

**St. John's Evangelical Lutheran Church
West Bend, Wisconsin
Lutheran Church--Missouri Synod**

Leadership Board Policy Manual

2010

Policy Based Governance

TABLE OF CONTENTS

POLICY TYPE: Governance Process

<i>Global Governance Commitment</i>	4
<i>Governing Style</i>	5
<i>Leadership Board Members' Code of Conduct</i>	6
<i>Leadership Board Responsibilities</i>	9
<i>Annual Agenda Planning</i>	10
<i>Leadership Board Officers Roles</i>	12
<i>Cost of Governance</i>	14
<i>Leadership Board Committee Definition</i>	15
<i>Leadership Board Committee Principles</i>	16

POLICY TYPE: Leadership Board – Management Linkage

<i>Global Governance-Management Connection</i>	17
<i>Unity of Control</i>	18
<i>Accountability of the Senior Pastor</i>	19
<i>Exceeding Executive Limitations</i>	20
<i>Delegation to the Senior Pastor</i>	21
<i>Monitoring Senior Pastor Performance</i>	22
<i>Leadership Board Agenda Structure</i>	23

POLICY TYPE: Executive Limitations

<i>Global Executive Constraint</i>	24
<i>Issues of Privacy</i>	25
<i>Treatment of Staff</i>	26
<i>Strategic Planning</i>	27
<i>Financial Planning/Budgeting</i>	28
<i>Financial Condition and Activities</i>	29
<i>Emergency Senior Pastor Succession</i>	30
<i>Asset Protection</i>	31
<i>Compensation and Benefits</i>	32
<i>Communication and Support to the Leadership Board</i>	33
<i>Gifts, Bequests and Fundraising</i>	34

POLICY TYPE: Ends

<i>Short-Term Ends</i>	35
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POLICY TYPE: GOVERNANCE PROCESS**POLICY TITLE: *Global Governance Commitment***

The purpose of the Leadership Board, on behalf of the Baptized Membership, is to see that St. John's Evangelical Lutheran Church (St. John's) (a) achieves appropriate results for appropriate persons at an appropriate cost, and (b) avoids unacceptable actions and situations.

POLICY TYPE: GOVERNANCE PROCESS**POLICY TITLE: *Governing Style***

The Leadership Board will govern lawfully with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Leadership Board and Senior Pastor roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactivity rather than reactivity.

Accordingly:

1. The Leadership Board will cultivate a sense of group responsibility. The Leadership Board, not the staff, will be responsible for excellence in governing. The Leadership Board will be the initiator of policy, not merely a reactor to staff initiatives. The Leadership Board will not use the expertise of individual members to substitute for the judgment of the Leadership Board, although the expertise of individual members may be used to enhance the understanding of the Leadership Board as a body.
2. The Leadership Board will direct, control and inspire the organization through the careful establishment of broad written policies reflecting the Leadership Board's values and perspectives. The Leadership 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.
3. The Leadership Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the Leadership Board can change its governance process policies at any time, it will observe them scrupulously while in force.
4. Continual Leadership Board development will include orientation of new Leadership Board members in the Leadership Board's governance process and periodic Leadership Board discussion of process improvement.
5. The Leadership Board will allow no officer, individual or committee of the Leadership Board to hinder or be an excuse for not fulfilling its commitments.
6. The Leadership Board will value diversity of thought in organizational membership and among its members.
7. The Leadership Board will monitor and discuss the Leadership Board's process and performance at each meeting. Self-monitoring will include comparison of Leadership Board activity and discipline to policies in the Governance Process and Leadership Board-Senior Pastor Linkage categories.

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: Leadership Board Members' Code of Conduct

The Leadership Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate Christian decorum and behavior.

Leadership Board Members must have loyalty to the congregational membership, un-conflicted by loyalties to staff, other organizations, and any personal interest as an associate.

