



# Governance Board Policy Manual

Our Savior Lutheran Church

13611 Laurel-Bowie Road

Laurel, MD 20708-1563

Update / July 25

*This edition of the OSLC Governance Board Policy Manual supersedes all previous editions.*

## DESIRED OUTCOMES

Desired Outcomes describe the ends or purposes of our church. 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 Board<sup>1</sup> in determining what the church will attempt to accomplish in the future.

1.0 Global Desired Outcomes Policy: The desired outcome of Our Savior Lutheran Church is to be an expanding Christian community of devoted and passionate followers of Jesus using the natural talents, spiritual gifts, and other resources that God provides.

1.1 Recipients: Our Savior Lutheran Church will continue to reach out to people with the love of Jesus Christ in Word and action,

1.1.1 As a regional church, primarily ministering to people in the greater Laurel area, and

1.1.2 As a Great Commission church, ministering to other communities in God's kingdom.

1.2 Desired Results: Our Savior Lutheran Church will be an expanding Christian community of devoted and passionate followers of Jesus.

1.2.1 Each individual at Our Savior will feel valued, cared for, and equipped for service as a part of the family of Our Savior from birth to life's end.

1.2.2 Our Savior's people will live out their faith in meaningful ways, consistent with their gifts and calling.

1.2.3 Our Savior will be a culturally-diverse community of believers united in Christ.

1.2.4 Our Savior will be a place where God's children are nurtured spiritually, physically, and mentally; intentionally passing on the faith to the next generation.

1.2.5 Our immediate neighbors will experience God's love through Our Savior.

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<sup>1</sup> The Governance Board is referred to as the "Board" throughout this document.

1.3 Costs: Our Savior Lutheran Church will use the resources God provides to accomplish God's work including tithes, offerings, tuition and fees, donations and grants, endowments, loans, natural talents, and spiritual gifts. The Board will maintain financial oversight and authority over all financial matters of Our Savior Lutheran Church, and will approve a Treasurer and Financial Secretary to perform tasks in those areas according to guidelines established by the Board and by the LCMS Synodical Treasurer's Manual, and will ensure that the incumbents are bonded.

1.4 Core Values: Followers of Christ at Our Savior Lutheran Church will uphold the following core value areas:

1.4.1 Missions

1.4.2 Discipleship

1.4.3 Service

1.4.4 Relationships Centered in Christ

1.4.5 Children and Families

1.4.6 Cross-Cultural Diversity

1.5 Major Target Areas (TAs) for Achieving the Congregation's Vision: Major target areas will be established by the Board through a process of surveying members and groups in the Congregation for their ideas. Target areas will be directed at accomplishing the congregation's current vision: *Our Savior Lutheran Church will be known as a welcoming, diverse, united, multi-generational community of faithful disciples, filled and overflowing with God's love in Jesus Christ, sharing the joy and message of the Gospel where we live, work, learn, play, and worship.* The major target areas for the **FY 2026 MAP will be:**

**1.5.1 New Senior Pastor Preparation and Transition:** Continue progress in identifying and addressing policy, procedure, and facility gaps to enable the successful transition to a Transitional Interim Pastor and ultimately a new Senior Pastor.

**1.5.2 Witness, Outreach and Communications:** Equipping Congregation to Invite; reaching further into the community; spreading awareness about OSLC and the Lord; identify, evaluate, and develop modes of communication within congregation. Deliberate efforts to reach the greater Laurel immigrant community through specific language resources and programs; foreign language Bible class or small group; investigate restarting ESOL. Restart tutoring program.

**1.5.3 Community Building:** Equip leaders, deploy members and build strong network of small groups where we live, work, learn, play, and worship; identify three to five deliberate measures to evaluate success of small groups. Explore specific opportunities to better engage young adults. Revisit Wednesday evening meals and other social events to build relationships within the Congregation.

**1.5.4 Children's and Youth Ministry:** Continue and grow current programs; provide parent resources/classes; provide home-school support; encourage parental participation in small groups like Manna for Moms; build bridges between OSLC Congregation and Open Arms. Expand nursery care and support for groups with small children. Explore and provide opportunities for youth to participate in regular confirmation classes, Sunday School, and worship services.

**1.5.5 Prayer:** Prayer focused events such as Prayer Vigils, Fresh Start, Prayer Chain, Prayer Groups, Prayer Requests, etc; Develop Messages/Sermon Series on prayer; pray in small groups.

**1.5.6. Stewardship:** Maintain a deliberate Stewardship Program that raises the awareness within the Congregation of specific resource gaps and gains commitment of time, talent, and treasure of members and friends of the Congregation in order to meet immediate and longer-term needs. Develop Congregational leaders to utilize their time and talents in the service of the Church and Community.

