

**Saint Thomas Lutheran Church, Eastpointe, Michigan  
November 2011**

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# **Board of Directors Policy Manual**

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## **1. Desired Outcome Policies**

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Mega Outcome: Through our efforts to express our Christian faith and the love of God, Saint Thomas Lutheran Congregation shall hold itself accountable for:

# 1.1. Desired Outcomes

As a Christian congregation fulfilling the Great Commission (Mt.28) of our Lord and Savior, Jesus Christ, Saint Thomas Lutheran Church has established the following Desired Outcomes of all our ministry efforts and will evaluate those ministries against these Outcomes:

## 1.1 OUTREACH

Through the power of the Holy Spirit, ministries conducted by Saint Thomas Lutheran Church are effective in reaching new believers for Jesus Christ and involving members in outreach in our local community, in our nation, and in the world.

### Major Goals

1. Members are serving in national and international missions
2. Members are identifying community needs and are ministering to them
3. Members are equipped to effectively give personal testimony of their faith to friends and to family
4. No less than 10% of congregation offerings are given to mission outreach beyond the congregation and no less than one half of that amount is given to support the work of District and Synod.

## 1.2 CHRISTIAN EDUCATION

Through conducting a program of Christian education from cradle to grave, Christians are growing in their understanding of Holy Scripture, the Lutheran Confessions, and Christian living so they are fully developed disciples. This program of Christian education includes the operation of both a Lutheran elementary school and Lutheran pre-school whose primary goals are to grow children into full discipleship while also providing the highest level of academic excellence to equip students for a fulfilling Christian life.

### Major Goals

1. An increasing number of members are involved in the study of the Holy Scriptures
2. Members are equipped to apply Biblical truths to their lives as Christians

3. New members understand the six Chief Parts of Luther's Small Catechism
4. Members increasingly are involved in small groups
5. Children and youth are growing in their Biblical knowledge and in their understanding of Lutheran doctrine
6. Our Lutheran School and Pre-school provide academic excellence in which our students regularly score above the community average on standardized tests
7. Our Lutheran School and Pre-school reach families of non-member children and involve them in the ministries of our church, encouraging movement toward active membership

### **1.3. WORSHIP**

Worshippers are involved in Spirit-filled, celebrative worship which honors God, is effective in communicating the Gospel through Word and Sacrament, properly separates Law and Gospel, and is reflective of Lutheran tradition and contemporary in form.

#### **Major Goals**

1. Members and visitors experience a sense of inspiration and joy as their faith is nurtured during worship.
2. Average Weekend Worship attendance (AWWA) annually is equal to approximately 60% of our total Baptized membership
3. Members are actively involved in worship as both participants and servant-leaders.

### **1.4. DISCIPLESHIP**

Christians are equipped for a life of ministry and service, being enabled to live out all areas of their lives as disciples of Jesus Christ and stewards of all God's gifts to them.

#### **Major Goals**

1. Members recognize their gifts and live them out in appropriate service.
2. Members are complete stewards of their time, talents, and treasures.
3. Members, utilizing their passions and gifts, are empowered to respond to congregational and community needs.

4. New members understand their calling and are involved in ministry.
5. Staff members are effective in creating ministries, recruiting volunteers, and empowering volunteers in effective ministries

## **1.5. CHRISTIAN CARE**

All those who are brought into our ministry are cared for in their spiritual, physical, and emotional needs in the Name of Jesus.

### **Major Goals:**

1. Members practice Christian stewardship of their physical lives
2. Those in our community without the ability to advocate for their emotional and physical needs are helped by our ministry.
3. Members have their emotional and physical needs met by our ministries.
4. Members are involved in addressing the physical and emotional needs of our local community, our nation, our world, and our staff.

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## **2. Board of Directors Self-Management Policies**

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These policies define the way that the Board of Directors will manage itself.



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## Accepting Responsibilities

Members of the Board of Directors have a responsibility to each other and to the members of Saint Thomas. Thus they shall