1. Members will demonstrate their support for St. John's and the Leadership Board's mission and ministry efforts.
2. Members will apply standards that increase trust and openness: Leadership Board members have a responsibility to the Lord, to the members of St. John's, each other, and to the staff of St. John's. They shall be responsible for the following:
 - a. Attend and participate in Leadership Board meetings faithfully.
 - b. Be prepared for the Leadership Board meetings.
 - c. Become familiar with this policy manual and the St. John's Lutheran Church Constitution and Bylaws.
 - d. Create a communication link to other Leadership Board members by maintaining regular access to e-mail.
 - e. Make informed decisions by insisting on thorough and accurate information.
3. Members must avoid conflict of interest with respect to their fiduciary responsibility and staffing relationships.
4. Members may not attempt to exercise undue individual influence over the organization.
5. Members will respect the confidentiality appropriate to issues of a sensitive nature.
6. Members will actively discipline themselves and other members of the Leadership Board by identifying individual behaviors, Leadership Board actions, and conditions that erode member Leadership Board allegiance or run counter to these policies.
7. Members will bring to the President's immediate attention any condition or action that they believe exceeds an executive limitation policy or is in non-compliance with the Constitution and Bylaws. However, Leadership Board Members will refrain from defining the appropriate corrective actions.
8. Members will sign and adhere to the Leadership Covenant.
9. In the event a congregational member raises a staff matter, the Leadership Board Member will refer the congregational member to the appropriate staff.
10. Members will take every opportunity to encourage staff members as fellow servants, while avoiding any involvement in staff management. In the event a staff member raises a management matter, the Leadership Board Member will refer the staff member to the appropriate supervisor.

POLICY TYPE: GOVERNANCE PROCESS**POLICY TITLE: *Leadership Board Members' Code of Conduct***

11. Members will:
 - a. Praise the Lord as the Owner of all things and acknowledge their responsibilities as manager of the financial resources, talents, gifts, and time the Lord has given them.
 - b. Lead their spouse and family members by example and speech in the Biblical principles of stewardship by practicing proportionate, systematic, first-fruit giving (10% being the Biblical benchmark) to the Lord.
 - c. Embrace the personal responsibility of leadership to which God has called them within St. John's church family by giving primarily to His work at and through St. John's.
12. Members will pray daily for St. John's, its staff and members, leadership of our church body and country, and the un-churched around the world.
13. Members will be encouraged to include St. John's in their estate planning.

POLICY TYPE: GOVERNANCE PROCESS**POLICY TITLE: *Leadership Board Responsibilities***

Specific responsibilities of the Leadership Board, as trustee of the congregation, are those that ensure appropriate organizational performance.

Accordingly, the Leadership Board has direct responsibility to create:

1. The link with the Baptized Membership of St John's.
2. Written governing policies that address the broadest levels of all organizational decisions and situations.
 - a. Governance Process: Specification of how the Leadership Board conceives, carries out, and monitors its own tasks.
 - b. Leadership Board-Senior Pastor Linkage: How power is delegated, its proper use monitored, and role, authority and accountability of the Senior Pastor.
 - c. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
 - d. Ends: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).
3. Assurance of successful Senior Pastor performance.

POLICY TYPE: GOVERNANCE PROCESS**POLICY TITLE: *Annual Agenda Planning***

To accomplish its responsibilities with a governance style consistent with Leadership Board policies, the Leadership Board will follow an annual agenda which (a) completes a re-exploration of all policies annually and (b) coordinates the continual improvement of Leadership Board performance through Leadership Board education, input, and deliberation.

