARD

2.8.1 The President, Immediate Past President, President Elect, and Chairperson of the Financial Review Committee of the Board shall constitute the Executive Committee of the Board. The Executive Pastor and Administrator shall be a/an ex -officio member(s) of the Executive Committee.

2.8.1.1 Members of the Executive Committee shall attend its meetings regularly, not missing any part of two consecutive meetings.

2.8.2 The Executive Committee may act on behalf of the Board in all matters delegated to it by specific action or by policy of the Board. Actions of the Executive Committee shall be reported to the Board at the next meeting of the Board for ratification.

2.8.2.1 Subject to the following limitations, the Executive Committee shall possess and exercise all powers of the Board during the intervals between meetings.

The Executive Committee shall not:

2.8.2.1.1 Recommend to members any action requiring their approval.

2.8.2.1.2 Establish or modify governing policies.

2.8.2.1.3 Change the membership of any committee at any time or fill vacancies therein.

2.8.2.1.4 Discharge any committee either with or without cause at any time.

2.8.2.1.5 Sell stock.

2.8.2.1.6 Discharge any Board fiscal responsibilities as detailed in Policy 2.4.5.

2.8.3 The responsibilities of the Executive Committee on an ongoing basis are as follows.

2.8.3.1 The Executive Committee shall consistently advise the Executive Pastor of his performance, shall conduct the Executive Pastor's annual performance appraisal and report to the Board when it has been completed, seeking the Board's response and approval.

- 2.8.3.1.1 The Executive Committee shall meet with the Executive Pastor prior to the beginning of each budget year for counsel and affirmation of the Executive Pastor's intended outcomes for the coming year. These outcomes shall form the basis for the Executive Pastor's annual performance appraisal.
 - 2.8.3.1.2 The Executive Pastor shall conduct an annual 360 degree (comprehensive) feedback process and share the raw data as well as an interpretation of the data with the Executive Committee prior to the performance appraisal process. In addition to other information they may seek in conducting the performance appraisal, the Executive Committee shall, once or twice a year, interview all key management personnel concerning the performance of the Executive Pastor. These interviews will focus on adherence to policy only. The Executive Committee shall guarantee anonymity when reporting this information to the Executive Pastor or to the Board.
 - 2.8.3.1.3 The Executive Committee shall also seek input from the Board individually and/or corporately regarding the Executive Pastor's performance. These interviews will focus on adherence to policy only. The Executive Committee shall guarantee anonymity when reporting this information to the Executive Pastor or to the Board.
 - 2.8.3.1.4 The Executive Committee shall share the information gathered through these interviews (guaranteeing anonymity) with the Executive Pastor and allow him to respond as he feels the need.
 - 2.8.3.1.5 If the Executive Pastor's performance appraisal is less than acceptable, the Executive Committee shall counsel the Executive Pastor and assist him in establishing a plan to enhance his performance.
- 2.8.3.2 The Executive Committee shall meet with the Administrator prior to the beginning of each budget year for counsel and affirmation of the Administrator's intended outcomes for the coming year. These outcomes shall form the basis for the Administrator's annual performance appraisal.

- 2.8.3.2.1 The Administrator shall conduct an annual 360 degree (comprehensive) feedback process and share the raw data as well as an interpretation of the data with the Executive Committee prior to the performance appraisal process. In addition to other information they may seek in conducting the performance appraisal, the Executive Committee shall, once or twice a year, interview all key management personnel concerning the performance of the Administrator. These interviews will focus on adherence to policy only. The Executive Committee shall guarantee anonymity when reporting this information to the Administrator or to the Board.
 - 2.8.3.2.2 The Executive Committee shall also seek input from the Board individually and/or corporately regarding the Administrator's performance. These interviews will focus on adherence to policy only. The Executive Committee shall guarantee anonymity when reporting this information to the Administrator or to the Board.
 - 2.8.3.2.3 The Executive Committee shall share the information gathered through these interviews (guaranteeing anonymity) with the Administrator and allow him to respond as he/she feels the need.
 - 2.8.3.2.4 If the Executive Pastor/Administrator's performance appraisal is less than acceptable, the Executive Committee shall counsel the Administrator and assist him/her in establishing a plan to enhance performance. If his/her performance continues to be unacceptable, the matter will be brought to the full board to determine if employment should be terminated.
- 2.8.3.3 Planning the program and agenda for Board meetings.

2.9 COMMITTEES OF THE BOARD

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

2.9.1 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 the Executive Pastor/Administrator.

2.9.2 Committees shall not manage any part of the congregation, or 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 the Executive Pastor/Administrator.

2.9.3 Except when empowered by the Board, committees shall have no executive or deciding authority. At all other times they will strive to develop policy only.

2.9.4 Committee on Lay Eldership

2.9.4.1 Membership

The number of committee members shall be 12. One member shall be appointed from among the members of the Board of Directors. Two members shall be appointed from the congregation by the Executive Pastor. Nine shall be elected by the Voters assembly from a slate of candidates. The final slate of candidates will be vetted by the sitting Lay Elders. All members of the committee shall be male. The Executive Pastor serves as an ex officio member of the committee.