1. actively participate in the worship, educational, growth and service activities of Saint Thomas Lutheran.
2. seek to develop their own personal spiritual life through the use of devotions, prayer, Bible study, and the practice of Christian stewardship.
3. seek to grow as Christian leaders by continually striving to increase their understanding of the theology, mission, and ministry of the congregation.
4. devote themselves to prayerfully seek God's will for the congregation.
5. attend Board of Directors meetings regularly and consider that missing two consecutive unexcused meetings serves as their automatic resignation.
7. invest personal energy and skills in the purposes and objectives of Saint Thomas, seeking opportunities where individual skills and abilities can be applied.
8. show respect for others and respect the right of others to disagree.
8. accede to all decisions once they have been fully discussed and resolved by the Board of Directors. This does not exclude the right of members to hold minority opinions, or to express them within the Board of Directors meetings. However, they should work to change policy rather than hinder actions of the Board of Directors or staff.
9. make no public reference to the discussion of individual members of the Board of Directors made during Board of Directors activities.
10. keep confidential all documents and discussions so identified. However, the minutes will always be a public document.
12. be open to opinions and concerns which may be expressed to them by members of the congregation. All such information shall remain confidential with the individual member of the Board of Directors except as they may share this information with the President and the Board of Directors as a whole when deemed appropriate.
13. Members of the Board of Directors who shall violate any of the policies shall be subject to review and action by the President and finally the Board of Directors as a whole.



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## The Role of the Board of Directors

Primarily ministry is conducted through the boards and their assigned staff. The role of the Board of Directors is to:

1. Establish and monitor the values and mission of the church
2. Establish the Outcomes and Major Goals of the church in the achievement of its ministry
3. Coordinate the planning of ministries in the achievement of the Outcomes and Major Goals
4. Coordinate and supervise the work of the boards. The one exception to this is that the Board of Directors shall not have authority over the Elders in theological matters.
5. Develop Operational Policies which apply to the broad operations of the church
6. Establish and supervise special congregational efforts not directly assigned to a board.
7. Deal with all matters of the congregation involving the church at large or any governmental or legal agencies.
8. Conduct or assign to boards all congregational matters which are not assigned in the church's constitution or by-laws.
9. Propose changes to the congregational constitution and by laws for voters' assembly consideration as deemed appropriate for the effectiveness and efficiency of congregational ministry.

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## Governing Process

1. Group Action

The Board of Directors shall exercise its governing authority as a whole. No individual member of the Board of Directors may exercise such authority except as instructed by the Board of Directors. Members of the Board of Directors shall consider themselves to be members of the Board of Directors only when the Board is in session or when they are on special assignment for the Board of Directors.

2. Policy Review Calendar

The Board of Directors shall establish an annual policy review calendar to coordinate the review of every policy in a five year period. The Board of Directors shall make every effort to coordinate the review calendar with the business cycles of its own work, boards' work, or staff's work, reviewing appropriate policies just prior to management actions or decisions.

## Connecting with Congregation Members

1. The main responsibility of the Board of Directors is to represent the interests of members of the congregation. This is primarily done through the development of the Outcomes and Major Goals of the church and through coordinating the work of boards and staff.
  2. The Board of Directors shall schedule at least two open meetings of the congregation per year to discuss issues, to present information and to seek input from members of the church on current or future issues.
  3. Meetings of the Board of Directors shall be open to members of the congregation for observational purposes only. This does not preclude the right of the Board to meet in executive session.
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## Board of Directors Self-Review

### Board of Directors Self-Appraisal

In order to discipline itself and its efforts, the Board of Directors shall conduct an annual self-appraisal to discuss the following areas and to identify areas and actions for improvement:

1. Board of Directors openness and communication among its members.
  2. Board of Directors adherence to the church constitution and to Board policies.
  3. Board of Directors communication with boards.
  4. Board of Directors relationship to the members of the congregation.
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## Officers of the Board of Directors

1. Officers of the Board of Directors and their responsibilities shall be those defined in the church's By-laws.
2. The Board of Directors shall annually review these offices and responsibilities and recommend changes to the congregation as deemed appropriate by the Board of Directors.

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## Committees of the Board of Directors

The Board of Directors may appoint from time to time committees, but always consistent with the following principles:

1. Committee responsibilities shall flow directly from the Board of Directors' description of its job. These responsibilities shall be set forth in a formal written charge with an appropriate period for existence, and shall not impinge upon responsibilities delegated to boards or staff members.
2. Committees shall not do board work except when working on a topic that is fully within the province of the Board of Directors and is not delegated in any way to a board or staff member. Committees shall have no executive or deciding authority except when empowered by the Board of Directors.

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## Annual Committees of the Board of Directors

1. Nominations' Committee: Refer to Bylaw A.10.
2. Auditing Committee

The Board of Directors may choose to have the annual audit done by a professional firm, or the Board may appoint an Audit Committee of at least two (2) persons for an annual audit of all the accounts using the church's Tax I.D. number and shall issue a complete report to the Board of Directors.