1. The cycle will start with the Leadership Board's development of its agenda for the next year.
 - a. Consultations with selected groups in the ownership, or other methods of gaining ownership input will be determined and arranged in the first quarter, to be held during the balance of the year.
 - b. Governance education, and education related to Ends determination, (e.g. presentations by futurists, demographers, advocacy groups, staff, etc.) will be arranged in the first quarter, to be held during the balance of the year.
2. Throughout the year, the Leadership Board will attend to consent agenda items as expeditiously as possible.
 - a. Any congregational member, Leadership Board member, or the Senior Pastor may request that the President place on the Leadership Board Agenda a review of or a change of specific policies.
 - b. Any revision shall be decided by the entire Leadership Board.
3. Annual ministry focus determination to be completed by the last day of January for budgeting and planning purposes.
4. The cycle will conclude each year on the last day of April so that administrative planning and budgeting can be based on accomplishing a one year segment of the Leadership Board's most recent statement of long term Ends.
5. Senior Pastor monitoring will be included on the agenda if monitoring reports show policy violations, or if policy criteria are to be debated.
6. Senior Pastor remuneration will be decided during the month of August after a review of monitoring reports received from the prior fiscal year.
7. In order to discipline itself and its efforts, the Leadership Board shall conduct an annual self-appraisal. The Leadership Board shall commit to discuss the following areas and to identify areas and actions for improvement. The self-appraisal shall focus on the Leadership Board's:
 - a. Openness and communication among its members
 - b. Ability and skill in developing and monitoring policy
 - c. Adherence to policy and to its Policy Based Leadership
 - d. Communication with the Senior Pastor
 - e. Relationship to the congregational members

POLICY TYPE: GOVERNANCE PROCESS**POLICY TITLE: *Annual Agenda Planning***

8. At least every three years the Leadership Board will review the ability of Policy Based Leadership to provide organizational effectiveness. This will include a discussion of its continued use or modification.

POLICY TYPE: GOVERNANCE PROCESS**POLICY TITLE: *Leadership Board Officer Roles***

The Leadership Board Officers are specially empowered members of the Leadership Board who assure the integrity of the Leadership Board's process and occasionally represent the Leadership Board to outside parties.

1. President
 - a. Establish the agenda for Leadership Board meetings in compliance with the policy calendar established by the Leadership Board in cooperation with the Senior Pastor.
 - b. Preside at all meetings of the Leadership Board of St. John's.
 - c. Arrange for an annual performance appraisal of the Senior Pastor.
 - d. Discuss and review corrective actions with individual Leadership Board members when they violate their responsibilities. When resolution can not be obtained with an individual Leadership Board member, the President shall in Executive Session of the Leadership Board conduct a review of the policy and develop recommendations for any necessary corrective actions. If the Leadership Board member in question is the President, then this responsibility falls to the Vice-president.
 - e. Act in all areas of Leadership Board management left unstated within these policies as long as this action is not in conflict with the Constitution and By-laws or other Leadership Board policies.
 - f. May delegate his authority, but remains accountable for its use.
2. Vice-president
 - a. Preside at all meetings of the Leadership Board of St. John's in the absence of the President.
 - b. Discuss and review corrective actions with the President when the President violates Leadership Board member or President responsibilities.
 - c. Assume responsibilities delegated by the President.
3. Secretary
 - a. Record the official minutes of the Leadership Board's meetings and direct their distribution to the members of the Leadership Board, the Senior Pastor and others requested by the Leadership Board.
 - b. Preserve the approved minutes for the archives.
 - c. Preserve regular and special reports made to the Leadership Board and, at its direction, make summaries or copies of them available to its members.
 - d. Assist the President in the process of preparing the docket for meetings in consultation with the Senior Pastor.

POLICY TYPE: GOVERNANCE PROCESS**POLICY TITLE: *Leadership Board Officers Roles***

4. Treasurer
 - a. Monitor financial performance against criteria listed in policy.
 - b. Research financial policy and bring recommendations to the Leadership Board.

POLICY TYPE: GOVERNANCE PROCESS**POLICY TITLE: *Cost of Governance***

Because poor governance costs more than learning to govern well, the Leadership Board will invest in its governance capacity.

Accordingly, Leadership Board skills, methods, and supports will be sufficient to assure governing with excellence:

1. Training and retraining will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing member skills and understandings.
2. Annual monies will be budgeted to cover the cost of training and retraining, including any personal expenses incurred for such training.
3. Outside monitoring assistance may be arranged so that the Leadership Board can exercise confident control over organizational performance.
4. Outreach mechanisms will be used as needed to ensure the Leadership Board's ability to listen to owner viewpoints and values.

