
PRINCE OF PEACE LUTHERAN CHURCH GOVERNANCE POLICY MANUAL

PREFACE

Article III Section 1.A.2 of the Prince of Peace Lutheran Church Bylaws requires the Board of Servant Leaders (BoSL) to approve Governance Policies and make them available to all Church members. This manual is a record of Governance Policies approved by the BoSL. These policies govern the direction and Strategic Focus of Prince of Peace Lutheran Church, how the BoSL operates, the responsibilities and limitations of the Senior Pastor and how the BoSL and Senior Pastor relate to each other within governance of the church.

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1. STRATEGIC FOCUS

Our Lord and Savior Jesus Christ gave Prince of Peace a mission. This mission leads to our values, focuses our vision for the future, and prompts us to achieve our critical targets.

1.1. MISSION

(why we exist and what God is calling us to do)

Therefore go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, and teaching them to obey everything I have commanded you. (Matthew 28: 19-20)

1.2. VALUES

(what's in our heart that shapes our direction and decisions)

Prince of Peace Lutheran Church is uniquely placed by God on Old Keene Mill Road (next to the Giant Shopping Center) to serve as the spiritual hub for a network of worshipping communities that:

- Welcomes everyone and seeks the unchurched
- Teaches grace straight from the Bible
- Prays constantly for members and for people everywhere
- Engages members in mission activities and community service
- Tells the stories of God's work in our lives
- Partners with ethnic congregations and encourages ecumenical activities
- Supports missionaries, mission trips, and humanitarian relief efforts
- Loves children and seniors and promotes family values
- Worships on-site and off-site in a variety of uplifting styles
- Searches Scripture together with Bible studies for all ages
- Fellowships together before and after all activities
- Promotes healthy lifestyles and relationships
- Embraces people who struggle emotionally, spiritually, and physically

1.3. VISION

(where we are going and what it looks like when we arrive)

Prince of Peace is a hub of spiritual transformation using God's Word, Sacrament, and Prayer, equipping us to build networks of vibrant Christian communities, extending to our homes, to our neighbors, and beyond, making disciples of Jesus.

1.4. CRITICAL TARGETS
(milestones we must pass to accomplish our vision)

- **Transformation:** People experiencing spiritual transformation are telling stories of God's work in their lives.
- **Equipping:** People are being equipped to lead or participate in a ministry in their neighborhood, workplace, school or some other place in the community.
- **Extending:** Ongoing ministry happens on specific streets, neighborhoods and communities led and supported by the people of Prince of Peace.

2. BOSL SELF-GOVERNANCE

2.1. BOSL ACCOUNTABILITY

- 2.1.1. The BoSL shall be accountable to the Lord and the Stewards. (See Appendix 1 for definition)

2.2. BOSL RESPONSIBILITIES

- 2.2.1. The overall responsibility of the BoSL is to provide clear, strong, powerful, and Christ-centered leadership in pursuit of the congregation's Mission. To that end, the BoSL shall:

- 2.2.1.1. Ensure that the Strategic Focus found in Appendix 1 (Values, Mission, Vision, Critical Targets and Desired Outcomes) of the congregation is the driving force for all activities and related ministries.

- 2.2.1.2. Annually review and if necessary update the Strategic Focus.

- 2.2.1.2.1. The annual review is not intended to significantly alter PoP's Mission and Vision, rather, it is to reevaluate and reaffirm the Missional goals of PoP.

- 2.2.1.2.2. The annual review should be forward-thinking and intended to identify future needs to effectively reach the Missional goals of PoP.

- 2.2.1.2.3. The BoSL will solicit input from the Senior Pastor and the Ministry Leadership Teams who develop and operate annual ministry plans.

- 2.2.1.2.4. Although the Strategic Focus is annually reviewed and possibly amended, specific goals should be evaluated if appropriate at least one year before their target date. With input from the Senior Pastor and Ministry Leadership Teams, new goals and timelines may be established if applicable.

- 2.2.1.3. Establish Governing Policies for the BoSL in accordance with Section 2.7.

- 2.2.1.4. Provide oversight of all congregational activities by establishing and monitoring appropriateness of and adherence to policies that guide the efforts of the Senior Pastor.

- 2.2.1.5. Ensure that the policy and financial decisions are executed in accordance with PoP's Constitution and By-laws.

- 2.2.1.6. The BoSL's responsibilities to the Stewards are:

- 2.2.1.6.1. Preside over Congregational Assemblies such as Town Hall Meetings, Open Forums, Voters Assemblies.

- 2.2.1.6.2. Solicit input annually on the appropriateness of the Desired Outcomes.
- 2.2.1.6.3. Inform the Stewards of the degree of success in meeting the Desired Outcomes of the congregation.
- 2.2.1.6.4. Identify and establish relationships with groups that have the potential to have a felt ownership in the congregation (e.g.; preschool families, SED, LCMS Associations).
- 2.2.1.7. Communicate regularly to the Stewards the pertinent activities of the BoSL and remain open to communication from the Stewards.
 - 2.2.1.7.1. Listening to the Stewards: The BoSL shall listen to the ideas, the concerns, and values of the Stewards. It shall use a variety of appropriate methodologies (such as mail, phone and internet surveys, focus groups, open forums, town meetings and BoSL dialogue) to seek out the desires and concerns of the Stewards.
 - 2.2.1.7.2. Reporting to the Stewards: The BoSL shall keep the Stewards informed of its progress toward the Desired Outcomes. It shall use a variety of methods for this reporting (e.g. annual reports, videos, web page, newsletter articles, survey reports, meetings, etc.).
- 2.2.1.8. Exercise particular concern for the spiritual and physical welfare of the Senior Pastor and other called workers, supporting them with prayer and appropriate counsel.
- 2.2.1.9. In consultation with the Senior Pastor, develop and refine a position description for the Senior Pastor.
- 2.2.1.10. Pursue Strategic Alliances as appropriate.
- 2.2.2. The BoSL's fiscal responsibility shall be discharged by the following:
 - 2.2.2.1. Monitor the fiscal soundness of the congregation.
 - 2.2.2.2. Appoint one BoSL member to serve with the Finance Support Ministry Leader when appointing a financial auditor/reviewer.
 - 2.2.2.3. Receive the report of the financial review directly from the reviewer. Review and accept this report.
 - 2.2.2.4. Affirm an annual fiscal plan/budget prior to presentation to the congregation.
 - 2.2.2.5. Establish policies limiting Senior Pastor financial authority, budget development and control of assets.

2.3. **BOSL MEMBER RESPONSIBILITIES**

- 2.3.1. **Operational Covenant:** Each member of the BoSL pledges to serve the Lord, the congregation and each other through efficient and effective service.
- 2.3.2. **Fellowship Covenant:** Each member of the BoSL pledges to serve the Lord, the congregation and each other by loving and praying for one another.
- 2.3.3. **Leadership Covenant:** Each member of the BoSL pledges to serve the Lord, the congregation and each other by exemplifying leadership characteristics.
- 2.3.4. **Individual Responsibilities:** Each member of the BoSL pledges to serve the Lord, the congregation and each other by holding themselves personally responsible to ideals listed in Appendix 5.6.