**1.6 Ministry Action Plan (MAP):** A Ministry Action Plan (MAP) will be the Congregation's major ministry management tool. It will be a Christ-centered document springing from the Congregation's Vision. Each MAP will cover one year. Each year's MAP will tackle a number of Major Target Areas (TAs). Each TA will be addressed by creating/completing one or more Projects. A MAP will be created each fiscal year to address TAs established for that year, accompanied by a Mission Resource Plan (MRP) that details the resources budgeted in support of the MAP. As a MAP is executed during a fiscal Year, a new MAP and MRP will be created for the next FY. These concurrently running MAP and MRP creation and execution cycles are reflected in the following table that will be used as a guide in establishing these cycles.

| MONTH    | RESPONSIBILITY  | MILESTONE <sup>2</sup>                                                                                      |
|----------|-----------------|-------------------------------------------------------------------------------------------------------------|
| January  | Pastor          | <i>Report to Congregation on Current Fiscal Year (CFY) Ministry Action Plan (MAP) execution progress.</i>   |
|          | Board & Pastors | Establish methods for obtaining Next Fiscal Year (NFY) MAP input (Target Areas/Projects) from Congregation. |
| February | Congregation    | Provide NFY planning input to Board                                                                         |

<sup>2</sup> In this table, milestones in the current year cycle are shown in italics. Milestones for the next year cycle are shown in regular type.

|           |                                                                                                |                                                                                                                                                                                                                                                                                                                      |
|-----------|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           |                                                                                                |                                                                                                                                                                                                                                                                                                                      |
| March     | Board                                                                                          | Analyze Congregational input. Select and prioritize Target Areas (TAs) to be addressed in NFY. Forward NFY TAs to Pastor as drivers for NFY MAP. Track NFY unaddressed TAs for future reference by all.                                                                                                              |
| April     | Pastor                                                                                         | <i>Report to Board on CFY MAP execution progress – copy to Congregation.</i><br><br>Report to Board on NFY MAP creation progress.                                                                                                                                                                                    |
| May       | Pastors & Staff                                                                                | Prepare proposed NFY MAP to address NFY TAs.<br><br>Coordinate with Staff to put individual talents to work on NFY Ministry Action Teams (MATs) and MAP Projects.                                                                                                                                                    |
| June      | Congregation<br><br>Finance Team                                                               | Congregational Assembly. Review and approve NFY MAP. Elect new Board members.<br><br>Initiate development of Mission Resource Plan (MRP) to support the NFY MAP.                                                                                                                                                     |
| July      | Pastor, Staff and Finance Team                                                                 | Complete proposed NFY Mission Resource Plan (MRP) and submit for Board review.                                                                                                                                                                                                                                       |
| August    | Board                                                                                          | Review proposed NFY MAP and MRP for reasonableness in meeting OSLC and OA CCDC desired outcomes/TAs.                                                                                                                                                                                                                 |
| September | Pastor, Staff, Board and Finance Team<br><br>Congregation<br><br>Mission Action Team Directors | <i>Report on completed FY MAP accomplishments.</i><br><br>Present NFY MRP to Congregation for approval.<br><br>Congregational Assembly. Review and approve NFY MRP.<br><br>Begin fiscal year 1 September. Initiate 1-year Projects in newly approved and resourced MAP. Projects end on 30 August of following year. |

|          |        |                                                                       |
|----------|--------|-----------------------------------------------------------------------|
|          |        |                                                                       |
| October  | All    | <i>Execute CFY MAP</i>                                                |
| November | Pastor | Report to Board on CFY MAP execution progress – copy to Congregation. |
| December | All    | <i>Execute CFY MAP</i>                                                |

Acronyms:

MAP = Ministry Action Plan

MRP = Mission Resource Plan

TA = Target Area

NFY = Next Fiscal Year

CFY = Current Fiscal Year

## EXECUTIVE LIMITATIONS

Executive Limitations policies address staff means—what the Senior 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 Senior Pastor rather than the entire staff. The Senior Pastor is held accountable that all staff actions fall within the boundaries established by these policies.

### 2.0 Global Executive Limitations Policy

The Senior Pastor shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, immoral, imprudent, or inconsistent with the Christian faith, the Constitution, By-Laws, policies, and Mission of Our Savior Lutheran Church.

#### 2.1 Finance

The Senior Pastor shall not allow the Church's financial resources to be received or expended without proper oversight and safeguards or fail to report on the Church's financial activity in an accurate and timely manner.

2.1.1 The Senior Pastor shall not cause or allow a financial plan that develops a fiscal year budget after the beginning of the fiscal year.

2.1.2 The Senior Pastor shall not fail to conduct a financial review in accordance with the laws of the state of Maryland.

2.1.3 The Senior Pastor shall not cause or allow a financial plan that 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.

2.1.4 The Senior Pastor shall not cause or allow a financial plan that allows an unsound financial condition that jeopardizes the achievement of Our Savior Lutheran Church's Mission and Vision.

2.1.5 The Senior Pastor shall not cause or allow a financial plan that is enacted without approval from the Governance Board and the Congregation.

2.1.6 The Senior Pastor shall not permit the physical aggregation of general church funds with designated offering funds in the same financial account.