POLICY TYPE: GOVERNANCE PROCESS**POLICY TITLE: *Leadership Board Committee Definition***

A committee is a Leadership Board committee only if its existence and charge come from the Leadership Board, regardless whether Leadership Board members sit on the committee.

POLICY TYPE: GOVERNANCE PROCESS**POLICY TITLE: *Leadership Board Committee Principles***

Leadership Board committees, when used, will be assigned so as to reinforce the wholeness of the Leadership Board and so as never to interfere with delegation from Leadership Board to Senior Pastor.

Accordingly:

1. Leadership Board committees are to help the Leadership Board do its job. Committees ordinarily will assist the Leadership Board by preparing policy alternatives and implications for Leadership Board deliberation. In keeping with the Leadership Board's broader focus, Leadership Board committees will normally not have direct dealings with current staff operations.
2. Leadership Board committees may not speak or act for the Leadership Board except when formally given such authority for specific and time-limited purposes. Committees will be used sparingly and ordinarily in an ad hoc capacity. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Senior Pastor.
3. Leadership Board committees cannot exercise authority over staff.
4. Leadership Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore, a Leadership Board committee that has helped the Leadership Board create policy on some topic will not be used to monitor organizational performance on that same subject.
5. This policy applies to any group which is formed by Leadership Board action, whether or not it is called a committee and regardless whether the group includes Leadership Board members. It does not apply to committees formed under the authority of the Senior Pastor.

POLICY TYPE: LEADERSHIP BOARD-MANAGEMENT LINKAGE**POLICY TITLE: *Global Governance-Management Connection***

The Leadership Board's primary, official connection to the operational organization, its achievements and conduct will be through the Senior Pastor.

POLICY TYPE: LEADERSHIP BOARD-MANAGEMENT LINKAGE**POLICY TITLE: *Unity of Control***

Only officially passed motions of the Leadership Board are binding on the Senior Pastor.

Accordingly:

1. Decisions or instructions of individual Leadership Board members, officers, or committees are not binding on the Senior Pastor except in rare instances when the Leadership Board has specifically authorized such exercise of authority.
2. In the case of Leadership Board members or committees requesting information or assistance without Leadership Board authorization, the Senior Pastor can refuse such requests that require, in the Senior Pastor's opinion, a material amount of staff time or funds or is disruptive.

POLICY TYPE: LEADERSHIP BOARD-MANAGEMENT LINKAGE**POLICY TITLE: *Accountability of the Senior Pastor***

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

Accordingly:

1. The Leadership Board will never give instructions to persons who report directly or indirectly to the Senior Pastor.
2. The Leadership Board will not evaluate, either formally or informally, any staff other than the Senior Pastor.
3. The Leadership Board will view Senior Pastor performance as identical to organizational performance; so that organizational accomplishment of Leadership Board stated Ends and avoidance of Leadership Board-proscribed means will be viewed as successful Senior Pastor performance.

POLICY TYPE: LEADERSHIP BOARD-MANAGEMENT LINKAGE**POLICY TITLE: *Exceeding Executive Limitations***

From time to time, Executive Limitation Policies will be exceeded. When this happens, the Leadership Board shall ensure that action is taken to rectify the exceeded limitation. The Leadership Board shall strive to take no authority for the correction of exceeded executive limitations, but rather shall work through the Senior Pastor. The Senior Pastor is to take the initiative and responsibility to monitor for, inform of, and correct exceeded limitations within a reasonable time frame. Development of preventative systems should be on-going.

The Leadership Board shall review any limitation policy that has been exceeded, for its soundness as a test of ethical and prudent behavior. The Leadership Board shall not dictate what are appropriate Senior Pastor actions, except for compliance with policies. If, after a review of the exceeded limitation policy with the Senior Pastor, it is determined that the limitation policy is too restrictive, the Leadership Board shall rewrite the limitation policy.