2.3.5. **Operational Responsibilities**

- 2.3.5.1. The BoSL will elect annually its Chair, Vice-Chair, and Secretary at its first meeting in July.
 - 2.3.5.1.1. The Chair shall:
 - 2.3.5.1.1.1. Serve on the Executive Committee of the BoSL.
 - 2.3.5.1.1.2. Work with the Executive Committee and Senior Pastor to establish the agenda for all meetings of the BoSL, Congregational Assemblies, Town Hall Meetings, Open Forums, and any other official meetings of the congregation.
 - 2.3.5.1.1.3. Preside at all meetings of the BoSL and Congregational Assemblies, Town Hall Meetings, Open Forums, and any other official meetings of the congregation.
 - 2.3.5.1.1.4. Initiate counsel with any member of the BoSL who violates policy ensuring that policy 2.3.4. is followed.
 - 2.3.5.1.1.5. Take appropriate actions, which may not be stipulated, but essential for the thorough management of the BoSL's work so long as those actions are not in violation of other BoSL policies.
 - 2.3.5.1.1.6. Assume responsibility for overseeing the work of the Executive Committee.
 - 2.3.5.1.1.7. Sign official documents as required.
 - 2.3.5.1.1.8. Be responsible for and oversee that the minutes and correspondence are accomplished by the Secretary.

2.3.5.1.2. The Vice Chair shall:

- 2.3.5.1.2.1. In the absence of the Chair or by request of the Chair perform functions of the Chair.
- 2.3.5.1.2.2. Serve on the Executive Committee of the BoSL.
- 2.3.5.1.2.3. Initiate counsel with the Chair of the BoSL should the Chair violate policy ensuring that Policy 2.3.4. is followed.
- 2.3.5.1.2.4. Accompany Chair in counseling any member who continues to violate policies after being counseled by the Chair (2.3.4.).
- 2.3.5.1.2.5. Be thoroughly familiar with the congregation's Constitution and By-laws and serve as the primary resource to the BoSL and Congregational Assembly for questions concerning the same.
- 2.3.5.1.2.6. Sign official documents as required.

2.3.5.1.3. The Secretary shall:

- 2.3.5.1.3.1. Maintain the minutes of all meetings of the BoSL and Congregational Assembly.
- 2.3.5.1.3.2. Ensure that proper minutes of meetings are maintained in the church office.
- 2.3.5.1.3.3. Draft and publish approved communications from the BoSL as directed.
- 2.3.5.1.3.4. Be responsible for BoSL communication with the Stewards (2.2.1.7.).

2.3.5.2. The BoSL will normally meet two times per month on a mutually agreed upon day and with each meeting starting and ending at the agreed upon times.

2.3.5.3. Each BoSL meeting will begin with spiritual centering under the leadership of the Senior Pastor, and include group prayer time seeking God's direction for our congregation, guidance in our ministries, strength to overcome our challenges, and lifting up the specific needs of our members and the congregation.

2.3.5.4. The BoSL will determine at the end of each meeting what information and/or actions need to be shared with the congregation as a whole, and post a summary of the meeting minutes and upcoming agenda through the Communicator or some other appropriate medium.

2.3.5.5. Unless excused, each BoSL member will attend each meeting of the BoSL, all meetings of the congregation and each meeting the BoSL

schedules with any other group(s) or individual(s). The Chair or Vice-Chair, in the Chair's absence, may excuse a member from attendance.

- 2.3.5.5.1. Should it be necessary to miss a meeting, members shall make contact with the BoSL Chair or in the Chair's absence, the Vice Chair for dialogue both before and after said meeting.
- 2.3.5.5.2. If a BoSL member misses more than 10% of all anticipated BoSL attended meetings in any given year, the Chair and Senior Pastor will meet with the member to discuss BoSL responsibilities.

2.4. EXECUTIVE COMMITTEE OF THE BOSL

- 2.4.1. The Chair and the Vice-Chair of the BoSL shall constitute the Executive Committee of the BoSL. The Senior Pastor shall be an ex officio member, without vote, of the Executive Committee.
- 2.4.2. The Executive Committee may act on behalf of the BoSL in all matters delegated to it by specific action or by policy of the BoSL. Actions of the Executive Committee shall be reported to the BoSL at the following meeting of the BoSL for ratification.
- 2.4.3. Subject to the following limitations, the Executive Committee shall possess and exercise all powers of the BoSL during the intervals between meetings. However, the Executive Committee shall not:
 - 2.4.3.1. Recommend to congregational members any action requiring congregational approval. Such recommendations shall come only from the BoSL.
 - 2.4.3.2. Establish or modify governing policies.
 - 2.4.3.3. Change the membership of any committee at any time or fill vacancies therein.
 - 2.4.3.4. Discharge any committee either with or without cause at any time.
 - 2.4.3.5. Liquidate restricted stock or assets.
 - 2.4.3.6. Discharge any BoSL fiscal responsibilities as detailed in Section 2.2.2.
- 2.4.4. The Executive Committee shall have the following responsibilities:
 - 2.4.4.1. Plan the program and agenda for BOSL meetings.
 - 2.4.4.2. The Executive Committee shall consistently advise the Senior Pastor of his performance, shall conduct the Senior Pastor's annual performance appraisal and report to the BoSL when it has been completed seeking the BoSL's reaction and approval, prior to or in June of each year.

- 2.4.4.3. The Executive Committee shall meet with the Senior Pastor prior to the beginning of each budget year to offer counsel and affirm the Senior Pastor's intended operational goals for the next year. These operational goals shall form the basis for the Senior Pastor's annual performance appraisal.
- 2.4.4.4. The Executive Committee shall also seek input from the BoSL individually and/or corporately regarding the Senior Pastor's performance. These interviews will focus on adherence to policy only. The Executive Committee shall respect confidentiality to the extent possible when reporting this information to the Senior Pastor or to the BoSL.
- 2.4.4.5. If the Senior Pastor's performance appraisal is less than acceptable, the Executive Committee shall counsel the Senior Pastor and assist him in establishing a plan to improve his performance.

2.5. **GOVERNING PROCESS**

2.5.1. The BoSL shall govern with an emphasis on:

- 2.5.1.1. Spiritual vision.
- 2.5.1.2. Respect for diverse viewpoints.
- 2.5.1.3. Strategic leadership more than administrative detail.
- 2.5.1.4. Clear distinction of BoSL and Senior Pastor roles.
- 2.5.1.5. Collective decisions.
- 2.5.1.6. Forward thinking.
- 2.5.1.7. Proactive addressing of issues and opportunities.

2.5.2. Scope of Activities

- 2.5.2.1. All activities of the BoSL, its officers, committee(s) or members shall relate to the specific responsibilities of the BoSL as formally adopted at BoSL meetings.

2.5.3. The BoSL can act on behalf of the congregation in all matters delegated to it by the Constitution and By-laws or by action of the congregation. However, the BoSL shall not:

- 2.5.3.1. Call or remove called workers.
- 2.5.3.2. Elect or remove members of the BoSL.
- 2.5.3.3. Undertake capital campaigns (any amount greater than 10% of the annual unrestricted revenue projection).

2.5.3.4. Incur long-term debt (more than 10 months in a given year).

2.5.3.5. Buy, sell, mortgage, or transfer real estate.

2.5.3.6. Excommunicate a member of the congregation.

2.5.3.7. Execute a merger or dissolution of the congregation.

2.5.3.8. Execute a merger or dissolution of the School Ministry.

2.5.3.9. Amend the church's Constitution or the By-Laws.

2.5.4. Group Action

The BoSL commits itself and its members to Christ-centered, businesslike and lawful conduct. This includes proper use of authority and appropriate decorum when acting as BoSL members.

2.5.4.1. BoSL members may not attempt to exercise individual authority over the congregation except as explicitly set forth in BoSL policies.

2.5.4.1.1. BoSL members' interactions with the Senior Pastor or other operational staff must recognize the lack of authority vested in individuals except when explicitly authorized by the BoSL.

2.5.4.1.2. BoSL members' interactions with public, press or other entities must recognize the same limitation and inability of any BoSL member to speak for the BoSL except when explicitly authorized by the BoSL.

2.5.5. Governance Policy Development

The BoSL's Governance Policies are to be active and dynamic. They are meant to be changed and refined regularly, based on the intent of each section, the values of the BoSL, and the changing context within which the congregation functions.