2.2 Communication/Support to the Board: The Senior Pastor shall not permit the Board to be uninformed or unsupported in its work. The Senior Pastor shall not allow the Board to be unaware of:

2.2.1 Anticipated adverse media coverage.

2.2.2 Hiring, promoting, demoting, firing or resignation of staff.

2.2.3 Death or serious illness of staff.

2.2.4 Conditions affecting the work, health, or safety of staff.

2.2.5 Lawsuits against the congregation.

2.3 Personnel: With respect to the treatment of paid and volunteer staff, the Senior Pastor may not cause or allow conditions that are unfair, undignified, disorganized, or unclear, and shall not operate without a written personnel manual that is in compliance with local, state, and federal laws. The Senior Pastor shall not fail to:

2.3.1 Update the Board on any changes in the Personnel Manual.

2.3.2 Acquaint staff with their rights and responsibilities as spelled out in the Personnel Manual.

2.3.3 Assess the performance of staff subordinate to him.

2.4 Strategic Planning: The Senior Pastor shall not fail to develop a three to five year church vision that is approved by the congregation. The Senior Pastor shall not fail to develop an annual Ministry Action Plan that will support that vision and address the current target areas.

2.5 Compensation/Benefits: The Senior Pastor shall not allow compensation that does not fall within the ranges identified in the personnel policies. The Senior Pastor shall not change his own compensation/benefit package.

2.6 Ministries: The Senior Pastor shall not allow programs and other services that do not contribute to the achievement of the Desired Outcomes.



2.7 Senior Pastor Succession: In order to protect the congregation from the sudden loss of Senior Pastor services, the Senior Pastor shall not operate without a written plan for his functions to continue in his absence. Further, the Senior Pastor shall not:

2.7.1 Fail to have a plan for emergency situations to ensure the continuation of pulpit ministry.

2.7.2 Fail to have a plan, with the assistance and approval of the circuit counselor and the District President's office, for either interim or vacancy ministry, in the event the Senior Pastor vacates his office.

2.7.3 Fail to have a plan that ensures that at least one other rostered church worker is familiar with the daily operation of the church and Board policy manual.

2.8 Issues of Privacy: With respect to interactions with all in association with Our Savior Lutheran Church, the Senior Pastor shall not cause or allow conditions, procedures, or decisions that are unsafe, undignified, or unnecessarily intrusive. The Senior Pastor shall not:

2.8.1 Use methods of collecting, reviewing, transmitting, or storing members' information that fail to protect the individual or collective privacy of congregational members.

2.8.2 Fail to establish with staff a clear understanding of what may or may not be expected regarding issues of privacy.

2.9 Asset protection: The Senior Pastor shall not allow church assets to be unprotected, inadequately maintained, or unnecessarily risked. The Senior Pastor shall not:

2.9.1 Fail to provide insurance against liability losses to Board members, staff, and the church.

2.9.2 Fail to maintain the church property, buildings and equipment.

2.9.3 Allow the church and Open Arms Child Development Center to operate without a written Crisis Management Plan.

2.9.4 Fail to ensure that accounting practices and principles adhere to those recommended by the LCMS (see the Synodical treasurer's manual).

2.10 Gifts and Bequests: The Senior Pastor may not operate without a plan for the congregation to promote and receive gifts and bequests. The Senior Pastor shall not permit the congregation to accept gifts and bequests that run counter to the congregation's values and policies.

## BOARD-SENIOR PASTOR RELATIONSHIP

Board-Senior Pastor Relationship policies address how the Board and Senior Pastor relate to each other. In general, the Board speaks with one voice and all Board authority is delegated through the Senior Pastor. This means that the Senior Pastor reports to the Board as a whole, not to individual Board members, officers of the congregation, nor Board committees. This also means the Board works only with the Senior Pastor and does not direct the work of staff or volunteers.

3.0 Global Board-Senior Pastor Relationship Policy: The Board sets policy and delegates implementation to all staff and volunteers through the Senior Pastor by virtue of his divine call from God through the congregation. The Senior Pastor is accountable to the Board and keeps the Board informed of policy implementation and the overall health and spiritual condition of the congregation.

3.1 Unity of Board Decisions: The Board speaks with one voice through motions passed officially by consensus. Officially passed motions of the Board are binding on the Senior Pastor.

3.2 Accountability of the Senior Pastor: The Senior Pastor is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the Senior Pastor.

3.3 Delegation to the Senior Pastor: The Board shall delegate authority only to the Senior Pastor except for assignments of its own work to committees or consultants.

3.4 Reporting to the Board: The Senior Pastor will report on the overall health and spiritual condition of the congregation on a monthly basis in a manner desired by the Board.