2.9.4.2 Qualifications

In selecting members for this committee, the Board must appoint candidates who:

2.9.4.2.1 Are male.

2.9.4.2.2 Have proven themselves faithful to the Lord and His church.

2.9.4.2.3 Meet the qualifications for a member of the Board (see Policy 2.5.3.1).

2.9.4.3 Terms of Service

2.9.4.3.1 A term of service for a member who is on the Board shall be one year.

2.9.4.3.2 A term of service for all others shall be three years.

2.9.4.3.3 A member of the Board may be reappointed as long as s/he has membership on the Board.

2.9.4.3.4 All others may serve not more than two consecutive terms.

2.9.4.3.5 Vacancies that occur on the Committee of Lay Eldership due to unexpired terms shall be handled by the Board. If the vacancy is filled, he will inherit the expiring term of his predecessor.

2.9.4.4 Responsibilities

This committee is to assist the Pastoral staff in carrying out the pastoral ministry (i.e. discharging the pastoral functions, dealing with matters of spiritual authority and discipline, and serving as a source of advice for the Pastoral staff).

2.9.5 Financial Review Committee

2.9.5.1 Membership

The number of committee members shall be at least three. The Board shall appoint the Chairperson of the Financial Review Committee from the board and at least two non board members to the committee.

2.9.5.2 Qualifications

In selecting members of the Financial Review Committee, the Board must appoint members who are knowledgeable of financial management.

2.9.5.3 Terms of Service

A term of service shall be for one year.

2.9.5.4 Responsibilities

2.9.5.4.1 Review quarterly and annual financial statements of all accounts of the congregation.

2.9.5.4.2 Manage the annual review process, and audits as instructed by the board.

2.9.5.5 The committee shall monitor policies covering financial management.

2.9.5.6 The committee shall report their findings to the Board.

2.9.5.7 The committee shall provide annual training to board members on knowledge and skills related to understanding accounting and financial reports.

2.9.5.8 The committee will provide counsel and recommendations to the board on investment policy, financial procedures and other financial matters as requested by the board.

2.9.6 Governance Committee

2.9.6.1 Membership

The number of committee members shall be a minimum of three.

2.9.6.2 Qualifications

In selecting members of the Governance Committee, the Board must appoint members from the Board.

2.9.6.3 Terms of Service

A term of service shall be for one year. A member may be reappointed to this committee as long as s/he is a member of the Board.

2.9.6.4 Responsibilities

2.9.6.4.1 The committee shall review the Board's Policy Manual and report to the Board at least four times per year on compliance with policy.

2.9.6.4.2 The committee shall prepare proposed policy changes as directed by the Board or as shall become needed.

2.9.6.4.3 Work with the Immediate Past-President to assist in modifications to the Planning Calendar (Appendix C) and the BOD/Committees of the Board Chart (Appendix F).

2.10 RESPONSIBILITIES TO THE STEWARDS OF THE CONGREGATION

The Board's responsibilities to the Stewards are:

2.10.1 Conduct Congregational Assemblies.

2.10.2 Solicit input annually on the appropriateness of the Strategic Plan Policies.

2.10.3 Inform the Stewards of the degree of success in meeting the Strategic Plan of the congregation.

2.10.4 Identify and establish relationships with groups that have the potential to have a felt ownership in the congregation.

2.11 DIALOGUE WITH STEWARDS

The main responsibility of the Board of Directors is to represent the Stewards of the congregation. This is primarily done through the development of the definitions of the Strategic Plan for the congregation. The Board recognizes that there is no single “Owner”. It is the Board’s responsibility to actively identify segments of people that have felt ownership in the congregation, and ask for input on the Strategic Plan. To fulfill this obligation:

- 2.11.1 The Board will yearly identify the congregation’s key “Stewards” segments.
- 2.11.2 The Board will conduct a Stewards Dialogue Session with Stewards segment representatives at least two times per year.
- 2.11.3 The Stewards dialogue will center around the three central questions.
 - 2.11.3.1 Who are the Targeted Served of the congregation?
 - 2.11.3.2 What are the Outcomes for these Targeted Served?
 - 2.11.3.3 What should be the cost for these Outcomes?

2.12 BOARD AGENDA STRUCTURE

2.12.1 The Board shall establish a basic structure for its meetings to assist the Board and Executive Pastor/Administrator in processing information in a way that allows them to maintain a policy based orientation.

2.12.2 This Board agenda structure shall work in tandem with the policy review and continuing calendar. Additional items may be added as needed.

2.12.2.1 The Board calendar is located in Appendix C.

2.12.2.2 The Board agenda shall consist of the following sections.

- Preliminaries
 - +Introduction
 - +Faith Exploration
 - +Board Comments
 - +Agenda Approval
- Board Education
- Board Business
 - +Board Actions
 - +Monitoring
 - Committee Reports
 - Management Reports
 - +Policy Review and Revision
 - +Self Evaluation
- Adjournment

2.12.3 Only members of the Board, the Executive Pastor/Administrator and presenters shall be seated at the Board table.

2.12.4 Only those non-members of the Board recognized by the President shall have speaking privileges.

2.12.5 One fourth of the Board meetings shall include time for Board Education to increase the Board's competence for carrying out its responsibilities.