2.5.5.1. Resolutions

The BoSL will pass resolutions for specific actions only when those actions are consistent with local, state, and federal law, the church constitution, and the church by-laws.

2.5.5.2. Senior Pastor Actions

All BoSL decisions governing actions of the Senior Pastor shall be done through policy.

Any actions taken or contemplated by the Senior Pastor or any which may be or have been approved through the Senior Pastor, will only be considered in light of the appropriate governing policies. The BoSL will only review the policies for their soundness as a test of Christ-centered and prudent behavior, and will not dictate what are appropriate actions except for compliance with policies. The BoSL shall rewrite policies when appropriate.

2.5.5.3. Governance Policy Review

Any BoSL member, the Senior Pastor or Congregational Assembly may ask for a review of specific policies. However, the ultimate responsibility for effective and appropriate policies listed in Appendix 5.7. rests solely with the BoSL.

2.5.5.4. Governance Policy Review Schedule

The BoSL shall establish a policy review calendar to coordinate the review of every policy as required (no less than once every two years) (See Appendix 5.7.). The BoSL will make every effort to coordinate the calendar with the business cycles of the congregation, reviewing appropriate policies just prior to management actions for decisions.

2.6. ELECTION OF BOSL MEMBERS

2.6.1. BoSL membership: The number of BoSL members shall not exceed six. Members shall be elected on a rotation basis with one third of the BoSL being elected each year. The Senior Pastor shall serve as an ex officio member, without vote, of the BoSL.

2.6.2. A nominating committee shall be chartered each year in January. Details concerning the nominating committee, qualifications of potential members, and other information are found in Section 5.6.

2.6.3. Election

2.6.3.1. Election of BoSL members shall take place each year at the regular meeting of the Congregational Assembly in June.

2.6.3.2. The Congregational Assembly shall elect only individuals who have been nominated in accordance with the By-laws.

2.6.4. Terms of Service

2.6.4.1. A term of service for a BoSL member shall be three years.

2.6.4.2. BoSL members may not serve more than two consecutive elected terms and if appointed to fill a vacancy, may not stand for re-election if another term would extend their service to more than seven years.

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

2.6.4.3.1. In keeping with Section 2.6.1. (the number of BoSL members shall not exceed 6), no more than two BoSL members shall be elected in any given year.

- 2.6.4.3.2. Should the number of BoSL members or their terms of service fall out of alignment with Section 2.6.1., no process other than that contained in Section 2.6.5. shall be used for realignment.

2.6.5. Vacancies

- 2.6.5.1. Vacancies that occur on the BoSL shall be filled in accordance with applicable provisions of the By-laws.
- 2.6.5.2. Appointment to fill a vacancy on the BoSL shall always be to complete an unexpired term and in no case shall such an appointment work in contradiction to the election of one third of the BoSL each year.
- 2.6.5.3. Every effort shall be made to fill vacancies within three months of their occurrence. However, if there is less than one year of service left in the term the position may remain vacant until it is filled through the election process.

2.7. **BOSL SELF-REVIEW**

- 2.7.1. The annual self-review of the BoSL shall focus on:

- 2.7.1.1. The Christ-centeredness of the BoSL's actions.
- 2.7.1.2. The BoSL's openness and communication among its members.
- 2.7.1.3. The BoSL's openness and communication with the Senior Pastor.
- 2.7.1.4. The BoSL's ability and skill in developing and monitoring policy.
- 2.7.1.5. The BoSL's adherence to policy.

- 2.7.2. The BoSL shall create its own self-review process.

2.8. **COMMITTEES OF THE BOSL**

The BoSL may from time to time appoint and use committees, but always consistent with the following principles:

- 2.8.1. Committee responsibilities shall flow directly from the BoSL's description of its job, shall be set forth in a formal written charge with an appropriate period for existence and shall not impinge upon responsibilities delegated to the Senior Pastor.
- 2.8.2. Committees shall not manage any part of the congregation, nor do staff work, except when working on a topic that is fully within the province of the BoSL and has not been delegated to the Senior Pastor.
- 2.8.3. Except when empowered by the BoSL, committees shall have no executive or deciding authority. At all other times they will strive to develop only policy.

3. SENIOR PASTOR RESPONSIBILITIES AND LIMITATIONS

3.1. SENIOR PASTOR ACCOUNTABILITY

- 3.1.1. The Senior Pastor is accountable to the BoSL as representatives of the congregation. The BoSL is to provide the Senior Pastor with policy direction that allows him the freedom to achieve the Mission, Vision, Critical Targets, and Desired Outcomes. (See Section 4.4)

3.2. PRIMARY RESPONSIBILITY

- 3.2.1. The Senior Pastor is given a divine call to oversee Prince of Peace Evangelical Lutheran Church with the specific responsibility and mission to discern His will, care for His people, and provide His purpose to be implemented with the support and guidance of the BoSL.

3.3. COMMUNICATION AND SUPPORT TO THE BOSL

At a minimum, the Senior Pastor shall:

- 3.3.1. Ensure the BoSL is informed and supported in its work.
- 3.3.2. Provide written reports for all monitoring data at scheduled BoSL meetings (See 4.6.2.)
- 3.3.3. Make the BoSL aware of any important situations relating to operations and staffing.

3.4. FINANCIAL

The Senior Pastor shall follow a financial plan consistent with the LCMS Congregational Treasurer's manual. The Senior Pastor shall not:

- 3.4.1. Cause or allow a financial plan which:
 - 3.4.1.1. Develops a fiscal year budget after the beginning of the fiscal year (July 1).
 - 3.4.1.2. Is built on anything other than an operational plan which moves the congregation forward with regard to its Vision and Critical Targets.
 - 3.4.1.3. Is built on unsound assumptions about financial conditions. Financial conditions are defined as projected earnings/contributions, operating costs, other income/expense, and transfers from investment income.

- 3.4.1.4. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period or future periods.
- 3.4.1.5. Calls for a “faith factor” exceeding 3% beyond conservative projection of annual projected unrestricted offerings without congregational approval.
- 3.4.1.6. Fails to include line items to support BoSL initiatives.
- 3.4.2. Allow the development of an annual financial plan without previewing and updating an operational plan.
- 3.4.3. Allow the use of any planned giving receipts that deviates from the intention of the established endowment committees or the Gifts and Memorials Policy.
- 3.4.4. In reporting financial activities and condition, allow deviation from generally accepted accounting principles as established by the Financial Accounting Standards Board (FASB).
- 3.4.5. Allow the investment of any financial assets that is in conflict with the Mission, Vision, and Critical Targets of the congregation.
- 3.4.6. Allow credit to be extended except in furtherance of PoP’s ministry. All draws on approved lines of credit must be reported to the appropriate Ministry Leader who will submit invoices or other proper documentation to the Ministry Administrator for payment.
 - 3.4.6.1. Allow the congregation to carry short-term debt for longer than 10 months in any fiscal year.
- 3.4.7. Allow the handling of cash and assets within the congregation that does not comply with written guidelines detailing such activity.

3.5. ASSET PROTECTION

The Senior Pastor shall not:

- 3.5.1. Endanger the staff, congregation, or congregation’s public image or credibility, particularly in ways that would hinder the accomplishment of its Mission.
- 3.5.2. Subject the physical plant, grounds and equipment to improper wear and tear or insufficient maintenance.
- 3.5.3. Expose the congregation, the BoSL or operational staff to claims of liability.
- 3.5.4. Fail to insure against theft and casualty losses to at least 80% replacement value and against liability losses to BoSL members,

operational staff, and the congregation itself in an amount greater than the average for comparable congregations.