The Leadership Board, after a review of recurring exceeded limitation(s), may recommend punitive action to the congregation, up to the release of the Senior Pastor as the Chief Executive Officer.

POLICY TYPE: LEADERSHIP BOARD-MANAGEMENT LINKAGE**POLICY TITLE: *Delegation to the Senior Pastor***

The Leadership Board will instruct the Senior Pastor through written policies which prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, thus allowing the Senior Pastor to use any reasonable interpretation of these policies.

Accordingly:

1. The Leadership Board will develop policies instructing the Senior Pastor to achieve specified results, for specified recipients at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies.
2. The Leadership Board will develop policies that limit the latitude the Senior Pastor may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies.
3. As long as the Senior Pastor uses reasonable interpretation of the Leadership Board's Ends and Executive Limitations policies, the Senior Pastor is authorized to establish further policies, make decisions, take actions, establish practices and develop activities, to meet the stated organizational Ends. Such decisions of the Senior Pastor shall have full force and authority as if decided by the Leadership Board.
4. The Leadership Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Leadership Board and Senior Pastor domains. By doing so, the Leadership Board changes the latitude of choice given to the Senior Pastor. But as long as any particular delegation is in place, the Leadership Board will respect and support the Senior Pastor choices.

POLICY TYPE: LEADERSHIP BOARD-MANAGEMENT LINKAGE

POLICY TITLE: *Monitoring Senior Pastor Performance*

Systematic and rigorous monitoring of Senior Pastor job performance will be solely against the expected Senior Pastor job outputs: organizational accomplishment of Leadership Board policies on Ends and organizational operation within the boundaries established in Leadership Board policies on Executive Limitations.

Accordingly:

1. Monitoring is simply to determine the degree to which Leadership Board policies are being met. Data, which does not do this, will not be considered monitoring data. The Leadership Board will acquire monitoring data by one or more of three methods:
 - a. Executive report in which the Senior Pastor gives periodic statements and overviews that provide information and counsel to the Leadership Board on programs, trends, and developments that may affect its work and which report on Senior Pastor compliance with Leadership Board policies.
 - b. External report, in which an external, disinterested third party selected by the Leadership Board assesses compliance with Leadership Board policies.
 - c. Direct Leadership Board inspection, in which a designated member or members of the Leadership Board assess compliance with the appropriate policy criteria.
2. In every case, the standard for compliance shall be reasonable Senior Pastor interpretation of the Leadership Board policy being monitored. The Leadership Board is final arbiter of reasonableness, but will always judge with a “reasonable person” test rather than with interpretations favored by Leadership Board members or by the Leadership Board as a whole.
3. All policies that instruct the Senior Pastor will be monitored at a frequency and by a method chosen by the Leadership Board. The Leadership Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule:

<i>Policy</i>	<i>Method</i>	<i>Frequency</i>
<i>Issues of Privacy</i>	<i>Executive</i>	<i>Annually</i>
<i>Treatment of Staff</i>	<i>Executive</i>	<i>Annually</i>
<i>Financial Planning/Budgeting</i>	<i>Executive</i>	<i>Annually</i>
<i>Financial Condition & Activities</i>	<i>Executive</i>	<i>Monthly</i>
	<i>External</i>	<i>Annually</i>
<i>Emergency Senior Pastor Succession</i>	<i>Executive</i>	<i>Annually</i>
<i>Asset Protection</i>	<i>Executive</i>	<i>Annually</i>
<i>Compensation & Benefits</i>	<i>Executive</i>	<i>Annually</i>
	<i>External</i>	<i>Bi-annually</i>
<i>Communication & Support</i>	<i>Direct Inspection</i>	<i>Annually</i>
<i>Ends Focus of Gifts, Bequests & Fundraising</i>	<i>Executive</i>	<i>Annually</i>

POLICY TYPE: LEADERSHIP BOARD-MANAGEMENT LINKAGE**POLICY TITLE: *Leadership Board Agenda Structure***

The Leadership Board intentionally establishes a basic structure for its Leadership Board meetings in accordance with Robert's Rules of Order. The structure's purpose is to assist the Leadership Board and Senior Pastor in processing information in a way that allows them to maintain a policy based orientation. Additional items can be added as needed, but the basic elements need to be maintained. This Leadership Board agenda structure shall work in tandem with the policy review and monitoring calendar.