Section 3: EXECUTIVE PASTOR/ADMINISTRATOR LIMITATIONS

These are the constraints placed upon the Executive Pastor/Administrator's efforts to achieve the Strategic Plan. The Primary Limitation is further defined by the sections that follow it. Each section is further limited by all other sections. Unless restricted in the Executive Pastor/Administrator Limitations Policies, all actions are acceptable.

3.1 PRIMARY LIMITATION

When representing the Congregation, the Executive Pastor/Administrator and staff shall not act in a manner that is unethical, imprudent, illegal or inconsistent with the Constitution, By-Laws and Polices/Values of the congregation.

3.2 COMMUNICATION AND SUPPORT TO THE BOARD

3.2.1 The Executive Pastor/Administrator shall not permit the Board to be uninformed or unsupported in its work.

3.2.1.1 The Executive Pastor/Administrator shall not neglect to submit monitoring data required by the board in a timely, accurate and understandable fashion directly addressing provisions of board policies being monitored.

3.2.1.2 The Executive Pastor/Administrator shall not fail to marshal for the board as many staff and external viewpoints, issues and options as needed for fully informed board choices.

3.2.2 The Executive Pastor/Administrator shall not allow the Board to be unaware of:

3.2.2.1 Relevant trends.

3.2.2.2 Anticipated adverse media coverage.

3.2.2.3 Hiring or promotion.

3.2.2.4 Death or serious illness of staff.

3.2.2.5 Demotion or firing of staff (within 24 hours of such action).

3.2.2.6 Crises affecting the work, health or safety of staff.

3.2.2.7 Lawsuits against the congregation.

- 3.2.2.8 Changes in the assumptions on which any Board policy has been established.
- 3.2.2.9 Synodical or District directions and recommendations.
- 3.2.2.10 Conditions that could have a negative impact on any major ministry program of the congregation (e.g. school).
- 3.2.2.11 Instances, in the Executive Pastor/Administrator's opinion, where the board is not in compliance with its own policies on Governance Process and Board-Office of the Executive Director linkage, particularly in the case of board behavior detrimental to the work relationship between the Board and the Executive Pastor/Administrator.

3.3 FINANCIAL

- 3.3.1 The Executive Pastor/Administrator shall not cause or allow a financial plan which:
 - 3.3.1.1 Develops a fiscal year budget after the beginning of the fiscal year.
 - 3.3.1.2 Is built on anything other than an operational plan which moves the congregation forward with regard to its Strategic Plan.
 - 3.3.1.3 Is built on unsound assumptions about financial conditions. Financial conditions are defined as projected earnings/contributions, operating costs, other income/expense, and transfers from investment income.
 - 3.3.1.4 Continues without review and appropriate adjustments whenever any one or more of the assumptions of financial conditions under which it was constructed changes by 10% or more on a pro-rated basis for a two month time period.
 - 3.3.1.5 Allows cash and contingency funds to drop below a safety reserve of less than 5% of the annual budget at any time.
 - 3.3.1.6 Fails to include line items for the Board to use for its own prerogatives
- 3.3.2 The Executive Pastor/Administrator shall not allow the use of any planned giving receipts that deviates from the written Planned Giving Guidelines. (Appendix D)
- 3.3.3 The Executive Pastor/Administrator, in reporting financial activities and position, shall not allow deviation from generally accepted accounting principles as established by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Accountants.

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- 3.3.4 The Executive Pastor/Administrator shall not allow the investment of any financial assets that deviates from the written Investment Policy (Appendix E). Investment Reporting Requirements should be listed under Direct Monitoring in the section on Board/Executive Pastor/Administrator Relationship and referenced here.)
- 3.3.5 The Executive Pastor/Administrator shall not borrow funds for working capital in an amount greater than \$100,000.
- 3.3.6 The Executive Pastor/Administrator shall not allow the congregation to carry short term debt, including inter-organizational borrowings for longer than ten months in any fiscal year.
- 3.3.7 The Executive Pastor/Administrator shall not allow the handling of cash within the congregation that does not comply with written guidelines detailing such activity. (See Appendix E)
- 3.3.8 The Executive Pastor/Administrator shall not use any long term restricted reserves for any purpose other than that for which they are being held.
- 3.3.9 The Executive Pastor/Administrator shall not receive, process or disburse funds under controls that are insufficient to meet board established standards.