3.5 Monitoring the Senior Pastor's Performance: The Board shall ensure that the Senior Pastor receives an annual performance review in August. The Board shall measure the Senior Pastor's performance against Board policies, may suggest to the Senior Pastor in what ways his performance may be increased, and may bring to the Congregation's attention exceptionally high or low performance. The Board's performance appraisal shall consist of four sections:

- Desired Outcomes
- Executive Limitations
- Ministry Action Plan
- Professional Development

3.6 Monitoring Frequency: All policies that instruct the Senior Pastor will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

|                                                    |                 |
|----------------------------------------------------|-----------------|
| Finance                                            | Monthly         |
| Communication/Support to Board                     | Annually        |
| Personnel                                          | Annually        |
| Selected Target Areas<br>(determined by the Board) | Monthly         |
| Compensation and Benefits                          | Annually        |
| Senior Pastor Succession                           | Annually        |
| Asset Protection                                   | Annually        |
| Gifts and Bequests                                 | Upon Occurrence |
| Congregational Health                              | Monthly         |

#### GOVERNANCE PROCESS

Governance process 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, role of the Board Chair, Board member conduct, Board member responsibilities, and the use of committees. If any Board process issue arises that is not specified by these policies, the Board Chair should guide Board process. The Board represents and serves the members of the congregation.

4.0 Global Governance Process Policy: The purpose of the Board, on behalf of the baptized membership, is to see to it that Our Savior Lutheran Church fulfills its Vision and Mission while avoiding unacceptable actions and situations.

4.1 Governing Style: The Board will govern lawfully with an emphasis on: (a) practicing outward vision rather than an internal preoccupation, (b) encouraging diversity in viewpoints, (c) focusing on strategic leadership more than administrative detail, (d) clearly distinguishing

between Board and Senior Pastor roles, (e) making collective rather than individual decisions, (f) looking to the future rather than the past or present, and (g) being proactive.

4.1.1 The Board shall exercise its governing authority as a whole. No individual Board member may exercise such authority except as instructed by the Board.

4.1.2 The Board will direct, control, and inspire the organization by carefully establishing broad written policies that reflect the Board's values and perspectives. The Board's major policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or programmatic means of attaining those effects.

4.1.3 The Board will monitor and discuss the Board's process and performance at each meeting. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-Senior Pastor Relationship categories. The Board will ask the following questions as part of this review:

- Did we progress in our skills for developing and monitoring policy?
- Did we avoid discussion of staff issues?
- Did we act with courtesy and respectfulness toward each Board member?
- Did we communicate effectively and openly with the Senior Pastor and with each other?
- Did we adhere to Board policies?

4.1.4 The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of role, and ensuring the continuance of governance capability.

4.1.5 Continual Board development will include orienting new Board members in the Board's governance process and periodically discussing governance process improvement.

4.1.6 The Board will allow no officer, individual, nor committee of the Board to hinder or be an excuse for not fulfilling its commitments.

4.1.7 The Board shall strive to make decisions by consensus deferring to simple majority voting only when the Chair believes consensus cannot be reached.

4.1.8 The Board shall establish an annual policy review calendar to coordinate the review of every policy at least once a year.

4.1.9 The Board shall become a Managing Board during a senior pastor vacancy, responsible for staff supervision (directly or through delegation); and operational oversight.

4.2 Board Members' Code of Conduct: The Board commits itself and its members to Biblical, ethical, professional, and lawful conduct, including proper use of authority and appropriate Christian behavior. Members must have loyalty to the congregational membership, un-conflicted by loyalties to staff, other organizations, and any personal interest.

4.2.1 Members must avoid conflict of interest with respect to their fiduciary responsibility.

4.2.2 Members may not attempt to exercise individual undue influence over the organization.

4.2.3 Members will respect the confidentiality appropriate to issues of a sensitive nature

4.2.4 Members will follow these guidelines during Board meetings: stay on topic, respectfully listen to one another, state opposing viewpoints in a respectful manner, foster open and honest dialogue to arrive at consensus, be sensitive to the feelings of others (including those not on the Board), and participate fully in the meetings.

4.2.5 Members will support all Board decisions, without regard to the member's personal position on the issue. Members will speak with one voice about any decision made by the Board.

4.2.6 Members will be deliberate in prayer for one another and their families, pastor(s) and their families and the congregation.

4.3 Board Responsibilities: Specific responsibilities of the Board, as trustees of the congregation, are those that ensure effective organizational performance and stewardship.

4.3.1 The Board has direct responsibility to communicate with the Baptized Membership of Our Savior Lutheran Church on all administrative and fiduciary matters affecting the Congregation as a whole.

4.3.2 The Board shall create written governing policies that address the broadest levels of all organizational decisions and situations including:

- Desired Outcomes: Organizational results, recipients, and cost.
- Executive Limitations: Constraints on executive authority that establish the prudent and ethical boundaries within which all executive activity and decisions must take place.
- Board-Senior Pastor Relationship: How authority is delegated, its proper use monitored, and role and accountability of the Senior Pastor.
- Governance Process: Specifying how the Board conceives, carries out, and monitors its own tasks.

4.3.3 The Board shall appoint a Nominating Committee for to prepare for, recruit and vet candidates for, and administer the election of new Board members annually. Upon completion of an election, the Nominating Committee shall retain the election ballots for a period of 30 days; the ballots shall then be destroyed.

