

CGLCS Constitution – Bylaws – Policies FAQ

Q#1. What is the difference in what we had before and what we are moving to (Policy Based Governance)?

A#1. Parish Planning Council: Prior to 2012, Christ's Greenfield used a Parish Planning Council model where voters elected officers (President, Secretary, etc) and chairs for a variety of boards such as Stewardship, Evangelism, Youth, Education, etc. Ideally they act as a traditional board but often each chair is focused on their part of the ministry budget and events rather than the church as a whole.

Policy Based Governance: During 2012, while Interim Pastor Homan was serving at Christ's Greenfield, he encouraged the Council and Voters to move to a Policy **Based** Governance. He suggested this governance is a more desirable one for attracting Pastors as it gives the Pastor/staff more control yet still accountable to the Board and the Members. The downside to Policy **Based** Governance is that it doesn't create a clear method of organizational accountability. Boards are focused more on present and past acting and often on activities being completed, rather than on Ends being achieved.

Policy Governance©: Policy Governance© provides clear delegation to the Senior Pastor. The policies identify the results expected (or Ends), for the Senior Pastor. The results/Ends outlined, must consist of three components: what benefits are to be provided, for what recipients, and at what cost or worth. Those policies do not instruct the Senior Pastor regarding how to achieve those results as long as they are done within the limitations set forth in policy maintaining ethical and prudent management (Senior Pastor Limitations policies).

With this model, the Board spends very little time on day to day activities but focuses on connecting with Owners (Members) to understand values, perspectives, wants and needs. Then develops policies within which the ministry management operates, and that describe the Board's own work and processes. The Board lastly assures that the Senior Pastor is in compliance with the policies through a structured, rigorous and consistent monitoring process.

For more information, along with a diagram, please see the Policy Governance© Summary document provided to the Members under separate cover.

Q#2. With this new structure who will be able to do what?

A#2: The Voting Members of CGLCS (via a Voter's meeting) may:

1. Call or remove a Pastor
2. Elect or remove a Board member
3. Any disposition of real property (existing or constructed), if the price of the contract(s) exceed(s) 15% of the previous fiscal year's actual non-restricted operating revenue. Real property is defined as land and anything growing on land, structures, and fixed improvements to land and/or structures. (For 2019 this would be approximately \$593K)
4. Excommunicate a member of CGLCS
5. Merge or dissolve the church
6. Merge or dissolve the school
7. Amend Constitution or Bylaws

All other decisions are given to the Board of Directors. However, these decisions are further limited by the Policies adopted by the Board. See the Policy Manual summary document for more details on the 4

sets of policies. [Ends, Senior Pastor Limitations (SPL), Board – Senior Pastor Delegation (BSPD), and Governance Policies (GP)]

The Board of Directors delegates to the Senior Pastor other operational decisions, but once again, limited by Senior Pastor Limitations (SPL) and Board – Senior Pastor Delegation (BSPD) policies.

Q#3. What about approving the budget?

A#3: In the new structure the Senior Pastor is still responsible for creating a budget which will accomplish the Ends. However this budget is considered “pre-approved” by the BOD as long as it does not violate any of Senior Pastor Limitations Policies.

Q#4. Concerning budget, it seems odd that budget isn’t even mentioned in the Bylaws.

A#4. References to the governance of the Church financial condition are mentioned in Articles 3.2.3.1 (Reporting on) and 4.6.2 & 4.6.2.1 (Defining policies to govern). In addition, The Senior Pastor shall not permit planning that allocates resources in a way that deviates materially from Board-stated Ends priorities, risks fiscal jeopardy, or does not enable the longer-term ability of the church to achieve Ends. Refer to SPL-5 Financial Condition and Activities, for the specific limitations of the Sr. Pastor in the financial governance of the Church. Lastly, the Board has the power to engage outside, independent legal and audit council on any given year to ensure policies are clear and being met within legal, financial and good accounting principles.

Q#5. I still much prefer to have at some type of congregational token input on the final product.

A#5. While it certainly is feasible in a smaller church contexts, this is much harder to do for a very large church and school. Currently the annual budget takes hundreds of man-hours to create and covers nearly \$5M in spending including nearly 100 people on staff. It is simply impossible for voters to really make an informed decision in a couple of hours as to whether or not they should approve or disapprove an annual operating budget or whether or not specific line items are correct.