3. Senior Pastor Review Committee

The Congregational President, the Chairman of the Elders plus one other member from the Board of Directors and one other Elder shall conduct the annual performance review of The Senior Pastor focusing on his achievements of the Outcomes and Major Goals; his spiritual leadership of the congregation; his relational skills with members, Board of Directors, boards, staff; his achievement of his goals set for the current year; and his compliance with the Constitution of the congregation and the policies of the Board of Directors.

4. Personnel Committee

The Board of Directors shall establish a Personnel Committee to review the church's salary scale and the personnel manual, and make recommendations to the Board of Directors. This committee shall also function in the role of arbitrating any disputes among staff brought to it by Senior Pastor.

## 5. Budget Committee

The Board of Directors shall establish a Budget Committee to assist the Board of Directors in preparing a budget for congregational approval. This committee shall be made up of the controller, the treasurer, the financial secretary, and the chair (and/or their appointed designee) of the Board of Stewardship and the School Board.

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### **3. Board of Directors and Board Relationship Policies**

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These policies define the Board of Directors' responsibility to the boards, as well as the responsibility that the boards have to the Board of Directors.



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## **Manner of Delegating Authority to Boards**

The boards shall be empowered to take all actions and make all administrative decisions in the areas of ministry assigned to them by the church's constitution or by-laws or the Board of Directors that are deemed necessary to attain the Outcomes except (a) violation of law, applicable regulations of Synod, orders of courts or commonly accepted business and professional ethics or (b) violation of specific Operational Policies stated by the Board of Directors.

1. Except for assignments of its own work to committees, consultants or officers, the Board of Directors shall delegate authority only to boards or to the Senior Pastor. Any other subordinate party operating with the authority of the congregation shall receive their authority from the appropriate board or, if staff, from the Senior Pastor. In the event there is question of which board has authority, the Board of Directors shall resolve the question.
2. Boards may develop guidelines, rules, or procedures and make decisions in any way deemed fitting as long as the policies adopted by the Board of Directors are observed.

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## **Manner of Delegating Authority to Staff**

In general, boards shall have authority over the ministries assigned to them. When staff has been assigned to them, the board shall function in the following ways in relationship to their assigned staff:

1. Co-operate with the Senior Pastor in his role as staff supervisor.
2. Set policies and goals for the assigned areas of ministry giving authority to the staff person to conduct ministry within those policies avoiding "micromanaging" of staff by focusing on the achievement of goals rather than on operational decisions made to achieve the goals.
3. Cooperate with the assigned staff in recruiting volunteers, providing other resources, and in participating in programs conducted in the respective areas of ministry
4. Cooperate with staff in developing vision and plans for assigned ministries
5. When a staff member is assigned to more than one board, the boards involved shall co-operate with each other in organizing work so the staff members has resources and time to achieve the goals assigned.

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## **Board of Directors Decisions**

These are the decisions that the Board of Directors has left to itself:

1. Selection of the independent auditors or the internal volunteer auditors
2. Setting the agenda for all congregational meetings
3. Development of Operational Policies applicable to all ministries
4. Develop the annual church operating budget

5. Selection of financial depositories of congregational funds and securities
6. Compliance with all requirements of outside authorities such as state and federal governments, District and Synod, or Church Extension Fund.
7. Selection of and supervision of any building committees
8. Selection of and supervision of any special capital fund drives
9. Approval of all grant requests to the STL Foundation
10. Approval of all fund raising efforts by any board or other group
11. Borrowing of funds permitted by the church's constitution
12. Assignment of staff to their board with the exception of the Senior Pastor who is assigned to both the Board of Directors and Elders
13. Authorization to form a call committee or add to staff

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## **Boards' Accountability to Board of Directors**

Boards shall be accountable to the Board of Directors for:

1. Achieving the congregation's Outcome Policies and major goals within their assigned areas of ministry.
2. Complying with the established Operational Policies.
3. Providing adequate counsel to the Board of Directors.
4. Relating with integrity, honesty, and straightforwardness to the Board of Directors.
5. Cooperating with the Senior Pastor in his role as chief of staff

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## **Means of Monitoring the Boards**

The Board of Directors shall employ these avenues of monitoring the Boards:

1. At every Board of Directors meeting, each board is to report progress on its operational plans.
2. At any change in job descriptions of staff assigned to them, each board is to make a report including implications for the achievement of its plans, financial ramifications for the congregation, and any other concerns.
3. Each board shall comply with the Operational Policies of the Board of Directors applicable to them and deliver reports which are required in those policies.
4. Each board shall develop policies for operating the areas of ministry assigned to them and shall present these policies as developed or changed to the Board of Directors for review.