1. The Leadership Board agenda structure shall consist of six basic elements:
 - a. Spiritual Growth – Recognizing the need for spiritual growth for leaders, the beginning of each and every Leadership Board meeting is set aside for Bible study and prayer.
 - b. Executive Report – This is a review of organizational actions taken during the last quarter. Risks and opportunities that have appeared or progressed should be addressed. Thoughts about future actions or others' actions can be brought forward. The purpose is to inform the Leadership Board about where the organization stands. This is not a time to make decisions; it is a time to ask questions and be informed.
 - c. Policy and Governance Issues – This section of the meeting is for the review, modification, and creation of policy.
 - d. Monitoring – The items to be addressed in this section are those that are listed in the monitoring section. The calendar will help direct many of the items that are brought up. Many of these items will not be covered in detail but are only reviewed by the Leadership Board in terms of the policies.
 - e. Congregational Linkage – The Leadership Board shall determine methods to gather information from or communicate with the congregation and review effectiveness of various methods.
 - f. Informational Items – These are the matters that defy easy categorization but which everyone might like to know. In a way, this is the news.
2. The Leadership Board shall have only closed sessions, allowing only Leadership Board members and those invited to be in attendance. Leadership Board actions taken will be publicly reported.
3. A Leadership Board meeting is defined as either:
 - a. A regularly scheduled meeting in a pre-arranged location.
 - b. In extenuating circumstances, a separate meeting conducted via e-mail or by conference call.

POLICY TYPE: EXECUTIVE LIMITATIONS**POLICY TITLE: *Global Executive Constraint***

The Senior Pastor shall not cause or allow any practice, activity, decision, or organizational circumstance which is either unlawful, imprudent or inconsistent with the Christian faith, the Constitution, Bylaws, Policies, Vision, and Mission of St. John's, or a violation of Christian organizational ethics and practices, or diminishes the image of the Triune God, the Congregation, or the Leadership Board.

POLICY TYPE: EXECUTIVE LIMITATIONS**POLICY TITLE: *Issues of Privacy***

With respect to interactions with all in association with St. John's, the Senior Pastor shall not cause or allow conditions, procedures, or decisions that are unsafe, undignified, or unnecessarily intrusive.

Further, without limiting the scope of the foregoing by this enumeration, he shall not:

1. Use application forms that elicit information for which there is no clear necessity.
2. Use methods of collecting, reviewing, transmitting, or storing information that fail to protect against improper access to the material elicited.
3. Fail to operate facilities with appropriate accessibility, safety, and privacy.
4. Fail to establish with associates a clear understanding of what may or may not be expected regarding issues of privacy.

POLICY TYPE: EXECUTIVE LIMITATIONS**POLICY TITLE: *Treatment of Staff***

With respect to the treatment of paid and volunteer staff, the Senior Pastor may not cause or allow conditions which are unfair, undignified, disorganized, or unclear, or shall not operate without a written personnel manual which has been reviewed by an attorney.

Further, without limiting the scope of the foregoing by this enumeration, he shall not:

1. Permit the employment of any staff who does not hold to the Christian principles and values professed by the Congregation.
2. Fail to provide for ministry to the staff with emphasis on equipping and sustaining them for ministry.
3. Employ any person without first conducting a complete background check.
4. Allow any positions to be undefined or to reflect inaccurately the responsibilities and tasks assigned to the positions.
5. Fail to inform employees of their responsibilities and duties.
6. Fail to insure that employees are properly and adequately trained or otherwise qualified for their assigned tasks.
7. Fail to insure that employees receive an annual written performance evaluation.
8. Fail to transition to performance-based compensation, linked to objective Desired Outcomes.
9. Allow any staff positions to exist where resources are inadequate for that position to be successful.
10. Allow any positions to continue that do not serve the desired outcomes of St. John's.
11. Fail to implement Conflict of Interest procedures with staff.