3.4 ASSET PROTECTION

- 3.4.1 The Executive Pastor/Administrator 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.
- 3.4.2 The Executive Pastor/Administrator shall not allow non-bonded personnel access to material amounts of funds.
- 3.4.3 The Executive Pastor/Administrator shall not subject the plant, grounds and equipment to improper wear and tear or insufficient maintenance.
- 3.4.4 The Executive Pastor/Administrator shall not unnecessarily expose the congregation, its Board or staff to claims of liability.
- 3.4.5 The Executive Pastor/Administrator shall not fail to protect intellectual property, information, and files from loss or significant damage.
- 3.4.6 The Executive Pastor/Administrator shall not make any purchase over \$1000 without obtaining comparative prices and quality assessment.
- 3.4.7 The Executive Pastor/Administrator shall not receive, possess or distribute funds under controls that are insufficient to meet the synodical standards as contained in the Synod Treasurer's Manual.
- 3.4.8 The Executive Pastor/Administrator shall not invest or hold operating capital in insecure instruments, including uninsured checking accounts or any bonds at any time, or in non-interest bearing accounts except where necessary to facilitate ease in operational transactions.
- 3.4.9 The Executive Pastor/Administrator shall not personally, nor allow staff to endanger the congregation's public image or credibility, particularly in ways that would hinder its accomplishment of its mission.
- 3.4.10 The Executive Pastor/Administrator shall not fail to insure the safety of all premises owned, or controlled by DRLC to be drug and alcohol free except for use of wine for Holy Communion.
- 3.4.11 The Executive Pastor/Administrator shall not allow any one individual to have complete authority over a financial transaction with a value of greater than \$100.

3.5 OPERATIONAL STRUCTURE

3.5.1 The Executive Pastor/Administrator shall not allow a structure that has a neutral or negative effect on the Strategic Plan of the congregation.

3.5.1.1 The Executive Pastor/Administrator shall not operate without a written plan for interim succession.

3.5.2 The Executive Pastor/Administrator shall not allow any Staff to create operational plans and procedures that have a neutral or negative impact on the growth and development of the ministries of the congregation.

3.6 PERSONNEL

3.6.1 The Executive Pastor/Administrator shall not allow the congregation to operate without effective, established Personnel Policies.

3.6.1.1 Personnel Policies shall not:

3.6.1.1.1 Deviate from local, state or federal law or regulations in the ethical treatment of employees.

3.6.1.1.2 Be in conflict with the effective day-to-day operation of the congregation.

3.6.1.1.3 Fail to establish an effective, written Conflict of Interest Policy for the staff.

3.6.1.1.4 Impair the dignity, safety, and right to ethical and scriptural job-related dissent of employees. Grievances by employees shall receive fair, internal hearing through published procedural safeguards.

3.6.1.1.5 Fail to protect employees from wrongful conditions such as grossly preferential treatment for personal reasons.

3.6.1.1.6 Prevent staff from grieving to the Board when: 1.) internal grievance procedures have been exhausted and 2.) the employee alleges that a.) Board policy has been violated to his/her detriment or b.) Board policy doesn't adequately protect his/her human rights.

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- 3.6.2 The Executive Pastor/Administrator shall not allow positions (or ministries) to be undefined or position descriptions that inaccurately reflect the responsibility and tasks assigned to the position.
- 3.6.3 The Executive Pastor/Administrator shall not allow positions to exist where there are inadequate resources available for a qualified person assigned the position to succeed.
- 3.6.4 The Executive Pastor/Administrator shall not allow the Executive Pastor/Administrator's position descriptions to assume authority that is clearly delegated to some other entity or person.
- 3.6.5 The Executive Pastor/Administrator shall not fail to conduct annual staff evaluations and share the results with the appropriate staff member.
- 3.6.6 The Executive Pastor/Administrator shall not fail to inform the staff of the process being used to make decisions except to maintain the personal privacy of those being served or as required by law or these policies.
- 3.6.7 The Executive Pastor/Administrator shall not fail to provide the Board an opportunity to dialogue with each member of Senior Staff at least once a year.
- 3.6.8 The Executive Pastor/Administrator shall not fail to maintain complete and accurate personnel files for employees including application/qualification information, the job description for the position, performance objectives, annual performance review summaries, letters of superior performance or warnings/requests for remediation and any other pertinent information.

3.7 COMPENSATION

- 3.7.1 The Executive Pastor/Administrator shall not allow compensation that does not fall within the ranges as identified in the Staff Policy/Operations Manual.
 - 3.7.1.1 The Executive Pastor/Administrator shall not establish compensation and benefits that are inconsistent among staff members.
 - 3.7.1.2 The Executive Pastor/Administrator shall not, without justification, allow compensation that deviates materially from the South Wisconsin District salary scale for the called or employed workers.
- 3.7.2 The Executive Pastor/Administrator shall not allow salary increases to exceed available resources.
- 3.7.3 The Executive Pastor/Administrator shall not change his own compensation and benefits.
- 3.7.4 The Executive Pastor/Administrator shall not promise or imply permanent or guaranteed employment.
- 3.7.5 The Executive Pastor/Administrator shall not create compensation obligations over a longer term than revenues can safely be projected, in no event longer than one year, and in all events subject to losses in revenue.

3.8 PLANNING

- 3.8.1 The Executive Pastor/Administrator shall not allow the development of an Operational Plan that fails to respond to the Strategic Plan.
- 3.8.2 The Executive Pastor/Administrator shall not allow the staff to begin a new fiscal year without previewing and updating its Operational Plan and using it as a basis for the annual budget.

3.9 MINISTRY PROGRAM

- 3.9.1 The Executive Pastor/Administrator shall not allow programs and other services that do not contribute to the achievement of the Board's Strategic Plan Policies.
- 3.9.2 The Executive Pastor/Administrator shall not allow Senior Staff or their direct reports to conduct their ministries without the benefit of "Advisory Councils" made up of lay members of the congregation.
- 3.9.3 The Executive Pastor/Administrator shall not allow full time staff to conduct their ministries without a commitment to the "priesthood of all believers" and thus the training and utilization of lay members of the congregation in their respective areas.