Policy Governance© requires that the Sr. Pastor meet the required Ends (results) as outlined by the congregation (via the Board), within the boundaries of the Sr. Pastor Limitations. The Board will be reviewing strict monitoring reports and be able to dynamically assess the financial stability of the church at any given time (and to report back to the congregation). The Sr. Pastor will be required to retain qualified professionals to develop a sound budget that will further the clearly established Ends of the church and school in a fiscally prudent manner. This requires fiscal transparency with the Board and the Congregation.

Q#6. What is to keep the Senior Pastor from bankrupting the church or going rogue and doing what he wants?

A#6. The Senior Pastor Limitation (SPL) policies provide explicit boundaries that the Sr. Pastor must operate within to achieve the Ends. At the highest level, he cannot do anything unlawful, imprudent, unethical,

or in violation of Scriptural imperatives or the Constitution and Bylaws, including the Confessional basis delineated in the Constitution.

Some more specific examples of what Senior Pastor **may not do**:

- Permit operating revenue estimates to be derived from unrealistic assumptions regarding current membership, historical trending, and projected giving consistent with current economic conditions. Nor Permit unrealistic projections of school enrollments (SPL-4 #'s 3.1 and 3.2)
- Permit budgeting that provides for inadequate funding for current and future maintenance and repairs of the facilities. (SPL-4 #4)
- Saving an amount of revenue less than is required to meet operational liquidity needs for an adequate amount of time. (SPL-5 #2)
- Exceed any capital budget items by more than 20% (SPL-5 #6.1)
- Allow financial transactions that do not provide an audit trail. (SPL-5 #7)
- Permit the organization to have inadequate bonding and inadequate insurance against property and casualty losses. (SPL-6 #1)
- Receive, process, or disburse funds under controls that are insufficient to meet the Board-appointed auditors standards (SPL-6 #4)
- Cause or allow buildings and equipment to be subjected to improper wear and tear or insufficient maintenance. (SPL-6 #5)
- Change his own compensation and benefits, except as his benefits are consistent with a package for all other employees. NOR Allow individual salaries for Called or non-Called personnel to fall more than 10% below the salary guidelines established by the District for such personnel. (SPL-7 #1 and 3)

These are just a sampling of examples. The full list can be found in the Senior Pastor Limitations Policies (SPLs-1 through 9)

Q#7. That is a lot of polices. Can you just summarize who can spend how much?

A#7.

1. Sr. Pastor can spend up to \$100,000 of non-budgeted items without Board approval
2. Board can approve spending between \$100,000 of non-budgeted items and up to 15% of the previous fiscal year's actual non-restricted operating revenue. (\$593K for 2019)
3. Only Voters can approve spending over 15% of the previous fiscal year's actual non-restricted operating revenue (\$593K for 2019)

Q#8. That's great but Pastors are not trained in accounting. How do we know that the books will have proper accounting?

A#8. In addition to the Senior Pastor Limitations (SPL) policies on budgeting, spending and asset protection, the Board has a set of policies (GP-7.4) allowing the establishment of an Audit Committee that reports directly to the Board. In addition, they have the ability to execute an independent external audit of finance processes, policies and reporting. This includes a review of the reasonable interpretation and accuracy of data within the monitoring reports provided by the Sr. Pastor throughout the year.

Q#9. On a practical note, who will sign checks? There is not any provision for a treasurer or comptroller role in the bylaws or constitution. So is that role just gone? How is this filled with any cross check / balance?

A#9. The Sr. Pastor is responsible to hire his own staff and to include the necessary checks and balances to adhere to Federal and State law, Good Accounting Practices, as well as the Sr. Pastor Limitations policies. It is not the Board's responsibility to tell the Sr. Pastor how to execute these financial provisions. It is the Board responsibility however, to ensure that the Church is in consistent compliance by a rigorous monitoring process via reports, direct inspection and/or independent audit. Failure to meet these requirements while staying in compliance can result in removal from office.

Q#10. In the Bylaws 1.2.3 there is a term used without any further definition; 'non restricted operating revenue'. What is this?

A#10. Non-restricted means that there are no donor, board, or policy restrictions that apply which would dictate how the funds must be spent. Examples of non-restricted operating revenue include:

- General Annual giving
- Operating draw from the OneFund
- School Tuition
- School Registration Fees
- Dividends / Interest Income

Q#11. Ok, so what do the members (Owners) of CGLCS get to do?