4.4 Board Officer Roles: The Board Officers are specially empowered members of the Board who ensure the integrity and continuity of the Board's process and occasionally represent the Board to outside parties. The congregation elects members to serve on the Board. Following the installation of new Board members, the Board elects members to fill specific Board offices, which shall include a Chair, a Vice-Chair, a Secretary, a Finance officer and a Deputy Finance officer..

4.4.1 The Chair of the Board shall:

- Establish the agenda for Board meetings in compliance with the policy calendar established by the Board.
- Preside at all meetings of the Board and at Congregational assemblies.
- Arrange for an annual performance appraisal of the Senior Pastor focusing on progress in accomplishing Desired Outcomes and compliance with Executive Limitations.
- Discuss and review corrective actions with individual Board members when they violate their responsibilities. When resolution cannot be obtained with an individual Board member, the Chair shall in Executive Session of the Board conduct a review of the policy and develop recommendations for any necessary corrective actions. If the Board member in question is the Chair, then this responsibility falls to the remaining Board members.
- Act in all areas of Board management left unstated within these policies as long as this action is not in conflict with the Constitution and Bylaws or other Board policies.
- Remain accountable for his or her authority when delegated to another.

4.4.2 The Vice-Chair shall:

- Preside at all meetings of the Board and Congregational assemblies in the absence of the Chair.
- Assume responsibilities delegated by the Chair.
- Direct and administer the policy review process mandated by this policy manual, identifying the OSLC and OA CCDC policies to be reviewed at monthly meetings and ensuring that all policies are reviewed at least annually.

4.4.3 The Secretary shall:

- Record the official minutes of the Board meetings and Congregational assemblies and present them to the Board for review and approval. Direct their distribution to the members of the Board, the Senior Pastor and others requested by the Board.
- Preserve the approved minutes of all meetings for the OSLC and OA CCDC archives.

- Preserve regular and special reports made to the Board and, at its direction, make summaries or copies of them available to its members and, if necessary, to members of the Congregation.
- Maintain the official Governance Board Policy Manual, providing an updated manual to the Senior Pastor and all members of the Board within 60 days of an approved change.
- Maintain an official roster of members eligible to vote in Congregational assemblies, in accordance with the Congregational Bylaws, and update that roster at least annually.
- Conduct an annual inventory of all legal and policy documents of OSLC and OA CCDC and maintain a list of each document and its current location and date of issue.

#### 4.44 The Finance Officer and Deputy Finance Officer.

- Selection: The Finance Officer shall be selected from the members continuing their terms, and the Deputy Finance Officer shall be selected from the newly elected members. This will ensure continuity of responsibility and knowledge transfer.
- Accountability: The Finance Officer and/or Deputy Finance Officer shall provide reporting to the board concerning the following items which they shall prepare:
  - Financial Review – annual and triannual
  - Signature Matrix – updated annually.
  - Delegation of Signature Authority letters – updated annually
- Implementation of Controls: The Finance Officer and/or Deputy Finance Officer shall be responsible for overseeing the phased approach implementation of the 15 Process controls, Entity level controls, and Board Level controls, as recommended by the FIP Team.
- Implementation of Recommendations: The Finance Officer and/or Deputy Finance Officer shall be responsible for overseeing the phased approach implementation of the recommendations by the FIP team to address the Findings as expressed in the Findings documents.
- Financial Reporting: The Finance Officer and/or Deputy Finance Officer shall interface with the Director of Finance, Financial Secretary, Treasurer, Accountant and Bookkeepers to ensure that the Governance Board is apprised of timely and accurate financial reports on a monthly basis including the following:
  - Income and Expense Statements
  - Balance Sheets of all accounts
  - Cash Flow Statements with projections
  - Spending against Budget with variance
  - Accounts Receivable aging report (OA)
  - Liabilities (mortgage, loans, revolving credit)
  - Equity gains and losses
  - Net assets

4.5 Cost of Governance: Because governing poorly costs more than learning to govern well, the Board will invest in its governance capacity. Board skills, methods, and supports will be sufficient to ensure governing with excellence.

4.5.1 Training and retraining will be used liberally to orient new members as well as to maintain and increase existing member skills and understandings.

4.5.2 Annual monies will be budgeted to cover the cost of training and retraining, including any personal expenses incurred for such training.

4.5.3 Outside monitoring assistance may be arranged so that the Board can exercise confident control over organizational performance.

4.6 Board Committees: Board committees are temporary and formed at the discretion of the Board to accomplish specific, short-term objectives. These committees may or may not include members of the Board.

4.6.1 Board committees are established to help the Board do its job. They will not interfere with current staff operations.

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



## Appendix A Annual Planning

To accomplish its *planning* responsibilities with a governance style consistent with Board policies, the Board will follow an annual agenda that: (a) completes a review of all policies annually, and (b) coordinates the continual improvement of Board performance.<sup>3</sup>

A.1 The cycle will start in July with the Board's development of its agenda for the next fiscal year (September 1 through August 30).