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## **4. Board of Directors Operational Policies**

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## **General Policy:**

No Board or staff member of Saint Thomas Lutheran Congregation shall act at any time in a manner that is illegal, unethical or imprudent, or that is inconsistent with the congregation's governing documents

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## Planning

1. Annually the Board of Directors shall conduct a planning retreat in which each board shall develop its operational plans for the next 12 months around the Outcomes and major goals of the church.
  2. All plans shall include identification of the Outcome(s) and Major Goals addressed, staff and finances needed to achieve the goals.
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## Financial Guidelines (including Monitoring)

1. Before developing the annual budget, the Board of Directors shall assure that personal financial stewardship is being taught to members of the congregation and that these strategies are in place. (reported to the Board of Directors at its September meeting by the Board of Stewardship)
2. The annual Budget Committee shall develop a budget which attains the church's Outcomes and which will be approved and/or adjusted by the Board of Directors.
3. The annual budget shall include balanced expenditures and income.
4. At any time during the year when income is below projections by 10% or more for two consecutive months, the Board of Directors shall revise the spending plan until receipts return to projections (*reported to the Board of Directors by the Treasurer at each Board of Directors meeting*)
5. In monitoring the church's investments, the Board of Directors shall make certain those investments provide for security, liquidity, and a maximum return within that security and liquidity. (*Reported at each Board of Directors meeting by the Treasurer*)
6. Any services, products or programs which exceed \$1,500 require competitive bids. (*Reported at any occurrence by the appropriate Board*)
7. If it is necessary to use a temporary line of credit, the Board of Directors shall provide a plan for the repayment of that line of credit in the most expedited way possible. (Reported at the end of each fiscal year by the Treasurer)
8. The Board of Directors shall assure that the church operates within the Generally Accepted Accounting Principles. (Reported annually at the time of the audit by the church treasurer)
9. The Board of Directors shall perform, either internally or externally, an audit of all accounts using the church's Tax ID number. An external audit shall be conducted at a minimum every 5 years. (Reported annually at the September Board of Directors meeting by the Treasurer)
10. Annually, the Board of Directors shall review and approve the names of those authorized to sign checks for the church. (Reported annually at the June Board of Directors meeting by the Treasurer)
11. The Board of Directors shall assure that neither paid nor volunteer staff function in both the processing and disbursements of receipts and shall annually review the name of those involved in both functions. (Reported annually at the September Board of Directors meeting by the Treasurer)

12. Should it be necessary to use designated funds for any purpose other than that for which they were given, the Board of Directors shall make certain they are in the most expedited way. (Reported annually at the end of each fiscal year by Treasurer)
13. The Board of Directors shall receive semi-annual reports to be distributed to voters at the next Voters Assembly from the Foundation Trustees showing assets, gain or loss of principal, grants made, receipts, and any proposed policy changes (Reported semi-annually by the Treasurer or a representative of the Foundation Trustees at the February and September Board of Directors meetings)

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## **Asset Protection and Security (including Monitoring)**

In order to effectively utilize and maintain the congregation's facilities and property and to cover the congregation's exposure, the Board of Directors shall

1. review annually an assessment of church facilities and property and provisions for needed maintenance. *(Reported annually at the October meeting of the Board of Directors by the board of Property Trustees)*
2. assure that hazard insurance is in place to cover facility and equipment losses. *(Reported annually at the January Board of Directors meeting by Controller)*
3. provide adequate liability insurance *(Reported annually at the January Board of Directors meeting by the Controller)*
4. assure that policies are in place and being followed which address the prevention of and response to abusive behavior and harassment. *(Reported annually at the January Board of Directors meeting by the board of Christian Care)*
5. assure that the church's building and property have proper security including lighting, security systems, those authorized to have keys, fire prevention, emergency lighting, and exit lighting. *(Reported annually at the October Board of Directors meeting by the board of Property Trustees)*
6. assure that a written disaster recovery plan is in place for all electronic data processing functions. *(Reported annually at the October Board of Directors meeting by the board of Property Trustees)*
7. assure that a written disaster response plan is in place *(Reported annually at the October Board of Directors meeting by the board of Property Trustees)*

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## **Treatment of Staff (including Monitoring)**

In relating to staff the Board of Directors shall require a report at the September meeting of the Board of Directors by the Senior Pastor that:

1. there are no deviations from local, state or federal laws or regulations in the fair and equitable treatment of employees.
2. human resource policies have been distributed to employees
3. Staff positions have a job description and all staff to be given copies of their job descriptions.
4. each staff member has received an annual performance evaluation
5. Compensation adjustments have been based on the annual performance evaluation
6. all new staff have received the church's Personnel Manual
7. that each member of the staff has signed the church's conflict of Interest policy and that there have been no violations of that policy in the past 12 months.