POLICY TYPE: EXECUTIVE LIMITATIONS**POLICY TITLE: *Strategic Planning***

With respect to planning for the future, the Senior Pastor shall not endanger the focus or stability of the congregation.

In setting the direction and action plans of St. John's, the Senior Pastor shall not allow a strategic plan that:

1. Does not have a time frame of at least three years.
2. Is not reviewed at least annually for the adequacy of the complete plan, and updated where appropriate.
3. Does not address changes that effect St. John's Evangelical Lutheran Church.
4. Does not address its financial impact.
5. Has a neutral or negative impact on desired outcomes.
6. Does not include planning for desired outcomes in each critical target and service area.

POLICY TYPE: EXECUTIVE LIMITATIONS**POLICY TITLE: *Financial Planning/Budgeting***

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Leadership Board's Ends priorities, risk fiscal jeopardy, or fail to be derived from the Strategic Plan.

Further, without limiting the scope of the foregoing by this enumeration, the Senior Pastor shall not plan in a manner that:

1. Develops a fiscal year budget after the beginning of the fiscal year.
2. Contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, disclosure of planning assumptions, and other income/expenses and transfers from investment income.
3. Risks the organization incurring those situations or conditions described as unacceptable in the Leadership Board's policy Financial Condition and Activities.
4. Utilizes any previous fiscal year end's surplus funds without discussion with the Leadership Board.
5. Provides less for Leadership Board prerogatives during the year than is set forth in the Cost of Governance policy.
6. Endangers the fiscal soundness of future years or ignores the building of organizational capability sufficient to achieve Ends in future years.

POLICY TYPE: EXECUTIVE LIMITATIONS**POLICY TITLE: *Financial Condition and Activities***

With respect to the actual, ongoing financial condition and activities, the Senior Pastor shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Leadership Board priorities established in Ends policies.

Further, without limiting the scope of the foregoing by this enumeration, he shall not:

1. Borrow money against the line of credit to meet short-term working capital requirements without Leadership Board approval.
2. Borrow money for a term longer than six months without Leadership Board approval.
3. Borrow money without being able to identify the sources and schedule for repaying the loans.
4. Allow deviations from generally accepted accounting principles.
5. Fail to bring all financial accounts of St. John's organizations under the reporting and accountability of the congregation.
6. Indebt the organization in an amount greater than the Leadership Board's annually established line of credit.
7. Conduct interfund shifting in amounts greater than can be restored to a condition of restricted fund balances by certain, otherwise unencumbered revenues within 30 days.
8. Fail to settle all payables in a timely manner.
9. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
10. Fail to insure that there is an annual independent financial audit.

POLICY TYPE: EXECUTIVE LIMITATIONS**POLICY TITLE: *Emergency Senior Pastor Succession***

In order to protect the Leadership Board from sudden loss of Senior Pastor services, the Senior Pastor may have no fewer than two other management staff current with Leadership Board and Senior Pastor issues and processes. The Senior Pastor shall not fail to inform the Leadership Board and management staff of these individuals.

POLICY TYPE: EXECUTIVE LIMITATIONS**POLICY TITLE: *Asset Protection***

The Senior Pastor shall not allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked.

Further, without limiting the scope of the foregoing by this enumeration, he shall not:

1. Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of Ends.
2. Fail to insure against theft and casualty losses to at least 100% replacement value.
3. Fail to insure against liability losses to Leadership Board members, staff and the organization itself in an amount greater than the average for comparable organizations.
4. Subject buildings and equipment to improper wear and tear or insufficient maintenance by:
5. Fail to obtain multiple bids for capital improvements or major repairs in excess of \$15,000.
6. Make or sign any check.
 - a. Fail to have any check greater than \$7,500 signed by two authorized signatories.
 - b. Fail to present the Leadership Board with a sufficient signatory list for efficient operation.
7. Change the organization's name or substantially alter its identity in the community.
8. Shall not allow the organization to operate without a detailed written Disaster Recovery Plan.
9. Shall not allow the organization to operate without detailed written safety policies.