3.10 STRATEGIC ALLIANCES

- 3.10.1 The Executive Pastor/Administrator shall not fail to explore and, as appropriate, establish strategic alliances.

3.11 LONG RANGE OUTLOOK

- 3.11.1 The Executive Pastor/Administrator shall not fail to conduct and present to the Board an annual long range outlook study.
- 3.11.2 The Executive Pastor/Administrator shall not develop a long range outlook study that fails to respond to the Strategic Plan.
- 3.11.3 The Executive Pastor/Administrator shall not develop a long range outlook study that fails to consider and identify the changes in the climate and conditions that affect the congregation.

3.12 CRISIS MANAGEMENT PLAN

- 3.12.1 The Executive Pastor/Administrator shall not allow the congregation to operate without a detailed written operational Crisis Management Plan.

3.13 GIFTS AND BEQUESTS

- 3.13.1 The Executive Pastor/Administrator shall not fail to develop a plan to promote and receive gifts and bequests.
- 3.13.2 The Executive Pastor/Administrator shall not permit the congregation to accept gifts and bequests that run counter to the congregation's values and policies and that have a neutral or negative effect on the Strategic Plan.
- 3.13.3 The Executive Pastor/Administrator shall not allow the congregation to accept gifts and bequests that are too restrictive in that they are not responsive/supportive of the Strategic Plan.

Section 4: BOARD & EXECUTIVE PASTOR/ADMINISTRATOR RELATIONSHIP

4.1 MANNER OF DELEGATING

- 4.1.1 The function of the Board is to develop, monitor and enforce policy, not to implement it.
- 4.1.2 Except for assignments of its own work to committees, consultants or officers the Board shall delegate authority only to the Executive Pastor/Administrator. Any other subordinate employee or entity operating with the authority of the congregation shall receive that authority from the Executive Pastor/Administrator or a person assigned such authority by the Executive Pastor/Administrator.
 - 4.1.2.1 The Board shall relate to all programmatic staff officially only through the Executive Pastor/Administrator.
 - 4.1.2.2 Members of the Board shall be prudent in their contact with staff and shall keep the Executive Pastor/Administrator informed about significant contacts they have with any staff member.
- 4.1.3 The Board shall address only broad levels of issues in policies of purpose or governance policies leaving lesser levels (e.g. operational policies) to the discretion of the Executive Pastor/Administrator. The Executive Pastor/Administrator may develop operational guidelines, rules or procedures and may make decisions in any way the Executive Pastor/Administrator deems appropriate as long as governing policies adopted by the Board are observed.
- 4.1.4. The authority of the Executive Pastor/Administrator shall begin where the explicit pronouncements of the Board end. Except as required by governing policies or law, decisions of the Executive Pastor/Administrator do not need approval by the Board.

4.2 ACTIONS REQUIRING BOARD APPROVAL

4.2.1 Board Decisions

These are the areas that are left to specific Board approval because of their unique nature, or requirement of the Board.

4.2.1.1 Election of the Chairperson and appointments of the members of the Financial Review Committee.

4.2.1.2 Appointments to the Committee on Lay Eldership

4.2.1.3 Appointments to the Nomination Committee and Call Committee

4.2.1.4 Appointment of the Governance Committee

4.2.1.5 Selection of the auditor

4.2.1.6 Receipt and final review of financial audits/reviews

4.2.1.7 Appointment of legal counsel.

4.2.1.8 Sale of Stocks

4.2.1.9 Change in the membership of any committee of the Board at any time and fill vacancies.

4.2.1.10 The discharge of any committee of the Board.

4.2.2 While the Board has wide ranging responsibility and authority to give direction to the ministry of the congregation, it shall not:

4.2.2.1 Call or remove a Called Worker.

4.2.2.2 Purchase, lease, sell or otherwise dispose of real estate, except acquire or dispose of real estate with a value of less than 5% of the approved total operating budget less debt service in compliance with policy 2.4.2.2 and the Constitution and Bylaws;

4.2.2.3 Enter into capital campaigns;

4.2.2.4 Elect members to the Board except to fill vacancies as provided for in Policy 2.5.6;

4.2.2.5 Excommunicate a member of the congregation;

4.2.2.6 Execute a merger or dissolution of the church;

- 4.2.2.7 Execute a merger or dissolution of the School Ministry;
- 4.2.2.8 Amend the church's Constitution or the Amended and Restated By-Laws;
- 4.2.2.9 Alter the basic educational framework of the school.

4.3 EXECUTIVE PASTOR/ADMINISTRATOR FUNCTION

The Executive Pastor/Administrator shall:

- 4.3.1 Be empowered to take all actions and make all administrative decisions that are deemed necessary to attain congregation results except (a) actions which are not in accordance with the congregation's Strategic Plan, (b) violation of law, applicable regulations, orders of courts or commonly accepted business and professional ethics, and (c) violation of Articles of Incorporation and Bylaws or specific further Executive Pastor/Administrator Limitations stated by the Board in policies.
- 4.3.2 Develop operational guidelines, rules or procedures and make decisions the Executive Pastor/Administrator deems appropriate as long as governing policies adopted by the Board are observed.