The Board of Directors itself shall:

1. establish and annually review, and update as necessary, a written process by which employees can have their grievances resolved in a fair and Christian manner.
2. assure that staff positions have the resources needed for successful ministry
3. implement Conflict of Interest policies for all employees
4. establish and annually review, and update, a salary scale for all positions
5. establish and annually review, and update, the personnel manual.

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## **Conflict of Interest for Staff**

The Board of Directors and each board has an obligation to identify all conflicts of interest by any of its members or by any assigned staff member and resolve any which are unacceptable. Therefore:

1. Each Board of Directors member, board member, or staff person shall sign the church's Conflict of Interest Policy and shall report to the Board of Directors any potential conflict of interest. This disclosure shall include membership on, a substantial financial interest in, or the employment of that staff or a relative by any organization doing business with the congregation.
2. No Board of Directors member, board member, or staff member shall accept any gift or favor totaling more than \$100 annually from any organization doing or seeking business with the congregation.
3. Should a Board of Directors member be found to be in breach of this Conflict of Interest Policy, they may be subjected to a disciplinary process, by either the Board of directors or by a disciplinary subcommittee appointed by the Board of Directors, at the absolute discretion of the Board of Directors, and subject to penalties including dismissal from the position to which they have been elected or acclaimed, at the absolute discretion of the said Board.

## Board of Directors Agenda

Opening devotions and prayer

Time for growth in theology or mission of the church

### Monitoring Reports

#### 1. Board of Directors Policy Review Report

Following its Monitoring Schedule (attached), the Board of Directors shall review all policies for: (a) Compliance and (2) Changes proposed

#### 2. Board Monitoring

- b. Each board shall submit a written report on its progress toward each of its Objectives
- c. Each board shall submit a written report on any changes in job descriptions of any staff reporting to it
- d. Each board shall submit a written report on compliance with any Operational Policies required at the present Board of Directors meeting

#### 3. Financial Monitoring

- a. The Treasurer shall deliver the monthly financial report of receipts, disbursements, and financial position of the church
- b. The Treasurer shall deliver in writing compliance with any Operational Policies required at this Board of Directors meeting

#### 4. Senior Pastor Monitoring

The Senior Pastor shall deliver in writing compliance with any policies required of him at this Board of Directors meeting

### Annual Projects of the **Board of Directors**

The Board of Directors shall oversee and require progress reports on these annual projects it is required to conduct:

1. The preparation of the annual budget
2. The annual planning retreat of the boards and staff
3. Any open congregational forums conducted

#### **Committee Reports**

The Board of Directors shall receive written reports of any subcommittees of the Board of Directors due at this meeting. Those required in the Policy Manual are:

1. Nominations
2. Audit
3. Senior Pastor review
4. Personnel
5. Endowment Fund

Other Committees which are formed from time to time shall also report.

#### **Governance Issues**

The Board of Directors shall discuss any governance issues which arise such as

1. Changes in Constitution or Bylaws
2. Matters of District or Synod affecting the congregation
3. Bringing any name to the congregation for a Call
4. Any matter in the Constitution requiring Voters' approval

#### **Broad Issue**

Any Board may request discussion of any issue affecting its ministry or the broad ministry of the congregation at this time providing it has presented the issue to the Chairman in advance of the meeting.

The Board of Directors shall also have a list of Broad Issues it wishes to discuss at meetings. Some of these might include:

1. Communicating with members
2. Issues in the community affecting the church

3. Staff morale
4. Setting up a process to train future leaders
5. Orientation process for new Board of Directors and Board members
6. Incomplete discussion on policy reviews from previous meetings

Closing Prayer

## Suggested Policy Review Schedule

This schedule assumes the board will meet 11 times per year and that the fiscal year begins July 1.

<b><u>Month</u></b>	<b><u>Policy To Be Reviewed</u></b>
January	Values & Mission of the church
February	Connecting with members
March	Operational Policies
April	Outcome #1
May	Outcome #2
June	Outcome #3
August	Outcome #4
September	Outcome #5
October	Board of Directors: Self-Governance
November	Board of Directors: Bd relationship
December	Board of Directors: Self-Review