- Board education for itself related to Desired Outcomes will be arranged in the first quarter (September through November).
- In the second quarter (January - February), the Board begins obtaining Ministry Action Plan input from the congregation, using a variety of methods including consultation with selected groups.

A.2 The planning cycle will conclude on the last day of May so that administrative planning and budgeting can be based on accomplishing a one year segment of the Board's most recent statement of Desired Outcomes and Target Areas.

A.3 The annual Board calendar of events will include the following:

|        |                                                                                                                                                                                                                                                    |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| June   | Conduct Congregational Assembly Meeting where MAP is submitted for approval.<br><br>Conduct election for Congregation to elect new Board members.                                                                                                  |
| July   | Board members elect Board officers.<br><br>Returning Board members update new Board members on Target Areas.<br><br>Conduct a team building activity.<br><br>Supply budget guidelines to Senior Pastor.<br><br>Review Governance Process policies. |
| August | Prepare for Congregational Assembly.<br><br>Receive and review proposed budget from Senior Pastor and Finance Team.<br>Ap                                                                                                                          |

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<sup>3</sup> This *section* assumes that election of Board members is staggered with three new Board members each year.

|           |                                                                                                                                                                                                                                                                           |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           | <p>Approve one-month budget for OA/OSLC remaining budget will be approved in September</p> <p>Receive report from Senior Pastor on progress on Target Areas.</p> <p>Conduct September Congregational Assembly meeting where budget is submitted for approval</p> <p>.</p> |
| September | Begin fiscal year (September 1).                                                                                                                                                                                                                                          |
| October   | Arrange for Board education related to Desired Outcomes that will occur during the year.                                                                                                                                                                                  |
| November  | Receive Pastor's report on MAP progress.                                                                                                                                                                                                                                  |
| December  |                                                                                                                                                                                                                                                                           |
| January   | Review Board-Senior Pastor Relationship policies. Complete Senior Pastor's Annual Review between January and March.                                                                                                                                                       |
| February  | Obtain Congregational input for Target Areas.                                                                                                                                                                                                                             |
| March     | <p>Review Executive Limitations policies.</p> <p>Conduct Board retreat/working group to develop next fiscal year major target area list.</p> <p>Appoint Nominating Committee for to prepare for congregational elections.</p>                                             |
| April     | <p>Receive report from Senior Pastor on progress toward current Target Areas.</p> <p>Review Desired Outcomes policies.</p>                                                                                                                                                |
| May       | <p>Evaluate Board process.</p> <p>Prepare for Congregational Assembly and election of new Board members</p> <p>Conclude Board cycle and celebrate.</p>                                                                                                                    |

A.4 The Board may revise any Board policy at any time. Requests and recommendations for changes may come from members of the congregation, members of the Board, or the Senior Pastor. All requests and recommendations should be dealt with in a timely manner, and those providing the request or recommendation shall be advised of the Board's decision concerning its adoption and implementation.

A.5 The Board shall conduct an annual self-appraisal to identify areas and actions for improvement. The self-appraisal shall focus on:

- Board structure
- Board members
- Board meetings
- Board policies
- Fiduciary responsibility
- Organizational performance
- Executive development
- Communication and compliance
- Overall effectiveness

## Appendix B – Governance of the Open Arm Christian Child Development Center

The following policy shall be effective July 21, 2010 until superseded by modification or by approval of an amendment incorporating an Open Arms Christian Child Development Center governance policy into the existing By-Laws of Our Savior Lutheran Church.

The Our Savior Lutheran Church (OSLC) Governance Board as elected by the Congregation of OSLC shall be the governing body for the OSLC Open Arms Christian Child Development Center (OA CCDC). The Board will maintain communication from the OA CCDC to the OSLC Congregation through periodic meeting notes, information papers, or articles to the Congregation and Congregational Assemblies as required. The Director or Assistant Director of the OA CCDC will provide a monthly report concerning plans, developments, challenges, changes in policy, and finances to the Board to support its oversight responsibilities.

Responsibilities of the Board shall include:

- Conduct monthly meetings that include the Director of the OA CCDC;
- Initiate the call or hiring of the Director of the OA CCDC based on the recommendation of the Senior Pastor;
- Initiate the call or hiring of the Assistant Director of the OA CCDC based on the recommendation of the Senior Pastor and Director of the OA CCDC;
- In consultation with the Senior Pastor, prepare and present to the congregation the long- and short-term goals of the OA CCDC at the September Congregational Assembly;
- Assist, as requested, the Senior Pastor and Director of the OA CCDC in developing plans, policies, procedures, and programs;
- Approve plans, policies, procedures, and programs that guide the operation of a Christ-centered OA CCDC consistent with Lutheran doctrine;
- Assist the Senior Pastor and Director of the OA CCDC in providing a program that meets State requirements and fulfills the purpose and goals of the OA CCDC and OSLC;
- Provide input to the Senior Pastor's annual evaluation of the Director after the initial 90-day probationary period;
- In conjunction with the Senior Pastor, ensure the focus of the OA CCDC is on the Congregation's mission, purpose, and philosophy.