POLICY TYPE: EXECUTIVE LIMITATIONS**POLICY TITLE: *Compensation and Benefits***

With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the Senior Pastor shall not cause or allow jeopardy to fiscal integrity or to public image.

Further, without limiting the scope of the foregoing by this enumeration, he shall not:

1. Change his compensation and benefits, except as his benefits are consistent with a package for all other employees.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
4. Establish or change pension benefits so as to cause unpredictable or inequitable situations, including those that:
 - a. Provide less than some basic level of benefits to all full-time employees.
 - b. Allow any employee to lose benefits already accrued from any foregoing plan.
 - c. Treat himself differently from other key employees.
5. Fail to document any change in compensation or benefit packages to any individual employee.

POLICY TYPE: EXECUTIVE LIMITATIONS***POLICY TITLE: Communication and Support to the Leadership Board***

The Senior Pastor shall not permit the Leadership Board to be uninformed or unsupported in its work.

Further, without limiting the scope of the foregoing by this enumeration, he shall not:

1. Neglect to submit monitoring data required by the Leadership Board in a timely, accurate and understandable fashion, directly addressing provisions of Leadership Board policies being monitored.
2. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Leadership Board.
3. Let the Leadership Board be unaware of relevant trends, anticipated adverse media coverage, threatened or pending lawsuits, material external and internal changes, particularly changes in the assumptions upon which any Leadership Board policy has previously been established.
4. Fail to advise the Leadership Board if, in the Senior Pastor's opinion, the Leadership Board is not in compliance with its own policies on Governance Process and Leadership Board-Senior Pastor Linkage, particularly in the case of Leadership Board behavior, which is detrimental to the work relationship between the Leadership Board and the Senior Pastor.
5. Fail to marshal for the Leadership Board as many staff and external points of view, issues and options as the Leadership Board determines it needs for fully informed Leadership Board choices.
6. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
7. Fail to provide a mechanism for official Leadership Board, officer or committee communications.
8. Fail to deal with the Leadership Board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the Leadership Board.
9. Let the Leadership Board be unaware of plans to eliminate significant ministries.

POLICY TYPE: EXECUTIVE LIMITATIONS**POLICY TITLE: *Gifts, Bequests, and Fundraising***

The Senior Pastor may not operate without a plan to promote fundraising and receive gifts and bequests.

Further, without limiting the scope of the foregoing by this enumeration, he shall not:

1. Enter into acceptance of any gift or bequest unless it emphasizes the fulfillment of Leadership Board stipulated Ends and contributes to the avoidance of unacceptable means.
2. Allow such funds to be used in an imprudent, unlawful or unethical way.
3. Allow the acceptance of gifts and bequests that are too restrictive or violate the organization's not-for-profit status.
4. Fail to address the generation of planned gifts that model and promote associated Christian stewardship (i.e. estate plan gifts, charitable remainder trust, etc.)
5. Fail to inform the Leadership Board of the creation of or change to significant fundraising campaigns.

POLICY TYPE: ENDS**POLICY TITLE: *Short-Term Ends***

1. St. John's church family will embrace and live out our mission, vision and strategic initiative statements in both our daily lives and the ministry of St. John's.
2. The baptized at St. John's will grow in their commitment to Christian living through: Christian education, worship, stewardship, service missions and fellowship.
3. More people will worship and experience Word & Sacrament ministries on a weekly basis.
4. More people will provide and receive our Lord's care in both the tragedies and the ordinary occurrences of life.
5. Multi-site ministries will be researched and planned for the expansion of worship, daycare, fellowship and youth; utilizing the current campuses to their fullest.