- 3.5.5. Fail to protect intellectual property, information, and files from loss or significant damage.
- 3.5.6. Receive, possess or distribute funds under controls that are insufficient to meet the standards of the Finance Committee.
- 3.5.7. Make or allow any purchase on behalf of the congregation over \$2,000 without obtaining comparative prices and quality assessment.
- 3.5.8. Invest or hold operating capital in insecure instruments, including uninsured checking accounts or bonds at any time, or in non-interest bearing accounts except where necessary to facilitate ease in operational transactions.

3.6. OPERATIONAL STRUCTURE

At a minimum, the Senior Pastor shall ensure the operational structure of the church has a positive effect on the Vision and Critical Targets of the congregation, and that the Ministry leaders are provided leadership and communication. To assist in this, the Senior Pastor should:

- 3.6.1. Ensure the church functions with the Lutheran Church Missouri Synod published guidelines for church operations.
- 3.6.2. Operate with a Ministry Administrator who will assist the Senior Pastor in the direction, coordination, communication, and support of the Ministry Leaders.
- 3.6.3. Hold regularly-scheduled operational meetings to include the Ministry Administrator, the Ministry Leaders, and to the extent possible, at least one other member of each Ministry Leadership Team.
- 3.6.4. Hold the operational staff accountable for their actions.
- 3.6.5. Ensure that the operational staff maintains operational plans and procedures that have a positive impact on the growth and development of the ministries of the congregation.
- 3.6.6. Ensure that all policies are maintained in a central location and available to all congregational members.
- 3.6.7. Ensure a written plan is maintained for interim succession or his short-term absences (e.g. disability, sabbatical, medical treatment).

3.7. CRISIS MANAGEMENT PLAN

- 3.7.1. The Senior Pastor shall ensure the congregation operates with a detailed written operational Crisis Management Plan, Evacuation Plan and a plan for alternative worship locations.

3.8. PERSONNEL

At a minimum, the Senior Pastor shall:

- 3.8.1. Ensure the congregation operates with effective, established Operational Policies which, with regard to personnel, clarify personnel rules, provide for the effective handling of grievances, provide for evaluation procedures, and protect against wrongful conditions, such as nepotism and grossly preferential treatment for personal reasons.
 - 3.8.1.1. Personnel Procedures shall:
 - 3.8.1.1.1. Comply with local, state and federal law and regulations with regard to the ethical treatment of employees.
 - 3.8.1.1.2. Support the effective day-to-day operation of the church.
 - 3.8.1.1.3. Establish an effective, written Conflict of Interest Policy for the operational staff.
 - 3.8.1.1.4. Promote the dignity, safety, and right to ethical job-related dissent of all employees. Grievances by employees shall receive fair, internal hearing through procedural safeguards.
- 3.8.2. Adhere to Senior Pastor responsibilities assigned in the Call Procedures.
- 3.8.3. Ensure positions or ministries are defined with position descriptions that accurately reflect the responsibility and tasks assigned to the position.
- 3.8.4. Ensure all positions have adequate resources available, enabling the qualified person assigned the position to succeed.
- 3.8.5. Provide position descriptions and conduct periodic operational staff evaluations and share the results with the appropriate staff member.
- 3.8.6. Inform the operational staff of the process being used to make decisions except where it is required to maintain the personal privacy of those being served or as required by law or these Policies.
- 3.8.7. Ensure operational staff are aware of their rights under these policies.

- 3.8.8. The Senior Pastor shall not guarantee a Call to any person who is hired for an internship position. During the consideration of intern employees, the Senior Pastor shall communicate to the school the intern attends, and the potential intern that the intern position does not guarantee a Call.

3.9. COMPENSATION

At a minimum, the Senior Pastor shall:

- 3.9.1. Ensure compensation complies with the ranges identified in the Synod's "Congregational Treasurer's Manual" (<http://www.lcms.org/resources/ctmanual>) and provide justification for any compensation that deviates materially from the geographic or professional market skills for the called or employed person.
- 3.9.2. Recommend, in conjunction with the annual budget process, salary increases and bonuses based on merit, as justified in the performance review and by available resources. (See 3.4.1.4 and 3.4.1.5)

3.10. MINISTRY PROGRAM

At a minimum, the Senior Pastor shall:

- 3.10.1. Ensure programs and other services contribute to the achievement of the Critical Targets.
- 3.10.2. Ensure the Ministry Leaders train and utilize lay members of the congregation throughout their area of ministry as appropriate.
- 3.10.3. Ensure the Ministry Leaders meet with their Leadership Teams regularly to:
- Assess the ministry needs of the community to determine whether new ministries and task teams need to be initiated.
 - Seek input from those the ministry seeks to serve.
 - Encourage and help the Ministry Leaders to "think outside the box" when considering the possibilities of each ministry.
 - Develop and review the ministry plan for their ministry that support the Critical Targets.
 - Evaluate the effectiveness of the execution of the ministry plan.
 - Evaluate the effectiveness of the Leadership teams for the above items.
- 3.10.4. Ensure the PoP School Ministry Leadership Team, also known as the School Board, functions within the guidelines and policies established in the BoSL Report of the Church-School Ministry Team published May 18, 2005. (Available by request in the church office)
- 3.10.4.1. The appropriate Ministry Leader, in consultation with the School Principal and the Senior Pastor, shall appoint the School Ministry Leader (also known as the School Board

Chairman) who, in turn, shall select the School Ministry Leadership Team (also known as the School Board) in accordance with the established written criteria for membership on the School Ministry Leadership Team.

- 3.10.5. Ensure persons considered for positions as Ministry Leaders and Leadership Team members:
 - Regularly participate in worship, Sacraments, educational and service life of the congregation
 - Undertake personal spiritual disciplines for the development of their own faith lives
 - Are visionary and creative
 - Are willing and able to support the Values, Mission, Vision and direction of Prince of Peace
 - Effectively represent the concerns of the Stewards of the congregation
 - Understand and support the basic concepts of Policy Based Governance as it relates to the structure and function of Prince of Peace
 - Are supportive of the leadership of Prince of Peace
 - Are in regular personal prayer
 - Are joyful managers of their God-given resources
- 3.10.6. Meet personally or through his designee with each Ministry Leader and their respective Leadership Team at least once a year to share vision and give counsel regarding effective ways to provide leadership to their area of ministry.
- 3.10.7. Ensure Ministry Leaders engage with the BoSL at least twice a year.

3.11. STRATEGIC ALLIANCES

- 3.11.1. At a minimum the Senior Pastor shall explore and, as appropriate, establish strategic alliances. (See Appendix 1)

3.12. GIFTS AND BEQUESTS

The Senior Pastor shall develop and execute a plan which promotes the bequests and donation of gifts. These gifts shall be appropriate with respect to the congregation's values, policies, and vision. Undesignated bequests, defined as amounts from a person's will or death benefit left to Prince of Peace, which is designated as beneficiary, would be used in the following manner and order:

- 3.12.1. Repay any debt to self.
- 3.12.2. Fund the Operational Reserve Fund, defined as 1/12th of church operating budget.
- 3.12.3. Any remaining monies will go to the General Gifts and Memorial Fund which will be disbursed by Gifts and Memorial Funds committee.
- 3.12.4 The Congregation shall have an Endowment and Memorials Fund, ("the fund") and it shall be named The Prince of Peace Lutheran Church Endowment and Memorials Fund.

- 3.12.4.1 A Committee will be appointed by the Senior Pastor comprising of at least 3 members to manage the funds and shall report to the Ministry Administrator.
- 3.12.4.2 The fund's purpose shall be to receive gifts and bequests and to use them for the further growth of the mission and the ministry of Prince of Peace Lutheran Church (POPLC). The fund will be made up of restricted, unrestricted and memorial gifts.
- 3.12.4.3 Endowment Fund is defined as a fund which retains the corpus and only the income is available for use. Memorial Fund is define as a fund made up of gifts which are used in their entirety.