A#11.

- The Bylaws require at least one Voter's Meeting per year which is to include a report from the Board on the Ends, Financial reporting and Board of Director elections.
- Participate/VOTE in all Voter's Meetings called for any of the 7 reasons outlined in Question #2.
- Participate in the process by which the Board of Directors will connect with owners where the Board is soliciting information and feedback from CGLCS members (Ownership Linkage Committee).
- Participate in Nominating or Call committees when invited to do so.
- Participate in the Senior Pastor/CGLCS executive team Town Hall meetings to also give feedback and input on operational plans to meet the Ends. (For example, recent Focus Group meetings for Live the Journey)
- Freely share your skills and gifts in particular areas of ministry you feel called to be a part of !!!

Q#12. In this new structure, what is the Divine Call process?

A#12. Call Process for Minister of Religion Ordained - Senior Pastor

- Bylaws Article 1.2.1: The Congregation has the power through its voting members to Issue a Divine Call of Minister of Religion Ordained.
- Bylaws 6.1 and Policy GP-2 (4.2) The Board shall establish a Senior Pastor Call Committee to serve as a Board committee for the purpose of assisting the congregation in its decision to issue a Divine Call to a Senior Pastor, as needed.
- The Call Committee established by the board for the purpose of helping the congregation to issue a Divine Call to a Senior Pastor will be the search committee and provide the call that will be voted on by the congregation.

Call Process for Minister of Religion Ordained - Other

- By Laws Article 1.2.1: The Congregation has the power through its voting members to Issue a Divine Call of Minister of Religion Ordained.
- The Senior Pastor is responsible for adequately screening and determining suitability for the position, and since these Ministers will report directly to the Senior Pastor, he will form search committees to assist with searching for and determining those candidates to present to the congregation to issue a call.

Call Process for Minister of Religion - Commissioned

- Senior Pastor Limitation SPL-2.5. The Senior Pastor is responsible for adequately screening and determining suitability for the position of Minister of Religion Commissioned.
- The Senior Pastor is responsible for adequately screening and determining suitability for the position, and since these Ministers will report directly to the Senior Pastor, he will form search committees to assist with searching for and determining those candidates to present to the Board to issue a call.
- Per Policy GP-2 4.3 the Board shall issue a Divine Call of a Minister of Religion - Commissioned.

Q#13. What are the different types of ministers in the Lutheran Church?

A#13. In The Lutheran Church – Missouri Synod professional church workers are classified into 2 categories (this is largely for Federal Tax purposes); Ministers of Religion – Ordained and Ministers of Religion – Commissioned

- Minister of Religion – Ordained, are all pastors.
- Ministers of Religion – Commissioned include: Director of Christian Education (DCE), Director of Christian Outreach (DCO), Deaconess, Director of Family Life Ministry (DFLM), Director of Parish Music (DPM), Lay Minister, Parish Assistant, Teacher, as well as some combinations of the above.

Again, members will be able to vote on any Minister of Religion - Ordained (Pastors). The Sr. Pastor has the authority, within the Sr. Pastor Limitations Policies, to call Ministers of Religion - Commissioned.

Q#14. In the Constitution: Article 3: Bullet Point 2, what is the meaning of the words "Symbolical books"? Why is this phrasing used in place of the term "Confessional writings"?

A#14. Symbolical books is our confessional writings, mostly of the 16th century. The terms are often used interchangeably. Symbolical books is one of the terms used in the Pastoral Ordination Vows. This is a standard LCMS phrasing so there is consistency between Ordination Vows and Constitution and Bylaws.

Q#15. Article 6.1 in the Bylaws decreases the non-Board members of the Senior Pastor Call Committee from three to two and places a limit on the size of the committee. What was the issue with the previous requirements that necessitated a change?

A#15. The size of the Senior Pastor call committee allows seven congregational voting members. Two of which are voting members that are not on the Board and five of which are on the Board. This is an adequate size to represent the congregation and the odd number of seven, does not allow for a split

vote. The committee is to determine from the qualified candidates who will be extended a Divine Call. The two congregational voting members on the committee that are not board members, have a significant role and will also provide ownership/member linkage. The Board members on the committee also have a responsibility to represent the congregation. In Governance Policy (GP-1), The board's knowledge and training with the Governance model will be needed for search and selection of qualified candidates.