4.4 EXECUTIVE PASTOR/ADMINISTRATOR ACCOUNTABILITY

The Executive Pastor/Administrator shall be accountable to the Board for:

- 4.4.1 Achievement of the congregation's Strategic Plan through personal and staff action.
- 4.4.2 Compliance of personal and staff actions to limits established in the Executive Pastor/Administrator Limitations Policies.
- 4.4.3 Provision of adequate counsel to the Board through personal and staff action, including counsel on social, legal, theological, synodical, and other changes relevant to the Board's decision areas.
- 4.4.4 Providing recommendations regarding defining and refining the Executive Pastor/Administrator's position description within the personnel constraints.
- 4.4.5 Relating with integrity, honesty, and straightforwardness to the Board.
- 4.4.6 Operating within the approved operating budget and financial policies and procedures

4.5 EXCEEDING EXECUTIVE PASTOR/ADMINISTRATOR LIMITATIONS

From time to time the Executive Pastor/Administrator Limitations Policies may be exceeded. When this happens, the Board will take appropriate action. The Executive Pastor/Administrator is to take the initiative and responsibility to monitor, inform, correct as well as to develop preventative systems to minimize exceeding of limitations.

4.5.1 The Executive Pastor/Administrator shall give an immediate notice to the President of the Board once an Executive Pastor/Administrator Limitation has been recognized to have been exceeded.

4.5.1.1 If the Executive Pastor/Administrator Limitation has been exceeded for an excessive period of time and has gone unnoticed, the Executive Pastor/Administrator will develop a better monitoring system.

4.5.2 If the exceeded Executive Pastor/Administrator Limitation is immediately correctable, the Executive Pastor/Administrator shall take the necessary action within existing policies and report the results to the Board.

4.5.2.1 If the exceeded Executive Pastor/Administrator Limitation is not immediately correctable, the Executive Pastor/Administrator shall establish and implement corrective actions, reporting them and gaining approval of a deadline for complete correction from the Board.

4.5.2.1.1 The Executive Pastor/Administrator shall continue to report in a timely fashion on the actions taken and their results until the exceeded Executive Pastor/Administrator Limitation is corrected.

4.5.2.1.2 The Executive Pastor/Administrator shall give immediate notice when it is recognized that a deadline will be missed, and submit a new plan for action if the delay is excessive.

4.5.2.2 The Executive Pastor/Administrator may use internal or external resources to correct the exceeded Executive Pastor/Administrator Limitation without violating the Executive Pastor/Administrator Limitations Policies.

4.5.2.3 The Board shall review any Executive Pastor/Administrator Limitation Policy that has been exceeded for its soundness as a test of ethical and prudent behavior.

4.5.3 The Board shall not allow one time exceptions to policies. If an action is acceptable under certain conditions, then those conditions shall be stated in the policy.

- 4.5.4. The Executive Pastor/Administrator shall develop or improve processes to avoid recurrence of any exceeded Executive Pastor/Administrator Limitations.
- 4.5.5 After repeated recurrences of exceeding Executive Pastor/Administrator Limitations, the President will conduct: (1) a performance evaluation of the Executive Pastor/Administrator and (2) a discussion with the full Board about the Executive Pastor/Administrator's performance.
- 4.5.6 The office of the Executive Director shall not rent any of the premises to an individual or organization which intends to espouse religious beliefs contrary to the doctrine of the Lutheran Church – Missouri Synod during their time of rental.

4.6 MEANS OF MONITORING

4.6.1 Management Reports

These are periodic statements and overviews which provide information and counsel to the Board on programs, trends, and developments that may affect the Board's work and which report on the Executive Pastor/Administrator's compliance with Board policies.

- 4.6.1.1 The Executive Pastor/Administrator shall report yearly on the economic, sociological, synodical, legal and political conditions and trends in the congregation's community.
- 4.6.1.2 The Executive Pastor/Administrator shall report at least quarterly on the activities, plans, and outcomes of the congregation.

4.6.2 Direct Monitoring

These are the actions used to confirm compliance with the Board's policies in all four policy areas.

The Executive Pastor/Administrator shall:

- 4.6.2.1 Report at least twice yearly to the Board on the progress achieved towards the Strategic Plan of the congregation.
- 4.6.2.2 Provide to the Board at least quarterly reports on the school ministry.
- 4.6.2.3 Provide to the Board and its Finance Committee monthly financial statements, which shall be compared to the like prior period and budget period and all large variances shall be explained by no later than the 15th of every month in order to comply with policy section 2.4.5.4.1.
- 4.6.2.4 Provide to the Board quarterly reports concerning the performance of all investments of the congregation.