4. BOSL/SENIOR PASTOR RELATIONSHIP

4.1. MANNER OF DELEGATING

- 4.1.1. The BoSL develops, monitors, and ensures governance policy is followed; the Senior Pastor's responsibility is to implement that policy.
- 4.1.2. Except for assignments of its own work to committees, consultants or officers, the BoSL shall delegate authority only to the Senior Pastor. Any other subordinate employee or entity operating with the authority of the congregation shall receive that authority from the Senior Pastor or a person assigned such authority by the Senior Pastor.
 - 4.1.2.1. The BoSL shall relate to all operational staff officially only through the Senior Pastor.
 - 4.1.2.2. The Senior Pastor shall accurately and in a timely manner transmit BoSL communications to the operational staff.
 - 4.1.2.3. Members of the BoSL shall be prudent in their contact with operational staff and shall keep the Senior Pastor informed about significant contacts they have with any staff member.
- 4.1.3. The BoSL shall normally address only broad levels of issues in policies of purpose or governance policies leaving operational levels (i.e. operational policies) to the discretion of the Senior Pastor. In the case of the school ministry, the Senior Pastor shall expect the School Ministry Leadership Team (also known as the School Board) to develop and recommend policies for the school.
- 4.1.4. The authority of the Senior Pastor shall begin where the explicit pronouncements of the BoSL end. Except as required by governing policies or law, decisions of the Senior Pastor do not need approval by the BoSL.

4.2. SENIOR PASTOR ACTIONS

The Senior Pastor shall:

- 4.2.1. Be empowered to take all actions and make all administrative decisions that are deemed necessary to accomplish the Mission and attain the Vision except those that (a) violate local, state, or federal law, applicable regulations, orders of courts or commonly accepted business and professional ethics, and (b) violate the Constitution and By-laws or specific further Senior Pastor limitations stated by the BoSL in policies (see Section 3.).
- 4.2.2. Observe the governing policies adopted by the BoSL when developing operational guidelines, rules or procedures and when making decisions.

4.3. ACTIONS REQUIRING BOSL APPROVAL

- 4.3.1. Items that require specific BoSL approval include, but are not limited to (See Section 3):
 - 4.3.1.1. Review and approval of financial reviews in conjunction with the Finance Support Ministry Team.
 - 4.3.1.2. Appointment of legal counsel.
 - 4.3.1.3. Affirmation of the annual fiscal plan/budget.

4.4. SENIOR PASTOR ACCOUNTABILITY

The Senior Pastor shall be accountable to the BoSL for:

- 4.4.1. Achievement of the congregation's Desired Outcomes through personnel and staff actions.
- 4.4.2. Compliance of personal and staff actions within the limits established in the Section 3.
- 4.4.3. Provision of adequate communication to the BoSL through personal and staff action, including counsel on social, legal, theological, district, Synodical and other changes relevant to the BoSL's decision areas.
- 4.4.4. Recommendations concerning the Senior Pastor's position description within the personnel constraints.
- 4.4.5. Ensuring the Senior Pastor's position description does not assign authority that is clearly delegated to some other entity or person.
- 4.4.6. Relating with integrity, honesty, and straightforwardness to the BoSL.
- 4.4.7. Providing a self-evaluation to the Executive Committee prior to the performance appraisal process.

4.5. EXCEEDING SENIOR PASTOR LIMITATION POLICIES

- 4.5.1. The Senior Pastor shall immediately notify the Chair of the BoSL once a Senior Pastor limitation outlined in Section 3. has been recognized to have been exceeded.
 - 4.5.1.1. If the Senior Pastor Limitation has been exceeded for an excessive period of time and has gone unnoticed, the BoSL will develop a better monitoring system.
 - 4.5.1.2. The BoSL shall review any Senior Pastor Limitation Policy that has been exceeded for its soundness as a test of doctrinal, theological, spiritual, ethical and prudent behavior.

- 4.5.2. The Senior Pastor may use internal or external resources to correct the exceeded Senior Pastor Limitation without violating the Senior Pastor Limitations Policies.
- 4.5.3. If the exceeded Senior Pastor Limitation is immediately correctable, the Senior Pastor shall take the necessary action within policies and report the results to the BoSL.
- 4.5.4. After a significant or repeated recurrence of exceeding Senior Pastor Limitations, the Chair will conduct: (1) a performance evaluation of the Senior Pastor and (2) a discussion with the full BoSL about the Senior Pastor's performance.

4.6. MEANS OF MONITORING

4.6.1. Management Reports

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

- 4.6.1.1. The Senior Pastor shall report annually on significant economic, sociological, theological, Synodical, legal and political conditions and trends in the congregation's community that affect the Strategic Focus.
- 4.6.1.2. The Senior Pastor shall report at least quarterly on the activities, plans, and progress toward achieving the Critical Targets.

4.6.2. Direct Monitoring

These are the actions used to confirm compliance with the BoSL's policies in all four policy areas. (See Section 2.3)

The Senior Pastor shall:

- 4.6.2.1. Provide to the BoSL at least quarterly financial statements organized and presented around the financial conditions policy. (See Section 3.3.1.)
- 4.6.2.2. Provide to the BoSL current financial plans as they are developed or materially modified.
- 4.6.2.3. Provide to the BoSL the current criteria established for sound financial conditions. (See Section 3.3.1.)
- 4.6.2.4. Provide to the BoSL new operational structures as they are developed with an explanation of the responsibilities assigned.

- 4.6.2.5. Annually review the plan for operational crisis management, and provide the BoSL with a copy of such plan.
- 4.6.2.6. Provide to the BoSL summaries of each new ministry as it is developed.
- 4.6.2.7. Present to the BoSL semi-annually his personal ministry plan.

4.7 CALLING A SENIOR PASTOR

In the case of a vacancy in the office of the Senior Pastor, the BoSL will initiate the process to install an Intentional Interim Senior Pastor and establish the Senior Pastor Call Committee.

- 4.7.1 The BoSL shall, acting as a call committee, present to the congregation a candidate to receive an appropriately defined call of not less than six months to serve for a limited term as an Intentional Interim Senior Pastor. Article V, Section A of the Prince of Peace Constitution shall apply to the Intentional Interim Senior Pastor.
 - 4.7.1.1 Other actions involving calling of an Intentional Interim Senior Pastor shall be in accordance with Article II, Section 2 of the Bylaws of the Constitution.
 - 4.7.1.2 The Intentional Interim Senior Pastor shall perform all the duties of the Senior Pastor and shall provide advice and counsel to the Senior Pastor Call Committee as requested by the Committee.
 - 4.7.1.3 The Intentional Interim Senior Pastor shall not be currently serving on the PoP staff or have served on the PoP staff in the five years prior.
 - 4.7.1.4 Should an Intentional Interim Senior Pastor be adjudged unnecessary after thoughtful circumspection, the BoSL will, with the assistance of the leadership of the Southeastern District LCMS, arrange for a Vacancy Pastor.
- 4.7.2 When seeking to permanently fill a vacancy in the office of the Senior Pastor, the BoSL shall appoint a Senior Pastor Call Committee. The Senior Pastor Call Committee shall consist of at least one and no more than two members of the BoSL, and at least four members at large from the congregation who have not served on the BoSL for the preceding two years. The BoSL will appoint the chair and vice chair of the Senior Pastor Call Committee from the members of the call committee. As needed and appropriate, the BoSL will fill vacancies on the call committee after the committee has been established.