Q#16. Quorum numbers of a majority of attending voters seem too low.

A#16. The Board deliberated on this element of the Bylaws for quite some time. The current requirement is that 35 members are required to hold a voters meeting. We frequently have to "recruit" voters that are congregated in the courtyard to come sign in to vote, even when they were not invested in the topic.

Moving forward, the intention will be that meetings and agendas will be communicated well in advance so that all voters who are invested in those agenda items will make it a priority to attend. We anticipate Members being engaged and actively participating.

Q#17. 100 members petition for Voter/Special Meeting, meeting agenda item add or proposing amending the Articles of the Constitution seems too high.

A#17. This is about 5% of the church membership. For concerns that require a meeting, an agenda item add or a proposal to amend the Constitution, this is a reasonable number of membership requesting a change. Given that the Board's #1 job is to connect with owners (Members) to understand their values, perspectives, wants and needs, we should already be addressing these issues before it gets to the point of needing Members to petition.

Q#18. How are new Board of Director members elected?

A#18. The Board will establish a Nominating Committee consisting of 5 members both current Board members and non-Board members. This committee will ensure governance excellence and the continuity of the Board's responsibilities by presenting the Voters with qualified candidates for election at the appointed time and according to the terms set forth in Article 4 of the Bylaws. The Nominating Committee's role and responsibilities are outlined in the Board Policies: GP-7.1.

Bylaws Article 6.2.1. Board Members hold three year terms (renewable twice) and are elected at a Voter's Meeting.

Q#19. Provide a matrix of Board qualifications.

A#19. In addition to the requirements in the Constitution and Bylaws, the Board Member must meet all of the requirements as outlined in the Governance Succession Planning policy (GP-11) as well as be able to sign the Board Code of Conduct policy (GP-8).

Q#20. Is the Chief Governance Officer the same as the Board Chair?

A#20. Yes, the Board Chair and Chief Governance Officer (CGO) titles can be used interchangeably. Roles and responsibilities of Board Chair can be found in GP-4. The Chair has an equal role as the other

board members, with just some specific tasks and responsibilities. As other Board members, the CGO must consistently abide by the Board Code of Conduct (GP-8).

Q#21. What is the feedback loop from the Board to the members? The Bylaws only state an Annual Meeting as required, shouldn't have more details on this feedback process?

A#21. It will take some time for the Board to establish and execute on a regular and consistent ownership linkage plan, but all the requirements for the Board to maintain an active channel of communication with church members is outlined the Board Linkage with Ownership policy (GP-10). In addition, you can expect the Board to recruit Lay-people to be engaged on the Ownership Linkage Committee. They will research and develop a comprehensive ownership linkage plan that may include focus groups, surveys, outreach to journey groups just to name a few. The Bylaws state there must be at least an Annual Meeting but Special Meetings or Town Halls can happen more frequently.

Q#22. How are lay-people utilized? - appears to be heavy board.

A#22. There are a wide variety of ways that lay-people can be utilized, both by the Board and by the Church operations staff. From a Board perspective, they can be nominated for a position on the board, they can be consulted in the event that expertise is needed in a certain area (ie. Audit) and they will be heavily utilized in the Boards primary responsibility, which is keep a feedback loop open with the Owners of the church. The Ownership Linkage committee (a Board committee), will be needing Lay-people to serve, as well as Lay-people can attend and provide feedback in any of the ways that the Board utilizes to connect via this committee.

From a Church operations perspective, lay-people will continue to be needed in almost every aspect of Church ministry! The requirements of each ministry and the exact utilization of members are part of the delegated responsibilities given to the Sr. Pastor, working within the boundaries of the Sr. Pastor Limitations.

Q#23. What about my Elder?

A#23. Most other Christian denominations make distinctions between the various "titles" for spiritual leaders found in the New Testament, such as elder, deacon, bishop, pastor, shepherd, prophet, evangelist etc. The official position of The Lutheran Church – Missouri Synod is that ALL of these titles are to be understood under the one office of Ordained Pastor. While many LCMS congregations make use of "elders" in ways similar to other Christian denominations, our church body does not recognize that as an office separate from Pastor. Therefore, while the gifts of women will be utilized at CGLCS in a variety of ways (Deaconess, Teacher, DCE, Lay Leader and Board member), women will not occupy the role of Pastor or Elder.