## Appendix C – Senior Pastor Performance Review Procedure

### OVERVIEW OF REVIEW PROCESS

The Board policy requires that the Senior Pastor receives an annual performance review in August. The Board is required to measure the Senior Pastor's performance in the following areas:

1. **Desired Outcomes.** Desired Outcomes are objectives that the Senior Pastor is working to achieve, on behalf of the Congregation, the Board of Directors, or the Senior Pastor. These outcomes may be short term (achievable within a year), medium term (achievable within up to 4 years), or long term (requiring more than 4 years, as planned). Each year at least one desired outcome should be identified for review.
2. **Executive Limitations.** Executive Limitations are limitations placed on the authority of the Senior Pastor. Limitations are formally outlined in Section 2 of the Governance Board policy manual and should be reviewed annually as part of the review process.
3. **Ministry Action Plan.** The Senior Pastor is responsible for drafting the current year's ministry action plan. The key dates for the plan are outlined in section 1.6 (and/or Appendix A) of the Governance Board policy manual and should be reviewed at the initial review meeting (see below).
4. **Professional Development.** Each year at least one key development goal should be identified in the areas of Spiritual Growth and Administrative Oversight. Each of these key developmental goals should be reviewed as part of the review process. Medium and Long term goals are reviewed for progress from year to year, while Short term and Medium or Long term goals with planned end dates in the current review cycle are reviewed against stated objectives.

| Start Date  | End Date    | Item or Action                                                                                  |
|-------------|-------------|-------------------------------------------------------------------------------------------------|
| September 1 | October 30  | Meet with Senior Pastor to review goals and responsibilities for FY                             |
| February 1  | February 28 | Meet with Senior Pastor to review progress on key goals; track progress on key responsibilities |
| March 1     | July 31     | Collect pertinent review data (as required)                                                     |
| August 1    | August 31   | Meet with Senior Pastor to perform review                                                       |

The Governance Board will analyze all of the work the Senior Pastor has been called to perform, particularly duties and tasks that are outlined as part of the Senior Pastor's call documentation. The duties and tasks from the call documentation together with the agreed upon key goals and responsibilities identified during the initial review meeting will form the complete job definition to be used during the review process. The Governance Board and the Senior Pastor should review and agree on the list of duties at the beginning of the evaluation period.

## MEETING DATES AND OBJECTIVES

Each review should be conducted with the current Governance Board and the Senior Pastor. A sub-committee of the Governance Board may be tasked with these duties, subject to section 4.6 of the Governance Board manual, with the added requirement that the committee consist of at least 3 individuals, including at least one of: the Chair of the Board or the Vice-Chair of the Board. The committee shall be composed of members of the current Board, and may include a single Elder.

### INITIAL REVIEW MEETING

An initial review meeting should be conducted between August 1 and November 1. This initial meeting may be held concurrent with the annual performance review. This initial meeting should accomplish the following objectives:

1. Optionally review basic duties and tasks expected of the Senior Pastor. This review is primarily intended for new members of the Governance Board and may be excluded.
2. Review executive limitations as outlined in the Governance Board Policy manual.
3. Identify a key desired outcome to be used in the review process.
4. Identify a Spiritual Growth development goal to be used in the review process.
5. Identify an Administrative Growth development goal to be used in the review process.
6. Review the expected Ministry Action Plan development dates, work products and expectations.

### MID-TERM REVIEW MEETING

A mid-term review meeting should be conducted during Month of February. This med-term review meeting should accomplish the following objectives:

1. Review progress on the key desired outcome identified previously.
2. Review progress on the Spiritual Growth development goal identified previously.
3. Review progress on the Administrative Growth development goal identified previously.
4. Review the progress on the Ministry Action Plan work product.

5. Identify any updates to any of the plans or review items and document the changes for use in the final review meeting.

## ANNUAL REVIEW MEETING

The annual review meeting should be conducted during the month of August. This meeting should accomplish the objective of rating the 4 key review items (perhaps modified) identified at the mid-term review meeting, as well as a rating against the “Basic Duties and Tasks” and “Executive Limitations” identified at the initial review meeting. For purposes of rating, performance against the Ministry Action Plan is not considered a “Basic Duty”. This should result in a review with 6 ratings of the following items:

1. Basic Duties and Tasks
2. Executive Limitations
3. Key Desired Outcome
4. Development of the Ministry Action Plan
5. Spiritual Growth Development Goal
6. Administrative Development Goal

Although the review is somewhat subjective, one of three general outcomes will be identified for each of the areas listed above. These outcomes fall into three general categories of “failure to meet goal(s)”, “met goal(s)”, and “exceeded goal(s)”. These categories are meant to identify where expectations have fallen short, been met, or been exceeded. For any case where exceptional performance (or exceptional lack of performance) is observed, additional documentation should be generated indicating specific areas of deficiency or extraordinary accomplishment.