4.7.2.1 The Call Committee shall:

- 4.7.2.1.1 Establish a set of criteria for the position, with special attention to the leadership needs under Policy-Based Governance,
- 4.7.2.1.2 Seek appropriate assistance from the President of the District and Circuit Visitor or the appointed representative for the Circuit Visitor,
- 4.7.2.1.3 Call for nominations from the congregation,
 - 4.7.2.1.3.1 Associate Pastors currently serving on the POP staff may be included on the call list,
 - 4.7.2.1.3.2 The Intentional Interim Senior Pastor (See Section 4.7.1.3) or Vacancy Senior Pastor shall not be included on the call list,
- 4.7.2.1.4 Establish an effective interview and evaluation process which includes telephone and, as needed, personal interviews,
- 4.7.2.1.5 Senior Pastor Call Committee chair will provide regular updates to the BoSL. Updates will include information concerning status of candidates and a schedule of important events and decisions.
- 4.7.2.1.6 Present to the BoSL a summary of the interviews of each candidate, and
- 4.7.2.1.7 Assist the BoSL in bringing the Senior Pastor Call Committee's recommendations to the congregation in accordance with By-Law Article II Section 2

Appendix 1

DEFINITIONS

Listed in order of appearance within the Policy Manual

Mission Statement

A congregation must have a clear picture of the reason for its existence. A Mission Statement should be a clear and concise statement (typically 25 words or less) of the unique reason or purpose for the existence and efforts of a congregation.

Values

A value is an enduring belief that a specific behavior or outcome is congregationally preferable to an opposite or converse behavior or outcome. When determining a value, one should consider the following:

- What are the values to which the congregation holds firmly and which make the congregation what it is?
- If you changed the values of a congregation, you would effectively change the congregation. If you changed the values of the congregation, it would no longer be what it was and would be a new and/or different congregation.

Vision

The vision is a description of where Prince of People sees itself in the future through prayer and the guidance of the Holy Spirit.

Critical Targets

Critical Targets are the specific, long-term objectives toward which the congregation must make significant progress in order to effectively pursue its Mission.

Desired Outcomes

1. Short-term Desired Outcomes – These are temporary in nature and are designed almost as a dialogue between BoSL and ministry leaders. BoSL believes that successful Short-term Desired Outcomes will be helpful in providing clarity to both ministry leaders and BoSL the remainder of this fiscal year and next as longer range planning is being developed, while facilitating ongoing ministries using our existing missional construct as we discern God's will for us in the longer term.
2. Long-term Desired Outcomes – These are developed in conjunction with the longer range planning and are designed to measure success over a period of years. BoSL prays that God's will be revealed during this fiscal year and next in developing these Long-term Desired Outcomes.

Stewards

The Stewards are those who are the Body of Christ at PoP and who, in faith, consciously invest themselves and their resources in order to expand and enhance the growth of the Kingdom through the congregation's Mission and ministry. A Steward may or may not be officially registered as a member of Prince of Peace.

The Served

The Served are members, active participants, visitors and others who utilize and benefit from the primary ministries offered by the congregation to fulfill its Mission.

The Community

The community consists of the people in the geographical area surrounding Prince of Peace.

Strategic Alliances

Strategic Alliances are mutually beneficial relationships with other organizations (such as SED, Wheatridge, sister congregations, mission congregations) or individuals built upon a common vision or goal, which allows all parties to honor their values, enhance the pursuit of their missions, and maintain operational autonomy.

Appendix 2

CONFLICT OF INTEREST POLICY

The BoSL commits itself and its members to Christ-centered, businesslike and lawful conduct. This includes proper use of authority and appropriate decorum when acting as BoSL members.

1. BoSL members must represent non-conflicted loyalty to the interests of the congregation. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any BoSL member who is a recipient or relative of a recipient of the congregation's services.
2. Members must avoid conflict of interest with respect to their fiduciary responsibility.
 - A. There must be no self-dealing or any conduct of private business or personal services between any BoSL member and the congregation except as procedurally controlled to assure openness, competitive opportunity and equal access to "inside" information.
 - B. BoSL members must not use their positions to obtain employment in the congregation for themselves, family members or close associates. Should a BoSL member desire such employment, s/he must first resign from the BoSL.
 - C. BoSL members will annually disclose their involvement with other organizations, with vendors, or any other associations that might produce a conflict of interest.
3. When the BoSL is to decide upon an issue about which a member has an unavoidable conflict of interest, that member may recuse her/himself from the BoSL session or may be excused from the session by the BoSL with a 60% vote of the BoSL, not including the BoSL member in question.

Appendix 3

BOSL NOMINATION FORM

Name of Person being Nominated

Phone

E-mail Address

_____ The "BoSL Responsibilities" and "Accepting Membership Responsibilities" list have been reviewed and the nominee is willing to adhere to these policies should he/she be elected.

_____ Appendix 5.6 "Qualifications and Other Considerations" has been reviewed the nominee understands the process being used.

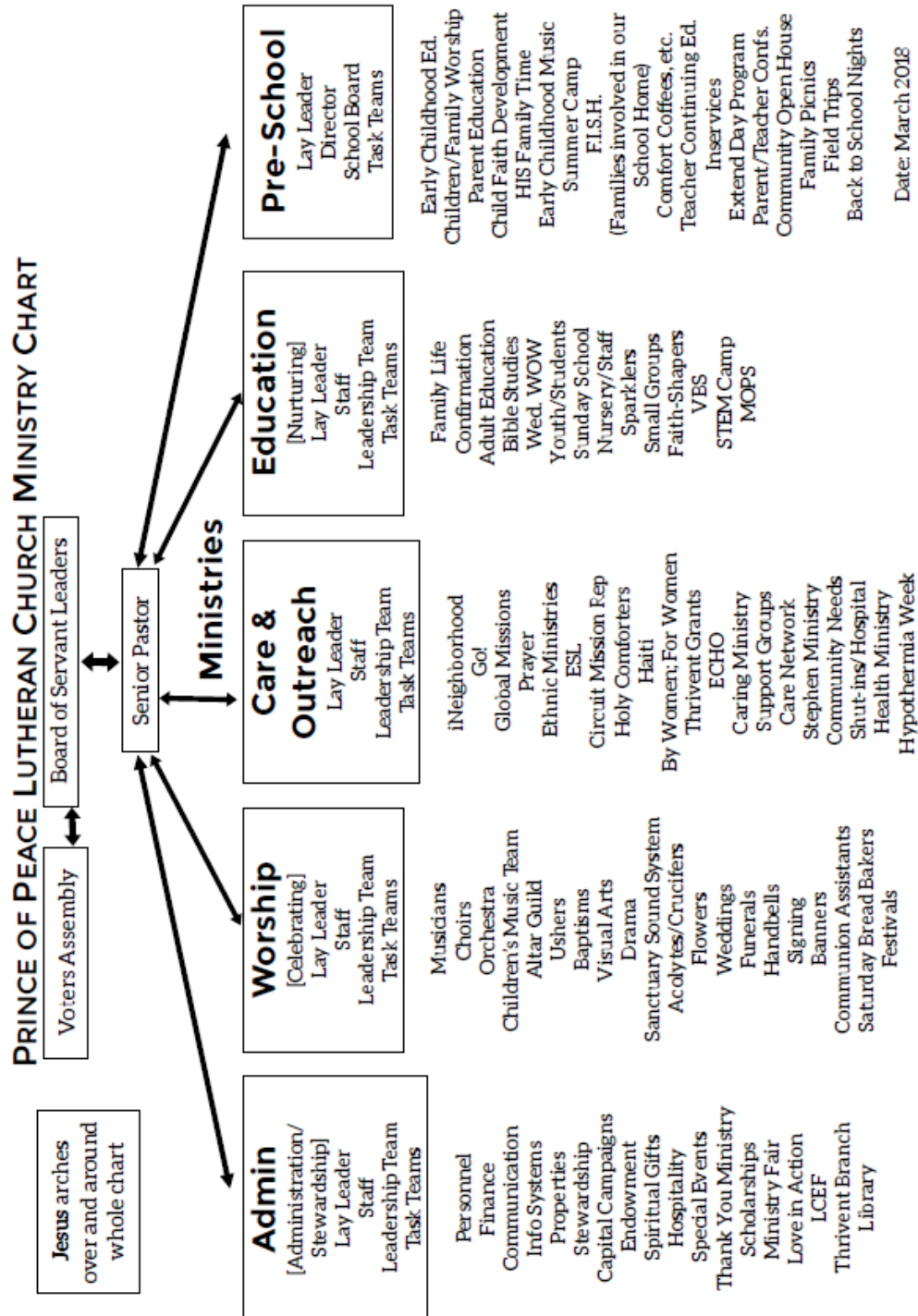
Proved reasons nominee is well qualified to give leadership to our congregation as a member of the BoSL?