The Elders would be under the Pastoral supervision, report directly to the Sr. Pastor and be selected/appointed by the Sr. Pastor, their terms would be for as long as the Sr. Pastor and the Elder are comfortable with them serving, the number of Elders would begin with the current amount of 6 Elders and would then be expanded as necessary. Elder roles would be much more centered on the spiritual side of caring for the congregational members with some Theological training in preparation for leading different groups and educational studies, and providing support when needed to congregational members in time of need, potentially have members that also include individuals that are wanting to pursue the Ministry both Pastor, Bi-Vocational and full time, DEC, commissioned ministers, etc. and lay

persons as well. Elders would continue to serve as Worship Assistants and Eucharistic Assistants, also.

Q#24. What role do the school parents play in decisions and input?

A#24. Students have been identified as one of the primary beneficiaries of the ministry as outlined in our Ends statement (E-2) in the Board Policy Manual. As such, the Board will be need to be diligent in ensuring compliance with the policies outlined in E-2 for the benefit of the students (and families) that we serve in the school. In addition, the Board has written into policy (SPL-1) in the Senior Pastor Limitations, specific language that directs the staff to ensure that parents are involved in key decisions. The Senior Pastor and Staff will be responsible for demonstrating compliance with the above policies to ensure that parents have appropriate input on key decisions.

Q#25. Will Policies continue to be made available to the congregation?

A#25. Yes, we'll continue to make the Church Constitution, Bylaws, and Policies available to the congregation in a designated area on our website. They will also be available in hard-copy in the office.

Q#26. I know I don't understand all of the intended, but can't help but wonder - what is the plan to insure adequate staff resources to actually get all the work accomplished? In general it strikes me that lot of what has been handled by volunteers is going away.

A#26. There is no expectation that the work of the church will continue without the continued support of capable volunteers. The Senior Pastor will now be charged with soliciting support from volunteers in ensuring that the work of the ministry is accomplished. He (and his staff) will be free to determine what will be the best way to utilize this support. This is in contrast to the former model, where the Board was charged with completing some of the work of the staff (ie. Finance Committee). The Board will be monitoring performance and planning to ensure compliance with policies, which will include the proper allocation of resources (financial, people, and time).

Q#27. Where is the check/balance on exceptions to policy? (Nepotism, hiring without job descriptions are a few that come to mind that we have tripped over historically)

A#27. Under Policy Governance©, we should not be making exceptions to any policies. The BoD pre-approves all projects and activities that the Sr. Pastor does to achieve the Ends, provided that he does not violate Senior Pastor Limitations (SPL's). If there are policy violations it will become known through monitoring reports, and repeated violations become a performance issue.

The issues you are asked about, are governed through HR-related SPL's. The Sr. Pastor will provide interpretations and monitoring regarding these HR related SPL's. If nepotism and job descriptions remain a concern after reasonable reporting is provided, then BoD has the means to edit SPL's to give further clarity on these issues.

Q#28. In the last revision of the Policy Manual in 2015/16, a fair number of the pastoral restraints were written in because of prior experiences. It doesn't seem many if any of them survived into the new version. Was there a reason to exclude the things that we already have had learning's from? How is it these get into operating policies and what is the audit check against policies being followed? (Everyday stuff like closing the books, hiring, starting budget planning early and with a calendar in mind for deadlines.)

A#28. The Policy Governance© process requires that a Board “govern” the operation of the Church not “manage” it. This is the main advantage and strength of the this new process. It allows much more freedom of the Sr. Pastor and his team to plan and execute strategies to meet the Ends (Results) that are prescribed by the Members (via the Board) while doing so within the boundaries of the Sr. Pastor Limitation policies. It also requires stricter reporting and monitoring of compliance to these limitations and recognition and achievement of the Ends. This includes direct inspection and independent auditing. Finally, the monitoring of compliance is a natural template for a performance review of both the Sr. Pastor as well as of the Board. Through regular and consistent monitoring, there will be a documented track record of compliance and achievement. Should there be consistent failures over a period of time, this would warrant removal from office (Pastor or Board).

Because of this diligence, the Board does not exist to tell the Sr. Pastor (or subsequently any of his staff) how to do their jobs. We only monitor that they are being done according to the policies set forth and in the best interest of the Church and the advancement of God's Kingdom!