- 4.6.2.5 Provide to the Board current financial plans as they are developed or modified.
- 4.6.2.6 Provide to the Board the current operational policies and revisions as they occur.
- 4.6.2.7 Provide to the Board new operational structures as they are developed with an explanation of the responsibilities assigned.
- 4.6.2.8 Provide to the Board each long-term outlook study after it is developed.
- 4.6.2.9 Annually review the plan for crisis management, and provide the Board with a copy of such plan.
- 4.6.2.10 Annually review the plan for interim succession, and provide the Board with a copy of such plan.
- 4.6.2.11 Provide to the Board summaries of each new program and service as they are developed.
- 4.6.2.12 Present to the Board of Directors annually their professional development plan.
- 4.6.2.13 Provide semi-annual reports concerning the roster of “Advisory Councils” being used by each Staff member in fulfillment of Policy 3.9.2
- 4.6.2.14 Provide to the Board semi-annual reports of all monies received as gifts or bequests.
- 4.6.2.15 Provide semi-annual reports listing the names of all individuals engaged in programmatic ministries in fulfillment of Policy 3.9.3.

Section 5: ANTI-DISCRIMINATION POLICY

5.1 MEMBERSHIP

- 5.1.1 The Board of Directors of Divine Redeemer Lutheran Church does not discriminate as to age, race, gender, or national origin in regard to the membership of the organization.

CONFLICT OF INTEREST POLICY

The Board commits itself and its Members to ethical, businesslike and lawful conduct. This includes proper use of authority and appropriate decorum when acting as Board Members.

1. Board Members must represent non-conflicted loyalty to the interests of the congregation. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs. It also supersedes the personal interest of any Board Member acting as a client or family member of a client of the congregation's services.
2. Members must avoid conflict of interest with respect to their fiduciary responsibility.
 - A. There must be no self-dealing or any conduct of private business or personal services between any Board Member and the congregation as a whole except as procedurally controlled to assure openness, competitive opportunity and equal access to "inside" information.
 - B. When the Board is to decide upon an issue about which a Member has an unavoidable conflict of interest, that Member shall recuse her/himself without comment on the deliberation as well as the vote on the matter.
 - C. Board Members must not use their positions to obtain employment in the congregation for themselves, family members or close associates. Should a Board Member desire such employment, s/he must first resign from the Board.
 - D. Board Members will annually disclose their involvement with other organizations, with vendors, or any other associations that might produce a conflict of interest.
3. When the Board is to decide upon an issue about which a Member has an unavoidable conflict of interest that Member shall recues her/himself without comment from the session concerning the deliberation and the vote. The Member may be excused from the Board's session with a simple majority vote of the Board (not including the Board Member under consideration). (See Policy 2.2.1.5.2)

BOUNDARY MANAGEMENT POLICY

The Board commits itself and its Members to ethical, businesslike and lawful conduct. This includes proper use of authority and appropriate decorum when acting as Board Members.

1. Board Members may not attempt to exercise individual authority over the congregation except as explicitly set forth in Board policies.
 - A. Board Members' interactions with the Executive Pastor/Administrator or other staff must recognize the lack of authority vested in individuals except when explicitly Board-authorized.
 - B. Board Members' interactions with public, press or other entities must recognize the same limitation and inability of any Board Member to speak for the Board.
 - C. Board Members will give no consequence or voice to individual judgments of the Executive Pastor/Administrator or staff performance.
 - D. Board Members will respect the confidentiality appropriate to issues of a sensitive nature
2. Should the sensitivity of an issue not be clear to a Board Member, s/he shall consult with the Board President before sharing information with another person.

ANNUAL PLANNING CALENDAR

	Faith Exploration	Board Education	Committee Reports	Management Reports	Other Actions
Jan					
Feb					
Mar					
Apr					
May					
Jun					
July					
Aug					
Sept					
Oct					
Nov					
Dec					

PLANNED GIVING GUIDELINES

1. Ethics & Donor Advice

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

- 1.1. Donors should also be encouraged to consult their own attorneys or accountants before giving major assets to the Church.
- 1.2. 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 attorneys and/or accountants concerning the legal and financial consequences of any such gift(s).
- 1.3. To avoid conflicts of interest, the Church will not be responsible for the cost of services rendered by attorneys, accountants or other consultants who personally advise donors or potential donors in making deferred gifts to the Church.
- 1.4. The Church will not pay, directly or indirectly, for any right(s) to receive a deferred gift of any kind.
- 1.5. Unless a donor's intent to make a deferred gift to the Church is clearly stated and documented in such form as to leave no question regarding the donor's intent, the Church shall obtain a written statement from the donor that he/she has received independent counsel's advice. The statement should be signed and dated by at least one witness.

2. Disclosures

The Church will practice complete financial disclosure and stand accountable to its donors and Stewards in raising and spending the Lord's money.

- 2.1. 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 donors' accounts.
- 2.2. All representations of fact, description of financial condition, or narrative about events must be current, complete, and accurate.
- 2.3. 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 vision and mission, its finances, or any of its affairs.

3. 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 at no time encourage recognition strategies that glorify the donor rather than God.

4. 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.

- 4.1. The Church will not rent, sell or exchange its donor list with any organization.
- 4.2. 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 a specific agreement between the Church and the donor on exactly how the name will be publicized.
- 4.3. The Office of the Executive Director may access individual giving and/or pledge accounts.