Signature

Phone

Appendix 4

GOVERNANCE – OPERATIONS CHART



Appendix 5

BoSL Operation Procedures

Appendix 5 contains information and guidance for the BoSL. Information includes procedures on nominating members from the congregation, and guidelines for running BoSL meetings.

5.1. BOSL MEMBERSHIP AND NOMINATION

- 5.1.1. A nominating committee shall be chartered each January to replace / fill members of the BoSL. The nominating committee will consist of one BoSL member not eligible for reelection (appointed by the BoSL), one member of the Personnel Support Ministry Team (appointed by the Personnel Support Ministry Team), and two members-at-large from the Congregation (solicited from the congregation and appointed by the BoSL). The solicitation process shall be open to the congregation for at least two weeks. The Senior Pastor shall serve as an ex officio member, without vote, of this committee.
- 5.1.2. The Nominating Committee shall be chaired by the BoSL member.
- 5.1.3. The Nominating Committee shall solicit, and receive, the names of prospective candidates from the BoSL or any member of the Congregation.
 - a. When calling for nominations, the Nominating Committee shall inform the congregation of the nominating process and provide to anyone wishing to nominate someone, the appropriate information which shall include "Qualifications and Other Considerations" (See 5.6.), "BoSL Responsibilities" (See 2.2.), "BoSL Member Responsibilities" (See 2.3.), the "BoSL Nomination Form" (See Appendix 3) and a cover letter explaining the nominating process, the schedule, and the election procedures.
- 5.1.4. Anyone who chooses to nominate an individual must acquire that person's permission to be nominated and must submit a nomination form for that person to the Nominating Committee. A person can also be self-nominated.
- 5.1.5. The Nominating Committee shall develop a recommended slate of qualified candidates (see 5.6.) to fill the upcoming vacancies (one third of the BoSL). The Nominating Committee will present a slate to the congregation at least two weeks prior to the Congregational Assembly in June; no nominations will be accepted from the floor of the Congregational Meeting in which BoSL members are being elected.
- 5.1.6. When presenting a slate to the Congregation, the Nominating Committee shall include:
 - a. The list of criteria used to qualify nominees.
 - b. Information regarding each nominee which addresses the qualifying criteria.
- 5.1.7. Procedures for the election process.

- a. The Nominating committee shall present a slate that includes at least one qualified candidate for each position to be filled.

5.1.8 Qualifications and Other Considerations

The BoSL is responsible to be the “keepers of the Vision” for the congregation. They provide the organization and policies that ensure that our ministry can make decisions at every level that help to accomplish the Mission and Vision of PoP.

Leaders of PoP are leaders because they are first servants of Christ and his people. For that reason, identified servant behaviors should be observed in every leadership position. In preparing its recommended slate of candidates for BoSL service, the Nominating Committee must seek candidates who:

- Meet the requirements of BoSL membership as stipulated in the Constitution and By-laws.
- Undertake personal spiritual disciplines for the development of their own faith lives.
 - Regularly participate in the worship, Sacraments, educational and service life of the congregation.
 - Are members of a small group or Bible Study.
 - Are in regular personal prayer and Bible Study.
 - Are joyful managers of their God-given resources as tithers or working towards that goal.
- Are good communicators.
- Are visionary.
- Can effectively represent the interests and concerns of the Stewards of the congregation.
- Agree to support the basic concepts of Policy Based Governance as it relates to the structure and function of PoP.
- Are willing and able to support the Values of the congregation.
- Are willing and able to accept the responsibilities of membership on the BoSL as delineated in “BoSL Members Responsibilities” (See 2.3.).
- Are not a paid employee of PoP working more than 15 hours per week currently or within the immediate preceding three years.
- Support the Mission and Vision of PoP.
- Support the leadership of PoP.
- Are involved in ongoing learning as a spiritual leader.

5.1.8.1 In preparing a slate, the Nominating Committee shall also not nominate:

- Any Pastor, Ministry Leader, or any other operational staff.
- The spouse of a Ministry Leader.
- The spouse of any Pastor or other operational staff.
- More than one individual from any given family with two degrees or less of separation (parents, children, siblings, aunts/uncles, nieces/nephews or in-laws of same, grandparents) shall serve on the BoSL at the same time.

- Anyone who is in their second consecutive term or will exceed seven years of service on the BoSL.

5.1.8.2 The Nominating Committee shall take into consideration diversity issues (age, race, ethnicity, gender, small group membership, etc.) in determining its recommended slate.

5.1.8.3 The Nominating Committee shall take into consideration the current composition of the BoSL in determining its recommended slate.

5.2 BOSL CALENDAR, AGENDA, AND MEETING STRUCTURE

5.2.1 BoSL meetings shall focus on policy.

5.2.2 The following BoSL calendar is a guideline for how events and tasks may occur within a single BoSL term:

July	Conduct new BoSL member orientation and education Elect officers Appoint a BoSL member to liaise with Finance Committee, Personnel Committee, and School Board
August	Review Senior Pastor's personal ministry plan Consider policy review calendar Identify key steward groups and determine interaction schedule
September	Present Servant of Christ Award (if awarded)
October	Town Hall Review strategic focus Review finance audit
November	Review Policy Manual and self-governance
December	
January	Form BoSL Nominating Committee In progress review of Senior Pastor's personal ministry plan
February	Town Hall Ministry leader and staff discussions
March	Conduct BoSL performance appraisal Review strategic focus
April	Review preliminary Ministry plan and budget
May	Review State of the Congregation Conduct Senior Pastor performance evaluation Prepare for Voter's Assembly
June	Affirm Ministry plan and proposed budget Affirm housing allowance for senior pastor Hold Voter's Assembly

5.2.3 The BoSL agenda shall, at a minimum, contain the following sections:

- Spiritual Centering and Sharing
- Approval of Minutes
- Senior Pastor's report

- Discussion of policy issues
 - BoSL Calendar items
 - BoSL dialogs
 - Closing prayer and adjournment
- 5.2.4 Only members of the BoSL, the Senior Pastor and presenters invited by the BoSL or the Senior Pastor shall be seated at the BoSL table.
- 5.2.5 Only those non-members of the BoSL recognized by the Chair shall have speaking privileges.
- 5.2.6 The Executive Committee of the BoSL shall periodically include time in meetings for BoSL education to increase the BoSL's competence for carrying out its responsibilities.

Appendix 6

THE PRINCE OF PEACE LUTHERAN CHURCH ENDOWMENT AND MEMORIALS FUND

6.1 ENDOWMENT AND MEMORIALS FUND ORGANIZATION

The Senior Pastor will appoint five (5) persons to the fund Ministry ("the Ministry"). The Ministry members shall be voting members of POPLC. Except as herein limited, the term of each appointed member shall be three (3) years. Reappointment to additional terms shall be at the discretion of the Senior Pastor. In the event of vacancy of the Ministry, the Senior Pastor shall appoint a member to fill the vacancy. The Senior Pastor will additionally appoint at least three (3) but no more than five (5) members to the 50th Anniversary Church Planting Fund. The Ministry will be administered by the Prince of Peace Ministry Administrator under the supervision of the Senior Pastor.