Performance evaluations should be maintained for a period of 3 years (or as long as required by law) in a confidential file. Periodic updates and reviews of the goals should be done informally as part of the pastor’s report to the Governance Board during normal meetings.

## Appendix D: Discretionary Expenditures

### PURPOSE

The Pastor's Discretionary Fund is a designated budget line (as defined by the congregational budget) that is made available to the pastor(s) to distribute as the need arises, typically for emergency financial aid. The appropriate and traditional use of discretionary funds is to address needs among congregation and community (Gal 6:10). Typically this will result expenditures for food, rent, utilities, medical bills, and similar expenses for persons in need.

### POLICY

The Senior Pastor is responsible for distributions from the fund. Formal *documentation* and recording of dispersions is not required, but any and all records are to be considered confidential and held by the Senior Pastor. The church acknowledges that the Senior Pastor is authorized to distribute this fund at his discretion and is not required to provide any details regarding who receives assistance.

The Governance Board, Board of Elders, or Congregational Assembly may request General Information regarding types of assistance requested (food, transportation, housing, etc.) to assess the changing needs of the community and individuals. General Information is defined as any relevant and non-confidential information that will satisfy the request.

Subject the guidance above, the following uses are prohibited, without appropriate authorization from the Governance Board or Congregational Assembly:

1. Expenditures for the purpose of cash assistance are prohibited. The Pastor should use funds for goods and services to provide help for an immediate need. By way of example: bus tickets, a bag of groceries, or direct payment of a bill are all acceptable uses of the fund. *Due diligence shall be exercised to ensure that OSLC financial information that could be used to defraud the congregation is not divulged to aid recipients.*
2. Expenditures for the purpose of providing funds as a loan are prohibited (Luke 6:34). The church should not be in the business of providing loans. This prohibition applies to the church, not the individual receiving assistance. If individuals receiving aid feel compelled to repay any disbursed expenditures, they may donate to the General Fund, Discretionary Fund, or any other Fund as they feel led.



## Appendix E: Health Insurance Policy

### PURPOSE

Our Savior Lutheran Church intends to care for those staff members that are called or employed as a part of ongoing ministry activity. Part of that care includes the opportunity to participate in group health insurance coverage for the staff member and their family. This policy defines the cost sharing arrangements for the coverage provided. It is expected that this policy will change from time to time as the cost of health insurance changes.

### POLICY

Effective March 1, 2016, the health insurance policy for Our Savior Lutheran Church (“OSLC”) and Open Arms Christian Child Development Center (OA CCDC) will be as follows:

The cost of the health insurance premium for all staff members of OSLC and OA CCDC who elect coverage will be paid 50% by the staff member and 50% by OSLC. This applies to individual and family coverage.

The current health insurance policy includes a deductible. OSLC will pay 50% of the deductible into a Health Savings Account (HAS) account for each staff member or family electing coverage under the OSLC program.

All staff contributions for health insurance premiums will be made through a payroll deduction.

## Appendix E: Transfer of Authority Following Elections and Filling of Vacated Board Positions

### PURPOSE

An election to determine new members of the Governance Board takes place annually. This policy defines the responsibilities and authority of the incoming and outgoing members of the Governance Board during a transition period between the end of an election and the assumption of duties by the newly elected members. It also provides policy concerning the selection of candidates to fill Board seats vacated during the term of service (e.g., a Board member resigns due to relocation, and at least 30 days remains until the next Board election).

### POLICY

**Transfer of Authority:** It is customary within the tradition of OSLC to mark the call of a new minister or servant of the church by celebrating with a service of installation. This service is typically used to mark the beginning of the ministry or period of service in the church. In continuance of this tradition, we recognize that an elected member of the Governance Board is a member-elect until such a time as an installation service may be conducted to formally install the member to the Governance Board.

Until such a time as an installation service for the member-elects has been conducted, any meeting of the Governance Board, which may include member-elects, is understood to include the voting authority of the existing Governance Board members only. The member-elects, if present, may participate in discussion, receive briefings, indoctrination, or other “onboarding” information, but may not vote. The authority of the member-elects is assumed at the convening of the first Governance Board meeting following the installation service.

This policy does not apply to appointments that may be made from time-to-time to fulfill vacancies on the Governance Board. In the case of an appointment, voting authority is assumed to exist at the first Governance Board meeting following the appointment, although an installation service may still be performed.

**Filling of Vacated Board Positions:** In considering candidates to fill vacated positions on the Board, the Board will give priority to the un-elected candidate from the most recent election who received the most votes. If that person remains willing and able to serve on the Board, he/she will be appointed to the vacancy for the duration of the elected term. If he/she is no longer willing or able to serve in this capacity, the un-elected candidate with the next highest number of votes will be appointed if he/she is willing to serve. If no un-elected candidates are willing or able to serve, or there are no such candidates, the Board will elect a new Board member from among qualified Congregational Assembly members, in accordance with Article IV, Bylaws.

Board members appointed or elected by the Board to fill vacant positions will serve until the next election. They remain eligible to seek nomination for up to two consecutive Congregationally elected two-year terms.

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