5. Gifts of Property

When gifts of property (i.e. real property or tangible personal property) are received by the Church, the acknowledgement or receipt should describe the property accurately without a statement of the gift's market value in accordance with IRS regulation.

- 5.1. A precise description of the property should be provided to the Office of the Executive Director for the preparation of formal acknowledgement letter.
- 5.2. 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 Office of the Executive Director so that the item may be included in the Church's fixed assets inventory.

6. Gifts of Stocks or Bonds

Any contribution of stocks or bonds will be accepted in accordance with the Church's Gifts of Property Policy.

- 6.1. Contributed stock or bonds should be sold as soon as practicable after receipt, unless the donor specifically requests that the Church defer such sale. The Office of the Executive Director shall be responsible for the efficient disposition of the gifts.

7. Gift Designation

When the Church is a beneficiary of a will and the gift has been designated to a certain fund of fundraising effort, the gift will be designated for that purpose. If the gift has not been designated for a certain fund or fundraising effort, then the Office of the Executive Director will make recommendations to and receive approval from the Board regarding its disposition.

INVESTMENT POLICY

1. Purpose

The Investment Policy shall serve to guide the temporary investment (i.e. less than one year) of financial assets for the Church. The stewardship of financial assets shall entail consideration of the safety and soundness of principal, and liquidity (ability to convert to cash without loss of principal) as the primary objective. The rate of return is considered to be a secondary objective.

2. Oversight Responsibility

The Office of the Executive Director shall have responsibility of the oversight of this policy. The Office of the Executive Director shall perform all due diligence necessary to ascertain investment suitability. The Office of the Executive Director shall also be responsible for executing the investment transaction, and reporting such transactions.

2.1. Acceptable Investments

The following investment mediums shall be acceptable:

- Federally insured financial institutions
- Registered mutual funds
- U.S. government securities
- Lutheran Church Extension Fund
- Investment Grade Commercial paper

2.2. Investment Suitability Criteria

The following suitability criteria shall be applied to the above noted investment mediums:

2.2.1. Federally insured financial institutions

- No amount greater than \$250,000 shall be invested in any single U.S. domestic financial institution unless such institution has a bond rating from S&P or Moody's (or other similar rating agency) of A or better
- Investments in time deposits shall not have a maturity that exceeds 366 days
- Investment in a repurchase agreement account is acceptable when backed by a pledge of U.S. government securities

2.2.2. Registered Mutual Funds

- Investment in mutual funds shall be limited to money market funds that invest solely in U.S. government securities
- The money market funds must have an objective to maintain a stable per-unit value

2.2.3. U.S. Government Securities

- Treasury notes or bills issued by the US Government or Agencies thereof.
- The maturity of such instruments shall not exceed a maturity in excess of 366 days.

2.2.4. Lutheran Church Extension Fund

The following LCEF investment products may be utilized:

- Steward account
- Fixed Rate Notes with a term not to exceed 1 year
- Growth Certificate with a term not to exceed 1 year

2.2.5. Commercial Paper: It must have an A1P1 rating with a term not to exceed 32 days, and the paper must be issued by a US Domestic company.

2.3.Prohibited Investments

The following investment mediums are not acceptable:

- 2.3.1. Common or Preferred Stocks
- 2.3.2. Corporate notes & bonds/convertible securities
- 2.3.3. Loans or asset backed securities
- 2.3.4. Tax exempt or local government entity securities
- 2.3.5. Commodity contracts
- 2.3.6. Futures or derivative securities
- 2.3.7. Any other investment that does not meet prudent safety/soundness liquidity objectives
- 2.3.8. Any securities or contracts that benefit corporations or organizations involved in activities that are counter to the core values, mission, vision, or doctrinal beliefs of the Congregation.

If any of the above noted Prohibited Investments are gifted to the Church, such investments shall be liquidated as soon as reasonably possible (unless the gift has specific instructions for disposition).

2.4.Policy Exceptions

Any exception to this policy requires the prior approval from the Board.

2.5.Conflict of Interest

Any investment activity with a company or institution that employs a member of the Board of Director or an immediate family member of a staff member is prohibited unless the noted conflict of interest is approved by a majority of disinterested members of the Board of Directors.

2.6. Reporting Requirements

The Office of the Executive Director, in preparation of the periodic balance sheet of any Church fund accounting shall delineate a description of the nature of the investment and the associated end of period balance. When requested by the Board, the Office of the Executive Director shall provide the following information relative to any existing or proposed investment:

- Name of the investment medium
- Type of investment
- Description of the due diligence performed
- Historical rate of return

FINANCIAL REVIEW COMMITTEE

Name/ Title	Term End	Phone #	Address	Email

GOVERNANCE COMMITTEE

John Bowen, others to be determined

ASSOCIATE PASTOR CALL COMMITTEE

BOD NOMINATING COMMITTEE

Nancy Niedziela, others to be determined

ELDERS NOMINATING COMMITTEE

Jeff Lippert, others to be determined

Policy Concerning the Performing of Marriages and the Use of Church Property and Facilities

The marriage policy of Divine Redeemer Lutheran Church, Hartland, Wisconsin, 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.