6.2 DUTIES AND RESPONSIBILITIES OF THE ENDOWMENT AND MEMORIALS FUND MINISTRY

- 6.2.1 The Ministry shall establish policies and conduct the business of the Fund.
- 6.2.2 The Ministry will be responsive to the requests of POP ministries and servants for the portion of the Fund that is unrestricted.
- 6.2.3 The Ministry will work with donors to ensure that restricted gifts fit within the purpose of the growth of the mission and ministry of POP. Once the restricted gift is received, the Ministry will ensure that the funds are used for the designated purpose.
- 6.2.4 The Ministry will determine if an asset which a donor desires to give to the Fund is acceptable. If the asset is not acceptable, the Ministry will immediately explain the reasons to the donor and offer suggestions or alternatives for making the asset acceptable.
- 6.2.5 The Ministry shall maintain investment accounts with any reputable financial institutions that manage funds, as it, by resolution may determine and authorize.
- 6.2.6 Members of the Ministry will ensure no member of the Endowment Fund Ministry shall engage in any self-dealing or transactions with the fund in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which their personal interests would conflict with the interest of the fund.
- 6.2.7 Members of the Ministry will ensure all funds and property shall be kept and maintained separate, distinct, and independent from the funds and property otherwise belonging to POPLC. POPLC and/or the Ministry shall not be allowed to borrow against the endowment fund or use the fund as collateral.
- 6.2.8 The Ministry will maintain and grow the principal of the Fund and distribute its income.

6.3 DURATION

The Prince of Peace Lutheran Church Endowment Fund shall exist as long as POPLC shall continue to exist. Should POPLC cease to exist, the assets constituting the fund when POPLC ceases to exist shall become the property of the Southeastern District of Lutheran Church Missouri Synod or its successor. In all events, the successor must qualify as an exempt organization under the Internal Revenue Code.

6.4 AMENDMENTS

Any amendment to this Agreement, that will change , alter or amend the purposes for which the Fund is established shall be adopted only if approved by the Board of Servant Leaders acting as the elected representatives of the congregation at a duly called and constituted meeting.

6.5 RESPONSIBILITIES

6.5.1 The Endowment Fund Ministry shall establish policies and conduct the business of the Endowment Fund.

6.5.2 The Endowment Fund Ministry will meet semi-annually, or at other times as deemed necessary for the best interests of the Fund. A quorum shall consist of three voting members. When only three voting members are present, a unanimous vote shall be required to carry any motion or resolution.

6.5.3 The Ministry shall select from its membership, a chairman, a recording secretary and a financial secretary.

6.5.3.1 The chairman or his/her designee shall call and preside at all meetings of the Endowment Fund Ministry.

6.5.3.2 The secretary shall maintain complete and accurate minutes of all meetings and supply a copy thereof to each Endowment Fund Ministry member and to the Church Administrator.

6.5.3.3 The Ministry shall prepare an annual report which will be presented to the Senior Pastor through the Ministry Administrator. The report shall render a full and completed audited account of the administration of the Fund during the preceding year. The Ministry shall also prepare a plan for the distribution of Fund income. The plan will be submitted to the Ministry Administrator.

6.6 GENERAL OPERATING PROCEDURES

6.6.1 The Endowment Fund Ministry will be responsive to the requests of POP ministries and servants for the portion of the Fund that is unrestricted. The Endowment Fund Ministry will encourage POP ministries to project annually their Ministry needs from the Endowment Fund to allow the Endowment Fund Ministry to appropriately prioritize and allocate available funds accordingly for the ensuing fiscal year.

- 6.6.2 It is envisioned that the endowment Fund will be made up of two types of corpus, the general and the restricted. The Ministry must ensure that the restricted gift is used as it is designated. It is important that all proposed designated gifts are evaluated carefully at the time of the donation to ensure successful use, as the donor desires. This requires that at the time that a designated gift is given a determination be made that the designation is one that will meet the overall purpose of the further growth of the mission and the ministry of POPLC. It also requires that a review be made that the cost of the proposed designation be consistent with the gift keeping in mind that only the income from the corpus of the gift will be used for the designated purpose. These criteria will be used to evaluate the proposed designated gift. If the original designation will not meet the criteria as above stated, the Ministry will work with the donor to revise the designation to ensure that the above criteria can and will be met.
- 6.6.3 The Endowment Fund Ministry will determine if an asset which a donor desires to give the Fund is acceptable. If the gift is other than cash, the value of the asset must exceed the estimated cost of maintenance or sale of the asset so that a true net value exists. If the asset is not acceptable, the Endowment Fund Ministry will immediately explain the reasons to the donor and offer suggestions or alternatives for making the asset acceptable. All funds received will be acknowledged in writing to the donor indicating any designations for which the donations is intended or acknowledged in writing to the donor indicating any designations for which the donations is intended or acknowledging that the donation is unrestricted.
- 6.6.4 An original selection will be made of an investment house to manage the assets of the fund. Each year thereafter, the operation of the investment house will be evaluated to determine whether or not to continue with that manager. The determination to continue will be based on the success of the manager to grow the fund, the ability to communicate with the Ministry opportunities available and timely fulfillment of the directions given by the Ministry.
- 6.6.5 Members of the Endowment Fund Ministry will ensure no member of the Endowment Fund Ministry shall engage in any self-dealing or transactions with the fund in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which their personal interests of the fund.
- 6.6.6. Members shall not be liable for losses resulting from the investment of the Fund assets, except losses caused by gross negligence or criminal misconduct. Each member's financial liability shall be limited to those losses caused by his or her individual gross negligence or criminal misconduct. No member shall engage or participate in any self-dealing or similar transaction with Fund assets.
- 6.6.7 Members shall have at all times avoid creating a conflict of interest or the appearance of a conflict of interest with regard to any asset, individual, corporation, or other business entity associated with the Fund.

- 6.6.8 Members of the Endowment Fund Ministry will ensure all funds and property shall be kept and maintained separate, distinct and independent from the funds and property otherwise belonging to POPLC. POPLC and/or the Endowment Fund Ministry shall not be allowed to borrow against the endowment fund or use the fund as collateral. The Fund shall be maintained in accordance with generally accepted accounting principles. The Fund accounts shall be segregated from the general operating accounts of the congregation. No portion of the income generated by the Fund shall be used for the congregation. No portion of the income generated by the Fund shall be used for the annual operating budget of the congregation.
- 6.6.9 Reports, filings, returns, will be provided as required by the BOSL. The Endowment Program and its named funds must be operated within local, state, and federal requirements.
- 6.6.10 For tax, accounting, distribution or other purposes, the fiscal year of Prince of Peace Lutheran Church shall be the fiscal year of the Fund.
- 6.6.11 Within two (2) months after the close of each of the Fund's fiscal years, and at other times, as is deemed convenient, an itemized written statement should be prepared. It must accurately reflect the position of the Fund's income and corpus accounts as of designated date and should indicate the receipts, disbursements, and changes therein since the Fund's inception or the previous accounting, as the case may be. The statement should then be submitted to the Stewardship Ministry.
- 6.6.12 The accounting records of the Endowment Program shall be audited at least annually by a certified public accountant or CPA firm that is independent of the Endowment Program. The cost of the audit shall be borne by the income of the Fund.
- 6.6.13 This provision is specifically addressed to the unrestricted portion of the Endowment Fund. In order for the Fund to accomplish the mission as intended, it will be the policy of the Ministry to withhold any expenditure of income from the unrestricted fund until a corpus of one million dollars has been reached. It is believed that at that time the unrestricted fund will have enough income annually to produce income to create the envisioned benefit to the church body. The distributions will be made based on applications from the ministries within POPLC.

**Prince of Peace Lutheran Church
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